

# Merton Council

## Budget/Council Tax Meeting Agenda

### Membership:

The Mayor, Councillor Oonagh Moulton

The Deputy Mayor, Councillor Margaret Brierly

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

The Budget/Council Tax meeting of the Council will be held on:

Date: Wednesday 2 March 2011

Start time: 7.15pm

Venue: 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](mailto:democratic.services@merton.gov.uk) or telephone 020 8545 3616.

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# Budget/Council Tax Meeting Agenda

## 2 March 2011

1. Apologies for Absence
  2. To Approve the Minutes of the Council Meeting held on 2 February 2011 3
  3. Declarations of Interest <sup>1</sup>
  4. Budget 2011/12, MTFS 2011-15 and Capital Programme 2011-15 (forward plan ref: 1004) 57
- 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
5. Business Plan 2011/12 (Forward Plan ref: 1015) 567

### 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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TIME: 7.15pm – 9.43pm

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

Apologies for lateness were received from Councillor Peter McCabe

1 DECLARATIONS

The following declarations were advised:

Agenda Item 7 – Motion 2

Councillor Stephen Alambritis declared a personal interest on the basis of his being a guest of AFC Wimbledon at a recent match; provided an article in the official AFC Wimbledon programme; and officiated at an AFC match.

Councillor Richard Williams declared a personal interest on the basis of his being a guest of AFC Wimbledon at a recent match.

Councillor Martin Whelton declared a personal interest on the basis of his being a guest at recent AFC Wimbledon matches.

Councillor Diane Neil Mills declared a personal interest on the basis of her being a sponsor of the away kit for the AFC Wimbledon goalkeeper amounting to £200 per year; and

Councillor Simon Withey declared a prejudicial interest on the basis of his having shares in AFC Wimbledon. He stated his intention to leave the meeting during consideration of this item.

Councillor David Williams declared a personal interest on the basis of his being in receipt of hospitality courtesy of AFC Wimbledon (he confirmed that he had

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previously registered the interest on the gifts and hospitality register).

The Mayor declared a personal interest on the basis of her attending various functions associated with AFC Wimbledon.

2 MINUTES (Agenda Item 3)

RESOLVED: That the minutes of the meeting held on 24 November 2011 are agreed as a correct record.

Order of Business

The Mayor sought the approval of Council to the re-ordering of the business detailed on the agenda to allow for the taking of agenda item 17 after agenda item 6.

3 ANNOUNCEMENTS (Agenda Item 4)

The Mayor

I would like to welcome everyone back and wish everyone a happy new year. I am hopeful that council will continue in its good humour and behaviour and we have good, robust debate, at all times in the manner which should promote the dignity and uphold the esteem of the council.

I welcome members of the public sitting at the back. Thank you for joining us and for your questions.

This is the first meeting at which we're graced by Councillor Lord Ahmad of Wimbledon.

With regards to my past events over the last period, I won't go into all the different school plays, concerts and carol concerts that we attended because I'd be keeping you for some time. I would though like to say that it's been wonderful to attend so much in and out of the borough. To give a short flavour, from switching on lights with Haydon the Womble, to Wimbledon Wonderland, the Wimbledon Stables Carol event, and on Christmas Day, the Sacred Heart lunch was a moving event.

We also had a number of awards evenings, not least was the Merton Staff Excellence Awards. We have some great officers, not just in the chamber, and it's great to recognise those. At the other end of the scale, the Merton Adult Education awards for those with learning disabilities springs to mind and that was particularly moving.

There has been a number of good dinners and, not least, the Wimbledon Civic Theatre event at the AELTC which raised a substantial sum of money for that charity, which is a mayoral charity and does an enormous amount of work within the borough, particularly in helping those with disabilities in our secondary schools.

There was also the Polka Theatre Gala and Wimbledon Theatre pantomime and so forth. All of these events, although they sound glamorous, they're very important to raise funds and the establishments with which we're involved.

With regards to our own events, the Christmas dinner raised some good funds for the



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mayoral charities and also our carol service at St Mary's Church. The Holocaust Memorial Ceremony was held here last week was a very moving occasion, at which we were hearing untold stories, and those should continue and long may they do so.

4 QUESTIONS FROM THE PUBLIC (Agenda Item 5)

The written questions and answers and oral supplementary questions and answers can be found at the appendix to these minutes.

5 QUESTIONS FROM COUNCILLORS (Agenda Item 6)

The written questions and answers and oral supplementary questions and answers can be found at the appendix to these minutes.

6 SUSTAINABLE COMMUNITIES WITH AN EMPHASIS ON CULTURE AND SPORT (**Agenda Item 17 of the supplementary agenda**)

The written questions and answers and oral supplementary questions and answers can be found at the appendix to these minutes.

Councillor Martin Whelton introduced the report and formally moved, duly seconded by Councillor Andrew Judge, its receipt.

Report received.

**Motion 1 detailed on the second supplementary agenda (Labour)**

Pursuant to Part 4A Paragraph 8.7 of the Council's constitution, Councillor Stephen Alambritis sought the consent of the meeting, duly given, to alteration of the motion by the deletion of paragraph 6 i.e. "This Council notes the Leader of the Council recently appeared in the AFC v Southport day programme, pledging his support for the club return to Merton."

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

This Council acknowledges the importance of sport to the well being of Merton residents. In particular, this Council notes the importance of football to the social, cultural and sporting life of this country.

In addition to the sporting impact, football teams can help to regenerate areas of social and economic deprivation. Football teams can have a huge impact on health and wellbeing through job creation and investment in youth teams and in other local community programmes.

Merton currently has one semi-professional football team within its boundary – Tooting and Mitcham United FC. The club is an important part of the football legacy of Merton but it is in its contribution to the local community that it is most notable. Tooting and Mitcham have created a sustainable, multi-activity environment within an area of social, sport and health deprivation at the Hub. This community sports facility is a centre of excellence for sport, leisure and health. The hub involves the whole community - regardless of background or fitness level - in a healthy, fun and active

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lifestyle.

This council resolves to continue to work with Tooting and Mitcham football club to maximise the benefits the club can bring to the local community.

This council also acknowledges the borough's long association with Wimbledon football club. The Wimbledon patrimony was returned to its spiritual home in Merton in 2007 and it remains on show in Morden library. However, AFC Wimbledon, the inheritors of the Wimbledon mantle, remain in exile in Kingston. Despite not having a stadium of their own, AFC, a club owned by its fans, have gone from strength to strength and are a credit to the huge community effort behind the club. This council congratulates the club on its excellent performance to date and on its continued role in working with the local community through the Dons Trust and the club's youth academy, which works closely with Merton College.

This council believes it is time for AFC to return home and, in order to maximise the health and wellbeing of local people and to build on our historic footballing legacy, this council agrees to do everything in its power to facilitate AFC Wimbledon in returning to the borough of Merton.

The Mayor put the motion to the meeting and it was

RESOLVED: That

This Council acknowledges the importance of sport to the well being of Merton residents. In particular, this Council notes the importance of football to the social, cultural and sporting life of this country.

In addition to the sporting impact, football teams can help to regenerate areas of social and economic deprivation. Football teams can have a huge impact on health and wellbeing through job creation and investment in youth teams and in other local community programmes.

Merton currently has one semi-professional football team within its boundary – Tooting and Mitcham United FC. The club is an important part of the football legacy of Merton but it is in its contribution to the local community that it is most notable. Tooting and Mitcham have created a sustainable, multi-activity environment within an area of social, sport and health deprivation at the Hub. This community sports facility is a centre of excellence for sport, leisure and health. The hub involves the whole community - regardless of background or fitness level - in a healthy, fun and active lifestyle.

This council resolves to continue to work with Tooting and Mitcham football club to maximise the benefits the club can bring to the local community.

This council also acknowledges the borough's long association with Wimbledon football club. The Wimbledon patrimony was returned to its spiritual home in Merton in 2007 and it remains on show in Morden library. However, AFC Wimbledon, the inheritors of the Wimbledon mantle, remain in exile in Kingston. Despite not having a stadium of their own, AFC, a club owned by its fans, have gone from strength to

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**Motion 2 detailed on the second supplementary agenda (Conservative)**

It was moved by Councillor Janice Howard, seconded by Councillor Maurice Groves and, upon the Mayor putting the motion to the meeting

RESOLVED: That

This Council believes that access to sport and culture plays an important role in providing a good quality of life for Merton residents and therefore supports increasing participation in sports across the borough.

This Council recognises the valuable work undertaken in Merton by AFC Wimbledon to promote sport at grassroots level and affirms its continuing support for the principle of AFC Wimbledon finding a permanent base in the borough, its spiritual home.

The Council believes that the advantages conferred by such a move would include:

- A further increase in sports being played locally;
- A swelling of civic pride;
- The ability to make the most of the current community involvement with AFC Wimbledon;
- The potential to help the regeneration of the area;
- The opportunity to bring additional business and income into Merton;
- and
- The increase of the profile of the borough.

This Council therefore resolves to work closely with AFC Wimbledon and its supporters in pursuit of the club's return to its roots here in Merton.

7 REPORTS OF COMMUNITY FORUMS (Agenda Item 8)

The Mayor confirmed the advice found on the agenda that both the Mitcham and Wimbledon Community Forums had been cancelled.

Reports otherwise received.

8 NOTICES OF MOTION (Agenda Item 9)

The Mayor apprised the meeting of the following advice given by the Chief Executive:

"Members may be aware that the London Councils' Leaders committee decision in relation to the grants review was recently challenged in the High Court. The judgment and its impact upon the grants categorisation is in the process of being

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evaluated and will be considered by an upcoming meeting of the Leaders committee.”

### **Motion 1 (Conservative)**

Pursuant to Part 4A Paragraph 8.7 of the Council’s constitution, Councillor James Holmes sought the consent of the meeting, duly given, to alteration of the motion by the inclusion of the following phrase at the end of the 3<sup>rd</sup> bullet point – “subject to further development resulting from the outcome of the Judicial Review of 28 January 2011.”

It was moved by Councillor James Holmes and seconded by Councillor Chris Edge Merton Council notes that:

- following the recent review of the future role and scope of the London Boroughs Grants Scheme, the London Councils Leaders’ Committee agreed in December 2010 to an overall level of expenditure of £17.691 million for the Grants Scheme in 2011/12;
- net borough contributions for 2011/12 are due to be £13.241 million in total which represents a reduction of 49.7% on the 2010/11 subscription;
- Merton’s own contribution towards the London Boroughs Grants Scheme is therefore set to reduce from £695,932 in 2010/11 to £352,492 in 2011/12 – a total reduction of £343,440 - subject to further development resulting from the outcome of the Judicial Review of 28 January 2011.

This Council appreciates the considerable economic and social value of Merton’s diverse network of charities, social enterprises and voluntary organisations and applauds the extraordinary work they do every day to support the most vulnerable in our community and improve the lives of Merton residents from all backgrounds.

This Council also recognises that these are financially difficult times for government at every level but believes that financial pressures should not lead to unnecessary cuts in the services delivered by voluntary and community organisations in Merton, and is therefore concerned about the current administration’s proposals to withdraw funding in 2011/12 from some of these local groups.

As such, this Council believes it is important that the monies repatriated to Merton through the reduction in its contribution to the London Boroughs Grants Scheme are spent locally to support the valuable work undertaken by voluntary and community organisations in the Borough, and therefore resolves to invite Cabinet at its meeting on 14<sup>th</sup> February 2011 to consider options which:

- 1) provide for all monies repatriated from the London-wide Grants Scheme to be used to fund local voluntary sector activities here in Merton;
- 2) ensure that these repatriated funds are in addition to what Merton Council already spends on the voluntary sector and are not simply absorbed into the wider General Fund Revenue Budget of the Council.

### **Labour Amendment**

It was moved by Councillor Edith Macauley and seconded by Councillor Mark Betteridge that Motion 1 is amended by the deletion from the 3<sup>rd</sup> paragraph of the phrase “,and is therefore concerned about the current administration’s proposals to withdraw funding in 2011/12 from some of these local groups”

The Mayor put the amendment to the meeting and it was declared to be carried on a vote of 33 for the amendment and 26 against.

The Mayor put the amended motion to the meeting and it was

RESOLVED: That

Merton Council notes that:

- following the recent review of the future role and scope of the London Boroughs Grants Scheme, the London Councils Leaders’ Committee agreed in December 2010 to an overall level of expenditure of £17.691 million for the Grants Scheme in 2011/12;
- net borough contributions for 2011/12 are due to be £13.241 million in total which represents a reduction of 49.7% on the 2010/11 subscription;
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This Council also recognises that these are financially difficult times for government at every level but believes that financial pressures should not lead to unnecessary cuts in the services delivered by voluntary and community organisations in Merton.

As such, this Council believes it is important that the monies repatriated to Merton through the reduction in its contribution to the London Boroughs Grants Scheme are spent locally to support the valuable work undertaken by voluntary and community organisations in the Borough, and therefore resolves to invite Cabinet at its meeting on 14<sup>th</sup> February 2011 to consider options which:

- 3) provide for all monies repatriated from the London-wide Grants Scheme to be used to fund local voluntary sector activities here in Merton;
- 4) ensure that these repatriated funds are in addition to what Merton Council already spends on the voluntary sector and are not simply absorbed into the wider General Fund Revenue Budget of the Council.

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**Motion 2 (Labour/MPWIR)**

It was moved by Councillor Edith Macauley and seconded by Councillor John Sargeant that

This council notes that the 2010 Residents Survey highlighted crime as the number one area of concern for Merton residents. However, Council further notes that the survey has also shown that the fear of crime has been reducing since the introduction of Safer Neighbourhood Teams.

Merton has consistently been one of the lowest crime boroughs in London, largely due to the dedication and hard work of our ward-based Safer Neighbourhood Teams.

Council is aware that the Metropolitan Police Service (MPS) is currently carrying out a review of Safer Neighbourhood Teams and has produced a consultation document which presents generalised options for the restructuring of Safer Neighbourhood Teams in Merton.

Council notes that while the consultation identifies the current level of resources allocated to Merton as comprising 21 Sergeants, 46 Police Constables and 63 Police Community Support Officers (PCSOs), it does not make clear the resources we can expect in the future under any of the new options it presents.

This lack of clarity has caused concern amongst residents who are keen to protect their dedicated local Safer Neighbourhood Teams.

Council notes that Met Commissioner Sir Paul Stephenson recently told the London Assembly: "After seven years it's right that we look at this model to make sure what we've got fits the needs and desires of London. I have yet to be convinced any changes should be made to the model. Safer Neighbourhoods has brought us huge benefits and increased confidence."

Council believes that the importance our residents place on crime needs to be reflected in the MPS consultation. This council therefore calls for transparency from the MPS on the policing resources Merton's residents can expect to see over the coming years, and calls on the Leader and Cabinet to seek a pledge from the MPS not to reduce frontline policing in Merton.

**Conservative Amendment**

It was moved by Councillor David Simpson and seconded by Councillor Logie Lohendran that the motion is amended by the insertion of the underlined words as follows:

This council notes that the 2010 Residents Survey highlighted crime as the number one area of concern for Merton residents. However, Council further notes that the survey has also shown that the fear of crime has been reducing since the

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introduction of Safer Neighbourhood Teams.

Merton has consistently been one of the lowest crime boroughs in London, largely due to the dedication and hard work of our ward-based Safer Neighbourhoods Teams.

Council is aware that the Metropolitan Police Service (MPS) is currently carrying out a review of Safer Neighbourhood Teams and has produced a consultation document which presents generalised options for the restructuring of Safer Neighbourhood Teams in Merton.

Council notes that while the consultation identifies the current level of resources allocated to Merton as comprising 21 Sergeants, 46 Police

Constables and 63 Police Community Support Officers (PCSOs), it does not make clear the resources we can expect in the future under any of the new options it presents.

This lack of clarity has caused concern amongst residents who are keen to protect their dedicated local Safer Neighbourhood Teams.

**Council however acknowledges that, whilst London had 31,395 police officers in April 2008, the latest end of year figures for 2011/12 estimate a total of 32,510 police officers in London – an increase of 1,115.**

Council **further** notes that Met Commissioner Sir Paul Stephenson recently told the London Assembly: “After seven years it's right that we look at this model to make sure what we've got fits the needs and desires of London. I have yet to be convinced any changes should be made to the model. Safer Neighbourhoods has brought us huge benefits and increased confidence.”

Council believes that the importance our residents place on crime needs to be reflected in the MPS consultation. This council therefore calls for transparency from the MPS on the policing resources Merton's residents can expect to see over the coming years, and calls on the Leader and Cabinet to seek a pledge from the MPS not to reduce frontline policing in Merton, **and to continue to work closely with our MPS partner in seeking to improve further the effectiveness of frontline policing in Merton, thus addressing the concerns of residents as expressed in the Annual Residents Survey.**

The Mayor put the amendment to the meeting and it was declared to be carried.

The Mayor put the motion as amended to the meeting and it was declared to be carried.

It was, therefore, RESOLVED: That

This council notes that the 2010 Residents Survey highlighted crime as the number one area of concern for Merton residents. However, Council further notes that the

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survey has also shown that the fear of crime has been reducing since the introduction of Safer Neighbourhood Teams.

Merton has consistently been one of the lowest crime boroughs in London, largely due to the dedication and hard work of our ward-based Safer Neighbourhood Teams.

Council is aware that the Metropolitan Police Service (MPS) is currently carrying out a review of Safer Neighbourhood Teams and has produced a consultation document which presents generalised options for the restructuring of Safer Neighbourhood Teams in Merton.

Council notes that while the consultation identifies the current level of resources allocated to Merton as comprising 21 Sergeants, 46 Police

Constables and 63 Police Community Support Officers (PCSOs), it does not make clear the resources we can expect in the future under any of the new options it presents.

This lack of clarity has caused concern amongst residents who are keen to protect their dedicated local Safer Neighbourhood Teams.

Council however acknowledges that, whilst London had 31,395 police officers in April 2008, the latest end of year figures for 2011/12 estimate a total of 32,510 police officers in London – an increase of 1,115.

Council further notes that Met Commissioner Sir Paul Stephenson recently told the London Assembly: “After seven years it’s right that we look at this model to make sure what we’ve got fits the needs and desires of London. I have yet to be convinced any changes should be made to the model. Safer Neighbourhoods has brought us huge benefits and increased confidence.”

Council believes that the importance our residents place on crime needs to be reflected in the MPS consultation. This council therefore calls for transparency from the MPS on the policing resources Merton’s residents can expect to see over the coming years, and calls on the Leader and Cabinet to seek a pledge from the MPS not to reduce frontline policing in Merton, and to continue to work closely with our MPS partner in seeking to improve further the effectiveness of frontline policing in Merton, thus addressing the concerns of residents as expressed in the Annual Residents Survey.

9 STATUTORY DUTY TO APPOINT A SCRUTINY OFFICER (Agenda Item 10)

It was moved by Councillor Stephen Alambritis, seconded and, upon the Mayor putting the recommendations to the meeting

RESOLVED: That

(1) the Scrutiny Manager is appointed as the designated ‘Scrutiny Officer’ for the Council and that this post be added to the list of Proper Officers in the



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Scheme of Delegation (section 3F-E of the Council's Constitution);

(2) the Chief Executive is given delegated authority to appoint the designated Scrutiny Officer in the event of a change to the post of Scrutiny Manager as a result of reorganisation; and

(3) the proposed revision to the constitution as set out in Appendix A to the submitted report is adopted.

10 CALENDAR OF MEETINGS (Agenda Item 11)

It was moved by Councillor Philip Jones and seconded that the recommendation in the submitted report is approved.

During discussion Councillor Chris Edge raised an objection to the proposed holding of a meeting of the full Council on 11 September 2013.

**Amendment**

It was moved by Councillor Simon Withey, seconded by Councillor Peter Southgate and agreed that the Annual Council meeting to be held in 2014 is brought forward to Wednesday 21 May in that year.

RESOLVED: That, subject to the Annual Council meeting proposed for 2014 being brought forward to Wednesday 21 May of that year, approval is given to the calendar of meetings set out at Appendix 1 to the submitted report.

11 CAPITAL PROGRAMME 2010/15 (Agenda Item 12)

It was moved by Councillor Mark Allison, seconded by Councillor Mark Betteridge and upon the Mayor putting the recommendation to the meeting

RESOLVED: That approval is given to the additional funding for the Sure Start Children's Centres scheme, estimated to be £0.612m, into the Capital Programme, and approval is given to a new capital scheme relating to the technical costs of joining the London Libraries Consortium estimated to cost £45,000.

12 CALL-IN AND URGENCY (Agenda Item 13)

It was moved by Councillor Stephen Alambritis, seconded by Councillor Mark Betteridge and, upon the Mayor putting the recommendation to the meeting

RESOLVED: That the taking of an urgent key decision requiring the waiving of the call-in procedure is noted.

13 CHANGES TO MEMBERSHIP OF COMMITTEES AND RELATED MATTERS (Agenda Item 14)

It was moved by Councillor Stephen Alambritis, seconded by Councillor Mark Betteridge and, upon the Mayor putting the recommendation to the meeting

RESOLVED: That

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- A. Councillor Agatha Akyigyina is appointed as a member of the Adoption and Permanency Panel; and
- B. The changes to the membership of the committees approved under delegated powers since the last report to the Council are noted.

14 PETITIONS (Agenda Item 15)

There not being any petitions presented on this occasion it moved by Councillor Stephen Alambritis second by Councillor Mark Betteridge and

RESOLVED: That the advice provided on those petitions presented to the 24 November 2010 Council is noted.

15 BUSINESS FOR THE NEXT ORDINARY MEETING (Agenda Item 16)

Councillor Debbie Shears confirmed the business for the next ordinary meeting as being 'Strategic Objective Review – Corporate Capacity'.

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PUBLIC QUESTIONS

**1. From: Mr Ross Stevenson**

**To: Councillor Andrew Judge, Cabinet Member for Environmental Sustainability and Regeneration**

**Question:**

“Why are the borough’s civil enforcement officers (CEOs) permitted to travel around the borough in cars? In other boroughs, such as Wandsworth, CEOs get around by bicycle. Why can Merton, which purports to be Green, not emulate this and have its CEOs use bicycles?”

**Reply**

CEOs are required to be transported to and from various areas of the Borough throughout the day and evening.

Due to the number of officers employed, the area, the types of restrictions they are required to cover and to maintain a reasonable level of response time the use of vehicles is the most appropriate method of transport.

**2. From: Jill Smith (Friends of Cottenham Park)**

**To: Councillor Andrew Judge, Cabinet Member for Environmental Sustainability and Regeneration**

**Question:**

“How can the Council justify the non-closure of Cottenham Park thus leaving it open to vandalism and Health and Safety issues, when CP Friends have contributed £95,000 in 2010/2011 for fencing, railings and playground equipment plus, over the past 6 years, at least £15,000 to enhance the park?”

**Reply**

We are, of course, very grateful for the support and good work of the Friends of Cottenham Park and recognise their significant contribution to securing additional capital for investment in the site.

Whilst the improvements in question are all either completed or at an advanced state of progress, the monies for these schemes were applied for in 2009 some considerable time before the current budgetary pressures which have forced the Council to

reconsider its gate locking arrangements. The grant awards were not conditional upon the site being locked and there is no specific reason to assume that some or even all of these improvements will necessarily be undermined by the deletion of our gate locking procedures, assuming that this occurs.

The vast majority of Merton's park and open spaces are not locked at night and, although such sites are not immune to vandalism, we have adopted procedures, on playgrounds for example, that adequately deal with the any problems that do arise, including liaison with the local police and Safer Neighbourhoods Teams if required.

The locking of parks has, in itself, some obvious disadvantages including:

- Does not keep out those who are determined to get into them
- Increases damage to fences and gates due to forced entry
- Reduces passive security benefits offered by law-abiding users
- Restricts use by those not able to visit during core hours (e.g. shift workers)
- Restricts use for dog walking early in the day and late in the evening
- Limits use of short cuts to and from local shopping areas, railway stations, schools and between residential areas – Parks provide the most direct route between many points in the borough and are generally safer being free from traffic
- There is a greater risk of assault to parks staff trying to evict people at closing times
- Presents a negative message about the use of parks, that is, they are not free to use when the user wants to"

We are undertaking risk assessments of affected parks and we have consulted with the Police. There is a mixture of professional opinions regarding the efficacy of locking parks. We will be looking to mitigate any significant risks identified.

### **Supplementary**

I would like to question all on the list of disadvantages of leaving the parks unlocked but I will just address one or two. We would like to know what procedures you will be putting in place to protect our recent investment of £95k in Cottenham Park, which includes £45k of new play equipment. We're wondering what is so special about the 25 key parks that we understand will be locked across the borough, and wonder if there's been the same level of investment as there has in Cottenham Park. You say that you will be looking to mitigate any risks in leaving the parks unlocked. We'd like to know how you will do this when there is no money for staff in our parks. Have you money set aside as a contingency for dealing with vandalism and anti-social behaviour?

### **Reply**

Only five parks will be locked. 20 are locked at the moment. This is done in the main

by a mobile team that costs £57k per year in overtime and because of the massive cuts imposed on the council by the government, we're having to take over £400k from the parks budget this year. This is necessarily a damaging and deleterious cut. The Friends of Cottenham Park have done excellent work and I intend to meet them in March, along with other Friends groups, to look at the issues that are particular to their site, work through those issues, seek to assess the risk of vandalism and anti-social behaviour, and if the Council is clear that there is a real risk, and it's not necessarily the case at every park, then we'll see what we can do to work with the Friends to minimise the risk.

One of the proposals I have had in a recent email from a local resident is to ask if local residents could participate, by rota, in the locking and unlocking of Cottenham Park and that is something we will look at. The final decisions on budgets are not yet made. Because of the loss of funding we are not in a position to save the £400k that is likely to go from the parks budget this year.

Unfortunately that's not the end of it. Because of the cuts announced by central government, we're anticipating possibly having to lose a further £1m from the Greenspaces budget over the following two years. The result is that parks and open spaces in this borough are not going to be as they have been since the foundation of the borough in 1965. We're going to have to work with Friends groups, collectively and individually, to look at a whole range of issues, including governance, local volunteering and donations, and the identity of the parks as a whole.

### **3. From: Jan Bailey Co-Hon Secretary, Raynes Park & West Barnes Residents Association**

**To: Councillor Mark Allison, Cabinet Member for Finance**

#### **Question:**

"The Localism and Decentralisation Bill, currently making its way through parliament, puts strong emphasis on the need for Local Authorities to engage and consult more actively with Local Communities. In the light of this, how can the Council possibly justify the proposal to restrict Community Forums to only one meeting for each area per year. Would it not render them effectively meaningless as a consultation tool?"

#### **Reply**

The council is having to review all of its services and make a number of very difficult decisions over the coming months in order to find savings of £26million for the next financial year. In line with the localism agenda, we also need to consider our local experience of the most effective ways of communicating with local residents, and whether there are better ways of engaging with and consulting residents than our current methods.

The level of overall attendance at community forums in the borough does not justify the current level of expenditure, especially at this time when Merton is experiencing substantial cuts to our funding. The 5 area-based Community Forums are proving to be a very poor means of engaging with residents, attracting fewer than 30 residents per

meeting, at a cost of more than £80 per attendee. This is a cause of concern, as many of these attendees go to multiple meetings, and are already actively engaged with in other ways, for instance through membership of political parties or residents associations. As more than 99% of residents choose not to attend such meetings even though they are paying for them through their Council Tax, this gives the Council a clear understanding that we will need to look at the future of the Community Forums very carefully, and at least make them considerably more efficient and cost-effective, and more representative of the wider community.

Recent examples show that alternatives to Community Forums can attract far better attendance and a higher level of engagement from residents. For example, the public meetings held on 18 January at West Barnes Library and 19 January at Donald Hope Library were attended by more than 250 people who were able to express their views on proposed changes to the library service very clearly and positively with the cabinet member and head of service.

Within our communities, there are already better means of meeting with and consulting residents than Community Forums. For example, many Residents Associations already offer the Council tremendous opportunities to consult with and listen to the views of local residents. The community forums as they currently exist also arguably duplicate some of the excellent work undertaken by residents associations and other groups, whose meetings are often better attended than Community Forums, and whose attendees are frequently more representative of residents. We therefore hope to reduce duplication and find a simpler way to gather and use this information to influence local services.

The new proposal would reduce the meetings from four per year per area, to one annual meeting in each different locality. This will save £45,000 in 2011/12 alone.

Although the detail for this change still needs to be considered, our expectation is that the annual meeting would look and feel very different to the current format. They would become more substantive events taking place in the autumn and directly related to our wider consultation activities, such as setting budgets, and developing the community plan and business plan. We also plan to include an opportunity to hold local public services to account in the form of a question time session for key local decision makers.

We remain committed to ensuring that local people are able to keep up to date with developments in council services, share their views on how services are designed and delivered, and raise issues of local concern. Making this change will offer an opportunity to review how we engage local neighbourhoods and make sure the views of our residents are heard in the most efficient and effective way possible.

To do this, we will be carrying out a piece of work over the next few months to explore how we can improve cost-effective forms of engagement to support this commitment. This will include online engagement – which is increasingly popular with groups who do not traditionally take part in public meetings – and working with those who do an important job in capturing the concerns of local residents, for example residents associations and ward councillors.

## **Supplementary**

I have read the answer. You bring up a couple of meetings which bear directly on my next question. The council, the Wimbledon Guardian and the Evening Standard are relying evermore on internet communication in this area. Poorer members of society, including the 20% of recent graduates who are unemployed, however intelligent and concerned about local issues, may not be able to afford a new computer, or maintenance costs about an existing one. If the council cuts ultimately result in free use of computers in libraries being curtailed, community forum meetings will be their main point of contact for information and expression of views on general matters. How are poorer members of society to avoid being disenfranchised if these meetings are reduced?

## **Reply**

Can I thank this lady and everyone who contributes to all our residents' associations for making them such positive organisations in the borough. Together they contribute greatly to Merton and help the council to engage effectively with residents. I'm afraid that they are much more successful at engaging with our residents than community forums are.

In the position we're in, with the size of cuts to be made, I can't justify spending £45k on meetings that cost £80 per attendee. That is not an appropriate use of our money. We have to look at alternatives, and there are many other than brand new computers. There are many ways that we as councillors and as a council can engage with local residents, including through the very good work of residents' associations like yours.

## **4. From: Mr Anthony Fairclough**

**To: Councillor Mark Allison, Cabinet Member for Finance**

### **Question**

"Do you agree that taking specific action to engage with and involve Merton's residents in budget decisions will increase the understanding of potential difficulties - and lead to decisions that better reflect the public's priorities? If so, what specific actions will be taken?"

### **Reply**

My experience is that residents are reasonably well informed about the cuts that have been made to local authorities by the Conservative-led Government, and do appreciate that the administration is therefore having to make some very difficult decisions.

There are several ways in which residents are engaged with directly when developing the Council's policies, and that their views are taken into consideration. This is especially true for the Budget.

Firstly, the views expressed by residents in the local and national elections need to be uppermost in the administration's minds. The policy commitments made by parties at these elections helped residents make informed choices about the Council's priorities at this time. It is true to say that the allocation of resources between services is extremely

difficult, particularly in times such as these when resources are finite and competing demands are high, but residents who voted at the election voted more than any other for a Party that prioritised low Council Tax rises, improved streetscene and protection of front-line services, particularly for the most vulnerable.

The annual borough survey enables residents to express their ongoing priorities and there is a residents' panel which has a similar role. These too help influence Councillors in their decision-making. Recent results from the Annual Residents Survey suggest that the Council is getting better at targeting its resources to those services and priorities that the public most want, and we will continue to try to improve performance despite the difficult times we are in. For instance, in line with the election results, the most recent survey found a relatively high level of concern about Council Tax, crime and the street scene.

The Council's use of media and communications also helps us engage with residents, inform them of progress with the budget, and give a better understanding of the problems we are facing this year. For instance, there have been numerous budget-related stories in local newspapers, and My Merton has focused on budgetary pressures. Unfortunately, the use of advertising to consult about the budget would be controversial; other Boroughs that have sought to use advertising to obtain residents' views about budget priorities in the light of Government cuts have been criticised by Ministers.

In addition to this, we carry out service specific consultations to garner opinion on particular proposals for changes to services. Recent examples of this include the public meetings held on 18 January at West Barnes Library and 19 January at Donald Hope Library, where more than 250 people attended to share their views on proposed changes to the library service with the cabinet member and head of service.

Well established engagement with the voluntary and community sector has meant that departments involve voluntary sector representatives to consider the impact of service changes, and indeed to develop new ways of working. For example the Community and Housing department worked with voluntary and community sector on a new commissioning strategy for adult social care to ensure that the new strategy took into account their needs.

There are also 5 area-based Community Forums, each meeting four times a year, but these are proving to be a very poor means of engaging with residents, attracting fewer than 30 residents per meeting, at a cost of more than £80 per attendee. This is a cause of concern, as many of these attendees go to multiple meetings, and are already actively engaged with in other ways, for instance through membership of political parties. As more than 99% of residents choose not to attend such meetings even though they are paying for them through their Council Tax, this gives the Council a clear understanding that we will need to look at the future of the Community Forums very carefully, and at least make them considerably more efficient and cost-effective, and more representative of the wider community.

Merton has a Community Engagement Strategy "Get Involved", which sets out how partners will work together to improve the way in which local communities are involved in the decisions that affect their lives. Merton also has a Consultation and Community



Engagement Team which is developing a new Framework for consultation and community engagement. For example, a group of young people in Merton have been empowered to decide how funding from the Youth Opportunities Fund is spent. This group must judge competing applications for funding to assess the best projects to support.

Finally, it is important to remember the key role of Councillors themselves in acting as an intermediary between residents and decision-makers. Merton has many very fine Councillors, and in my view Members of the Council have the single most important role in ensuring that residents' views are taken into account. They have a leadership role within their communities and are better able than any Council institution to reflect residents' views, and to inform residents about difficult decisions that might have to be made. I can think of numerous examples from within my own party where such consultation has been helpful in gaining residents' support and in campaigning for residents' priorities. However, I also note the active role of the Liberal Democrats in West Barnes in ensuring the council was made aware of the level of local support for West Barnes library and campaigning to protect services for vulnerable people in that ward.

If I could suggest one way that we could better involve Merton's residents in budget decisions, increase their understanding of potential difficulties, and lead to decisions that better reflect the public's priorities, it would be for all Councillors to prioritise being active on their residents' doorsteps, as West Barnes Liberal Democrats and many other Councillors clearly already are.

## **5. From: Mr Aaron Wood**

**To: Councillor Martin Whelton, Cabinet Member for Community and Culture**

### **Question**

"The council is planning to extend opening hours at various libraries in the borough, a laudable effort which has been made possible by the previous Conservative administration's investment in self service technology. At the same time it is planning to close Donald Hope library for a day and will not commit to say that it will remain open. In light of these inconsistent moves, will the Cabinet member now come clean and admit that these cuts are a decision by the Cabinet to turn their back on the people of Colliers Wood?"

### **Reply**

The extra hours of opening are for the benefit of all residents in Merton, in that no libraries are currently open on Wednesday afternoons but, from April, the three town centre libraries will be open till 7pm. Comments have been received over the years from Donald Hope Library users asking that lunch-time closures be reviewed: this has been done. It is unfortunate that there is a net loss of four and a half hours at Donald Hope, but given the cut in our government grant and the budget gap of £26 million, difficult decisions have had to be taken in terms of opening hours.

## **6. From: Mr Gary Watkinson**

### **To: Councillor Maxi Martin, Cabinet Member for Children's Services**

I understand that in the run up to the elections in May, the St Helier ward councillors were promising support for an Armed Forces Day event to be held in Morden Park this June, but that since then, no such support has been forthcoming.

I am interested in seeing some solid support from the Council for the event to mark the Armed Forces Day. Can the Cabinet member explain why there was no support given to retain the planned event in Morden Park which would have ensured it was kept inside the borough?

Instead I have learnt that the event has been forced outside the borough and is now to be held at the Arena area in Sutton.

### **Reply**

Some of the assertions in this question are incorrect.

There has been an Armed Forces Day event in Merton since 2009 when the then Mayor, Cllr Nick Draper, introduced this event to the council calendar for the first time. It is not the case that the event has now moved to Sutton. Building on both the 2009 and 2010 events, Merton will make the 2011 event, to be held on Armed Forces Day on 25th June, bigger and better than previous years. Sutton Council is holding its own event on 12th June which is unconnected with Merton's event.

However, it is indeed the case that a group of local residents wanted to hold an Armed Forces event in Morden Park on 25th June, which is during Wimbledon Tennis fortnight. It was explained to these residents that this was not possible as Morden Park is used as an integral part of the planning and delivery arrangements for this major international sporting event that brings many benefits to the borough as a whole. Running a significant public event immediately alongside the existing park-and-ride scheme for The Championships would have imposed some very significant logistical headaches for the local authority and the emergency services and caused considerable further disruption to local people and users of the park and nearby public facilities. The Council was very prepared to consider alternative dates for Morden Park to host an event but alas the residents concerned were not prepared to look at alternative dates to 25th June. I understand they have since decided not to support the Merton Council event and to instead attend Sutton's event which will be held on 12th June.

The council is continuing with its own now annual event on Armed Forces Day on 25th June, which will include a flag raising ceremony at the Civic Centre and a parade along London Road in Morden, followed by a civic service at St. Lawrence's Church. Preparations are well underway and the involvement of local uniformed groups and veterans has been very encouraging. It is expected the event will be well supported by residents.

**Supplementary**

How many people do the council expect to attend the Armed Forces Day event on 25 June? How many people attended last year?

**Reply**

We still haven't completed our list. At this minute, I have over 200 people in the parade. Last year we didn't have a parade, but I think we had about 20 people last year and the year before. I said to the Leader last June that I didn't think this was very good, particularly since I have so many of my residents in Haig Homes, so the Leader suggested I organise it this year. It's all going very well. Loads of people are coming on board and I hope you will all join us.

## AGENDA ITEM 6 – MEMBER QUESTIONS

1 From Councillor Suzanne Grocott to the Cabinet Member for Children’s Services:

I know that the Cabinet member will agree with me that for children placed for adoption, the stability of a permanent loving home is key in ensuring the best life chances for them. I was therefore disappointed to learn that a Merton couple in my ward has waited 13 months to be re-approved for adoption by the Adoption and Permanency Panel because of administrative errors by Merton Council and a lack of co-operation between the varying Health Professionals involved. Would the Cabinet Member agree that delays of this kind are unacceptable?

### **Reply**

The stability of a permanent loving home for Merton’s children in care is key to securing the best life chances for them and Merton is committed to ensuring that as many children in care as possible can achieve this. We currently have 7 children placed for adoption or special guardianship order and have already had 5 children adopted or made the subject of guardianship orders in 2010-11. Carers seeking approval for adoption do have to go through an intensive best practice process to maintain the safety and integrity of permanent outcomes for children in care which is overseen by an Independent Adoption Panel. Whilst we cannot comment on the detail of this particular case we can confirm that administrative delays early in the process were acted upon to prevent their reoccurrence for the future. There are however, on occasions, families where delay to the approval process is unavoidable due to the complexity of the family history and situation. This is because the primary purpose of the process is to ensure that any adoptive placements made will meet the needs of children and are very carefully considered including information from different sources to avoid the possibility of breakdown in future years which causes immense distress to both children and their adoptive carers.

### **Supplementary**

Could the Cabinet Member advise me if she thinks that GP commissioning may have assisted in expediting cases such as this in the future.

### **Reply**

No, I don't think GP Commissioning would have made any difference in this particular case and I am very disappointed that the Member would try to make a political point out of a child's life.

2 From Councillor Iain Dysart to the Cabinet member for Communities and Culture

The administration is presenting proposals to drastically reduce the number of community forums. Whilst attendances have been variable and less than fully representative of our different communities how does he believe that such a move would contribute to community engagement?

### **Reply**

**The Cabinet member for Finance has been asked to respond to this question**

In light of the financial circumstances the council is facing, we have to make a number of difficult decisions by examining current ways of working and assessing whether we are getting value for money. It is clear from this analysis that the level of overall attendance and breadth of representation at community forums in the borough does not justify the current level of expenditure, particularly at this time when Merton is experiencing significant budgetary challenges.

The 5 area-based Community Forums are proving to be a very poor means of engaging with residents, attracting fewer than 30 residents per meeting, at a cost of more than £80 per attendee. This is a cause of concern, as many of these attendees go to multiple meetings, and are already actively engaged with in other ways, for instance through membership of political parties or residents associations. As more than 99% of residents choose not to attend such meetings even though they are paying for them through their Council Tax, this gives the Council a clear understanding that we will need to look at the future of the Community Forums very carefully, and at least make them considerably more efficient and cost-effective, and more representative of the wider community.

Recent examples show that alternatives to Community Forums can attract far better attendance and a higher level of engagement from residents. For example, the public meetings held on 18 January at West Barnes Library and 19 January at Donald Hope Library were attended by more than 250 people who were able to express their views on proposed changes to the library service very clearly and positively with the cabinet member and head of service.

The proposal for community forums is to reduce the meetings from four per year per area, to one annual meeting in each different locality. Details for the format of the new meetings have yet to be finalised, but the expectation is that the annual meetings would take place in the autumn and would link in with our wider consultation activities, such as the development of the business plan and budget. We also plan to include an opportunity to hold local public services to account in the form of a question time session for key local decision makers. The changes to the frequency of community forum meetings will save the council £45,000 in 2011/12.

We remain committed to ensuring that local people are able to keep up to date with developments in council services, share their views on how services are designed and delivered, and raise issues of local concern. We will be carrying out a piece of work over the next few months to explore how we can improve cost-effective forms of engagement to support this commitment. This will include online engagement – which is increasingly popular with groups who do not traditionally take part in public meetings – and working with those who do an important job in capturing the concerns of local residents, for example residents associations and ward councillors.

In particular, it is important to remember the key role of Councillors themselves in acting as an intermediary between residents and decision-makers. In my view Members of the Council have the single most important role in ensuring that residents' views are taken into account. They have a leadership role within their communities and are better able than any Council institution to reflect residents' views, and to inform residents about difficult decisions that might have to be made. In note in particular the active role of the Liberal Democrats in West Barnes in campaigning to protect services for vulnerable

people in that ward. In order to better involve Merton's residents and ensure decisions better reflect the public's priorities, I should like to see all Councillors being as active within their communities as West Barnes Liberal Democrats (and many other Councillors) clearly already are.

### **Supplementary**

One meeting per year is derisory and barely qualifies as window dressing. Wouldn't he agree that now more than ever, community forums provide a prime opportunity for residents to highlight their priorities, and should therefore be enhanced and not undermined?

### **Reply**

These are tumultuous times in politics and many people involved in politics are having to make decisions that, not long ago, they would have regarded as wicked. But enough about the LibDems. I genuinely feel that they joined the Conservative government for the noblest of reasons. But I also feel that if they have a problem with the scale of the cuts that are coming to this council, then perhaps they are in a better position to do something about it than we are. So I would ask him for his assistance in enabling us to have the budget that is required in order to do what we need to for our local residents. I would also say that of all the things we are proposing to do, the reduction in community forums is not the worst. I cannot justify to myself or to anyone here that it currently costs £80 per attendee at a community forum, and for those people to be quite unrepresentative of the community. We have to look at better ways of engaging with our residents. I praise the West Barnes Liberal Democrats because they have done outstanding work in reaching out to their community and have reached many more than 30 people at a time when they've tried to. My response is that I can't justify, in current circumstances, that level of expenditure on engaging with residents, when councillors like Councillor Dysart, and all the other councillors here do a far better job at far better cost.

### **3 From Councillor Brenda Fraser to the Cabinet Member for Adult Social Care and Health**

Following the publication of the Health and Social Care Bill with its wide sweeping reform of the NHS, what strategies is Merton putting in place to ensure that local residents are being kept informed?

### **Reply**

At this stage, while the local implications are being worked out, Merton is relying on the broader communications about these changes from central government, the local NHS and from the media.

The council is already working closely with its partners in the NHS, voluntary sector and elsewhere to look at the local implications of these changes. As these become clearer then it is our intention to communicate pro-actively with our residents to ensure that they are kept up to date. We expect to be able to do this within the next two months.

### **Supplementary**

Are there any national pilots that Merton can effectively demonstrate the effectiveness of the proposed NHS cuts and changes?

**Reply**

Sadly, no there aren't. This is staggering and in addition, there is £20b in cuts going on at the same time. There are no pilots.

4 From Councillor Rod Scott to the Cabinet Member for Environmental Sustainability and Regeneration:

Are the Cabinet Member and the administration prepared to accept the damage to Merton's reputation, including among potential donors to our parks, arising from his ill-judged decision to leave open council parks and gardens overnight thus inviting vandalism, theft and anti-social behaviour, when diverting only the equivalent of one percent of the monies proposed for the wheelie bin scheme would avoid this cut?

**Reply**

At this stage it is not possible to predict what the negative effects of not locking some parks that are currently locked up may be. All sites, including those that are currently locked, and the vast majority that remain unlocked or not possible to secure, are subject to vandalism, theft and anti-social behaviour to some degree. There is no reason to assume that leaving some additional parks open will result in a significant increase in such problems overall, nor that any problems that do arise cannot be addressed either by preventive measures (e.g. overhead barriers to prevent fly-tipping) or remedial action by the authority, its partners and stakeholders. The police, who have been consulted on the matter, are not unduly concerned by this proposal. Indeed in respect of anti-social behaviour they have in the past indicated that locking parks does not resolve problems of groups of people meeting up and can push anti-social behaviour problems onto nearby residential streets or other areas that cannot be secured. A risk assessment is being completed on the affected parks and we shall be seeking to mitigate any impact if this saving is agreed.

The majority of the cost for wheeled bins is a capital as opposed to revenue which is the area of cost for parks locking.

**Supplementary**

The Cabinet Member will have seen the communication from the Marathon Trust which paid £90k to refurbish the Holland Gardens tennis courts, saying that the terms of their grant require the facility to be properly cared for, and expressing concern over the reckless proposal to leave the park unlocked overnight. Has he taken legal advice on our obligation to this particular donor and if so, what is that advice?

**Reply**

I personally haven't asked for advice on this particular donor. Every site will have its own issues. Some will be issues put forward because they're matters of local concern but on inspection, perhaps, we will find that those concerns are not substantiated. When Kingston decided not to lock their parks some years ago, I am told there were widespread objections. They were told there would be vandalism within the parks. In fact the outcome has been very little in terms of damage or detriment. I acknowledge

that there are going to be concerns and if we had the money we should be getting from government we would not be taking this decision. But we are losing so much money that we've got to take difficult decisions. Of the £400k we have to cut this year this is a very obvious budget cut to take at this stage. I will be very glad to meet with the Friend of Holland Gardens. If the Marathon Trust has ongoing concerns I would be very glad to meet with them and look at any particular issues.

5 From Councillor Iain Dysart to the Cabinet member for Education

Could the Cabinet member update us on the proposals being formulated to ensure that his administration pledge to leave South Wimbledon Community Association with facilities at least as good as the existing ones is honoured.

### **Reply**

My colleague is referring to the Cabinet decision in December 2010 to expand All Saints Primary School by establishing a split site at the current South Wimbledon Community Centre. An initial feasibility study of the existing buildings has been conducted and the Association will be able to retain sole use of the 'annexe' building on the existing site and out of school hours use of space to be occupied by the school including a large hall. Additionally, the council has proposed that the Association receive a lease on a local building, Merton Hall, to enable relocation of some of the Association's activities. Council officers have also bid for capital funding to enable some improvement works to be undertaken at the request of the Association.

These measures combined should ensure that all existing activities of the Association can be maintained in good quality accommodation and I very much hope that ongoing negotiations over the next few weeks will allow the Association to agree with the council's proposals.

### **Supplementary**

Will the Cabinet Member undertake to meet with trustees if and when requested at agreed intervals, so we can review progress together?

### **Reply**

We have made a good offer. Officers have met with officers of the South Wimbledon Community Association, and as I understand it, they are content with the offer of alternative accommodation. On Monday 24 January we had an excellent and well attended meeting of parents in this area, to discuss the use of the centre, which was broadly in agreement with that proposal. I have also had the amusing experience of reading a leaflet put out in West Barnes by Councillor Dysart and his colleagues, in the topic of education and in particular, referring to this scheme, where on the one hand he supports my scheme for expanding existing schools as being cost effective, but on the other hand supports the Tory plans for a new school. Typically of his party's position, he sits on both sides of the equation. I have to warn this council that, having been to visit the Minister of Education, with, to his eternal credit, the MP for Wimbledon, I received a very clear indication that the capital sums we need to effectively expand education for primary children in this borough are unlikely to be met by this government, despite the assurances of the Secretary of State.



We as a council, and I call on councillors, need to join together to try and persuade this government we have a 30% growth in children, we cannot play party politics on how to expand. We need to expand the South Wimbledon Community Centre, we need to expand Dundonald. We need to expand other schools in Wimbledon that colleagues are campaigning against. If we don't do that, we'll be in a worse position financially and will have a major question to answer from the parents in this borough.

6 From Councillor Agatha Akyigyina to the Cabinet Member for Children's Services  
Could the Cabinet Member outline the impact of the government's cuts to grants for specific work focusing on children and young people on Children's Services in Merton?

### **Reply**

In summary a broad range of grants which support the work of the CSF Department have been swept up into the Early Intervention Grant which covers diverse functions including children's social care, youth inclusion, early years and education functions. The total reduction across the grants in this new pot is 18%.

An estimated £2.4m of other grants have ceased split roughly (although it is not an exact science) equally between school improvement /education and functions across the rest of the CSF department and commissioned services.

£1m of grants have yet to be announced including the grant for our Youth Justice Service.

### **Supplementary**

Could the Cabinet Member tell me when we might hear about whether the remaining £1m grant will be cut. How does this uncertainty affect our planning in Children's Services?

### **Reply**

I don't know when we'll find out. We're still waiting and it's very difficult. The government has created such uncertainty. I can say that this Administration is committed to protecting front line services for vulnerable young people and that's what we'll do.

7 From Councillor Gilli Lewis-Lavender to the Cabinet Member for Environmental Sustainability and Regeneration:

Does the Cabinet Member recognise the clear importance of resident participation in the deployment of Section 106 monies for the benefit of local communities such as mine in West Barnes?

### **Reply**

The council has been working with local residents and councillors to develop a systematic approach to involving residents in deciding how Section 106 funding is spent. A focus group of representatives from the community forums propose that local 'Ideas Groups' would put forward ideas to officers who would then explore whether project ideas are feasible and in accordance with any agreed parameters for projects in the local area involved. If they are a bid for Section 106 monies to be allocated would be

made. Officers with delegated authority – or Cabinet for bids for £50k or more – will consider the project bids and allocate funding. This process will enable local communities to contribute ideas for how development in their area could lead to funding for projects to improve the local area.

The Localism Bill currently being considered by Parliament could have a considerable impact in this area so we will need to consider our plans in the light of any changes to the planning system as a result of new legislation.

### **Supplementary**

I am particularly concerned about a planning application in my ward which is about a proposal for 72 houses on the AELTC playing fields. At the recent public meeting, residents and one residents' association were pressing for assurances that if any development went ahead, the S106 money would be spent within our community rather than, as is rumoured, across the other side of the borough, on a project that would be unlikely to have a positive impact on my residents' quality of life. Can the Cabinet Member therefore guarantee to meet with residents in the local area to discuss the use of S106 funds in our local community?

### **Reply**

I've had no involvement in discussing the S106 negotiations in respect of this application. Were officers to recommend approval, and I don't know if that is the case, clearly they ought to have discussions with the proposed developers. I would anticipate that, certainly from the perspective of the Executive, we would want an apt proportion to go to affordable housing, and an apt proportion to go to local education, because if the application results in additional housing there will be an increased need for school places. It's going to be vital to support that. One of the principles we're seeking to adopt is for children to walk to their local school. I'm sure there will be aspects in relation to the application that are about that particular site and its environs, where we would be seeking improvements associated with the development. There are different aspects and I can't give a hard and fast reply now. I will be glad to liaise with you and other ward councillors as we move forward.

8 From Councillor Sam Thomas to the Cabinet Member for Environment and Sustainability

Can the Cabinet Member comment on the council's preparedness for snow and ice over the winter period?

### **Reply**

The Council was fully prepared for this year's Winter season. In June 2010 we placed an order for 2,000 tonnes of rock salt to replenish our salt barn. This was delivered in October, as requested, and ensured that the barn was at full capacity, with 2,400 tonnes in stock, at the start of the season. Since the initial delivery, the Council has recently ordered an additional 300 tonnes of salt to ensure the Council is well placed to continue to provide this essential service.

Winter Maintenance Duty Officers have been on call 24 hours a day, 7 days a week since October 2010. They make decisions on gritting activity based on detailed Met

Office forecast. These Officers are Met Office trained and will remain on call until the end of April 2011.

The Council has a modern fleet of gritting vehicles, with snow ploughing capabilities, and has recently invested in new footway gritting equipment to assist operatives with footway gritting operations.

Officers from the Winter Maintenance Team are actively involved in the Winter Maintenance Practitioners Group, where best practise is shared between all of the London Boroughs.

9 From Councillor Maurice Groves to the Leader of the Council:

Will the Leader please explain why one of his Cabinet members asked for and removed from Council control the petition handed in by Councillor Ray Tindle on 24<sup>th</sup> November 2010? Why was this petition, and possibly others, not available on 14<sup>th</sup> December when I chased officers for a response?

### **Reply**

I am not aware of any constitutional or legal impediment to a Cabinet Member wishing to see petitions to the council and indeed it is only right that Cabinet Members take an interest in the concerns raised by local people.

In this case the Cabinet Member was unaware he had been sent the originals and that copies had not yet been sent to the relevant Departments. In future it has been agreed that the originals will go to the relevant Departments from whence copies can be sought where required.

10 From Councillor Russell Makin to the Cabinet Member for Finance

Can the Cabinet Member comment on Merton's local government settlement allocation?

### **Reply**

Merton has found the Local Government Finance Settlement for 2011/12 and 2012/13 extremely challenging and we are still struggling to find ongoing savings to enable us to set a balanced budget for 2011/12. At the outset of this years' budget process we were faced with a shortfall in funding of over £70million over the next four years.

Merton's formula grant is being cut by 13.3% in 2011/12 and 9.4% in 2012/13 and being a "floor" authority, our funding has been at the lowest level possible for over five years.

As you will appreciate, these funding levels also need to be seen in the context of increasing levels of inflation. There is, therefore, a significant real terms reduction in funding for at least the next two years.

This has been exacerbated by the front-loading of cuts, and the impact of significant cost pressures and reduction in income as a result of the economic recession. The front loading of cuts has resulted in the need to accelerate budget reductions which is a less efficient way of approaching the problem.

The way that the information contained in the Provisional Settlement has been presented was not ideal and there could have been far more clarity about which grants were being-rolled-in, which were ending, which were under review and so on.

The current formula grant funding methodology is far from transparent and not easy to understand.

#### Top-slicing of Formula Grant

Merton's Formula Grant has been top-sliced by £0.543m to enable Central Government to fund new initiatives, particularly new academies. Regarding funding for Academies, it was extremely disappointing that there was no consultation on the method used to top-slice Local Authority Central Spend Equivalent Grant from formula grant. We agree with London Councils that "the transfer of funding does not reflect the changes in service costs facing local authorities.....the top-slice unfairly penalises local authorities as their actual savings will be much smaller than the funding being transferred to academies.....and...it results in an incorrect baseline adjustment, as even though authorities' functions may change their overall costs do not. Reducing the baseline in this way therefore underestimates the formula grant cuts facing each local authority in 2011-12 and 2012-13, and reduces the protection they receive in the form of floors (and possibly Transition Grant).

#### NHS funding to Support Social Care and Benefit Health Grant

There is also the issue of the NHS funding to Support Social Care and Benefit Health grant which has been within all boroughs newly defined "Spending Power" but the NHS has a veto over how we spend the money.

11 From Councillor David Dean to the Cabinet Member for Environmental Sustainability and Regeneration:

Can the Cabinet member tell me why it is that in Fairlawn Road, when virtually the whole road and the nearby nursery petitioned to keep the safe single yellow line, he wants to replace them with 4 pay and display bays?

#### **Reply**

There are currently parking provisions for the residents but no legal parking provisions to cater for visitors to the nursery or the church. Over the years parents have had to park on yellow line restrictions and run the risk of getting a Penalty Charge Notice. Additionally, the nursery operates a minibus for outings and they are often at risk of obtaining parking fines due to the lack of parking provisions. Although single yellow line restrictions often work for loading and unloading, they are not suitable for the parking needs of the nursery and other local businesses. It is believed that the proposed short term parking bays would benefit the local businesses during the CPZ hours of operation and can be utilised by residents after the hours of operation (Mon-Sat 8.30-6.30). The Council will be undertaking the appropriate statutory consultation and a final decision will be made after this consultation. All Ward Councillors will be advised of the statutory consultation in due course.

12 From Councillor Sam Thomas to the Cabinet Member for Community Safety, Engagement and Equalities

Can the Cabinet Member comment on the future of ward policing in Longthornton?

## Reply

The future of ward policing in Longthornton is no different from the future of ward policing across the borough (and to some extent across the Metropolitan police area) as central government cuts mean a reduction in police spending. At this stage a number of options have been put forward to MPS central and we are awaiting confirmation of which option they go for. Unfortunately the consultation document does not outline the level of resources each option would entail and in this context it is impossible to say which option would be preferred. Although I understand that the police are under significant pressure to find savings, the key issue for Longthornton and for Merton as a whole has to be maintaining our current level of bobbies on the beat.

13 From Councillor James Holmes to the Cabinet Member for Community Safety, Engagement and Equalities:

How does this Labour administration see the reduction in community forum meetings to just one a year as assisting in community engagement with Merton residents, particularly in light of the fact that community fora have recently been considering the role they can play in determining the use of section 106 money, and also in light of the localism agenda being pursued by the Coalition Government?

## Reply

### **The Cabinet member for Finance has been asked to respond to this question**

The difficult financial situation the council is facing means that we need to ensure we are achieving attendance and value for money for the services we fund.

The 5 area-based Community Forums are proving to be a very poor means of engaging with residents, attracting fewer than 30 residents per meeting, at a cost of more than £80 per attendee. We therefore need to look at the future of the Community Forums very carefully, and at least make them considerably more efficient and cost-effective, and more representative of the wider community.

It is proposed that community forum meetings reduce from four per year per area, to one annual meeting in each different locality. Details for the format of the new community forum meetings have yet to be finalised, but the expectation is that the annual meetings would take place in the autumn. They would link in with our wider consultation activities, such as the development of the business plan and budget, and would include opportunities for local people to hold Merton's key local decision makers to account in the form of a question time session. The changes to the frequency of community forum meetings will save the council £45,000 in 2011/12.

The proposed approach to engaging residents in Section 106 funding is not dependent on quarterly community forum meetings as our aim is to bring councillors and residents together outside of the community forums to look at ideas for determining how these funds should be allocated. Work to develop an approach has involved a focus group of representatives from all the community forums and their proposal is that local 'Ideas Groups' would put forward ideas to officers who would explore whether project ideas are feasible and in accordance with any agreed parameters for projects in the local area involved. If they are a bid for Section 106 monies to be allocated would be made. Officers with delegated authority – or Cabinet for bids for £50k or more – will consider

the project bids and allocate funding.

Whilst we welcome those aspects of the Localism Bill which will support involving residents in decision making there does not appear to be any aspect of the Bill as it stands that would be reliant on community forum meetings taking place as frequently as they currently do.

We remain committed to ensuring that local people are able to keep up to date with developments in council services, share their views on how services are designed and delivered, and raise issues of local concern. We will be carrying out a piece of work over the next few months to explore how we can improve cost-effective forms of engagement to support this commitment. This will include online engagement – which is increasingly popular with groups who do not traditionally take part in public meetings – and working with those who do an important job in capturing the concerns of local residents, for example residents associations and ward councillors.

14 From Councillor Agatha Akyigyina to the Cabinet Member for Community and Culture

In terms of homelessness spending, how much does Merton spend and how does this compare to neighbouring boroughs?

### **Reply**

The Council continues to have the lowest numbers of households in temporary accommodation in London, save the City of London and takes a proactive approach in the prevention of homelessness with 500 homelessness preventions taking place last year. A central plank to the council's homelessness prevention strategy is the use of the private rented sector the supply of which may be affected by the forthcoming housing benefit changes.

The audit commissions value for money website currently provides an analysis on expenditure per head of population on providing temporary accommodation and administering the councils homelessness functions, including the prevention of homelessness. This demonstrates that Merton's spend is the lowest at £6.03 per head of the population when compared to Sutton, Kingston, Wandsworth, Richmond and Lambeth and Croydon.

15 From Councillor Logie Lohendran to the Cabinet Member for Environmental Sustainability and Regeneration:

With regard to his plans to cut the footway and highway maintenance budgets, can the Cabinet Member tell me what work has been carried out to ensure that the impact of increases in compensation claims does not outweigh the proposed saving?

### **Reply**

The Council has a Statutory Duty to maintain the Public Highway. The proposed budget cuts to Highway Maintenance predominantly affect planned maintenance work, which will impact on the Council's ability to respond to non urgent or safety related maintenance works.

The Council will continue to repair dangerous defects to ensure it meets its statutory

duty, however it is recognised that a reduced planned maintenance budget will impact on the volume of emergency repair works and associated spend.

It is important that any cuts in planned and reactive maintenance funding does not lead to increases in claims against the Council for failure to meet its statutory duties. This will need to be closely monitored once the full effects of the proposed cuts have been realised.

16 From Councillor Gregory Udeh to the Cabinet Member for Adult Social Care and Health.

The extent of the Government cuts on social care funding is now estimated at £3billion across the country. This huge funding shortfall will force most local authorities to abandon home help for elderly and disabled people, resulting in a denial of vital social care services to those who need them most.

The Government's requirements from local authorities to find huge savings in the areas of adult social services and health would severely affect quality standards and service delivery targets.

Can the Cabinet Member provide an update on the effects of these cuts to social care funding; and the strategies being put in place to address the problems?

### **Reply**

I very much regret that our funding as a local authority has been cut to such an extent. Many years of efficiency savings in Merton mean that there is little "fat" we can shave off and as a result any cuts will inevitably impact on service delivery. Our strategy as an administration has been to try to minimise the effect of the government's cuts on the most vulnerable people we serve and as a result Adult and Children's Social Services have had a lower savings target than other areas. However, we have still had to make some very difficult decisions. Nonetheless, I believe that we have seen some success with this strategy of endeavouring to protect those most in need.

17 From Councillor Ray Tindle to the Cabinet Member for Environmental Sustainability and Regeneration:

Can the Cabinet member outline what work has been undertaken into the impact of increased traffic pressures on the area around Garth Road in light of the proposed closure of the Borough's other reuse and recycling centre in Weir Road?

### **Reply**

Given that the Weir Road Household Reuse & Recycling Centre (HRRC) handles around 10% of the existing tonnage of the HRRC waste stream, we do not anticipate significantly increased pressure on the area around Garth Road as a result of the proposed closure of the Weir Road. We will however monitor the position and work with our contractor to ensure the maximum possible timely throughput of vehicles. Effectively, with any closure of Weir Road, the situation reverts back to that prior to September 2005 when Merton had only one HRRC located at Garth Road.

In addition since the new South London Waste Partnership contracts were agreed in 2008, there has been a significant reduction in the Council's collected residual waste

being tipped at Garth Road and most is now taken direct to the Viridor site at Beddington. The replacement of the Toploader recycling vehicles with modern compacting waste collection vehicles during 2010 has further lowered vehicle movements and the proposed closure of the Garth Road waste transfer station and direct delivery of dry recyclables would reduce this movement element still further.

Residents' increased use of the new free bulky waste collection service, introduced in November last year, may also lead to a reduction in cars visiting the Garth Road HRRC.

18 From Councillor Sam Thomas to the Cabinet Member for Finance

What is A) the current local government electorate for each Merton ward, B) the average ward electorate for Merton, and C) the percentage variation from the average ward electorate for each Merton ward?

### Reply

The Electoral Registration Officer has supplied the local government electorate for each ward, in order of the electoral registers, as at the monthly alterations date of 4 January 2011. The total local government electorate on that date was 146,358. This gives an average electorate of 7,318. The percentage variation for each ward is shown against the electorate:

<b>Ward</b>	<b>Electorate</b>	<b>Percentage variation</b>
Lower Morden	6,950	-5.03%
St Helier	7,330	+0.16%
Colliers Wood	7,904	+8.01%
Lavender Fields	7,357	+0.53%
Cricket Green	7,925	+8.29%
Ravensbury	7,331	+0.18%
Graveney	7,229	-1.22%
Figge's Marsh	7,922	+8.25%
Longthornton	7,332	+0.19%
Pollards Hill	7,457	+1.90%
Village	6,455	-11.79%
Raynes Park	7,299	-0.26%
Hillside	6,665	-8.92%
Wimbledon Park	8,043	+9.91%
Trinity	7,301	-0.23%
Dundonald	7,018	-4.10%
Abbey	7,458	+1.91%
Merton Park	7,009	-4.22%
Cannon Hill	7,178	-1.91%
West Barnes	7,195	-1.68%

19 From Councillor Miles Windsor to the Cabinet Member for Education:

In light of the Coalition Government's new pupil premium designed to raise achievement among disadvantaged children, can the Cabinet Member tell me how much funding he estimates that we as a borough will get through the pupil premium in 2011?

### Reply



The Pupil premium is to be provided to pupils eligible for Free School Meals. I hope colleagues will have seen coverage in local media encouraging parents to apply for Free School Meals to enable the pupil premium to be claimed. There will be strong ongoing efforts made to maximise the amount of pupil premium payable to the borough's schools.

While this premium is likely to give education in Merton schools around £1.3M in 2011-2012 it is more than offset by the £4,199,560 loss in grants that the Children's budget for Merton will lose in 2011-2012.

20 From Councillor Brenda Fraser to the Cabinet Member for Adult Social Care and Health

Can the Cabinet Member confirm the future of Taylor Road Centre and if the proposed closure does go ahead, what plans have been put in place for those groups currently using the facility?

**Reply**

Taylor Road is included in the budget savings proposals for 11/12. Council officers have held consultation meetings under the Compact with:

Groups delivering services from Taylor Road (9th December 2010)

BME Forum (26th January 2011)

The wider voluntary sector through Involve (9th December 2010).

The options currently being discussed with the groups are that either organisations take on the leasing, management and other associated costs of Taylor Road building, or operate their services from alternative premises. MVSC have already started to research alternative premises for groups to consider.

We are working with groups throughout the process to ensure services continue to be delivered effectively.

21 From Councillor Henry Nelles to the Cabinet Member for Environmental Sustainability and Regeneration:

Would the Cabinet Member please confirm that any new plans for either 165-169 Merton Road or Ravensbury Garages will undergo full and proper consultation with residents before they are brought to Cabinet for consideration?

**Reply**

Any formal planning application submitted for either site would be subject to full consultation with residents, Ward Councillor and statutory consultees. There would not normally be consultation prior to the formal submission of the planning application. Any such planning application would be considered by the Planning Applications Committee as opposed to Cabinet. As far as the disposal of the site is concerned, there are no requirements to consult residents. Where a disposal is likely to be of wider interest, Ward Councillors would usually be consulted.

22 From Councillor Diane Neil Mills to the Cabinet Member for Finance:

Could the Cabinet Member for Finance please confirm which services that were formally

financed by ring-fenced grants will still be provided through alternative means and which services will be terminated?

### **Reply**

The analysis of grants as a result of the Settlement and Central Government's decision to reduce the level of ring-fenced grants has been complex and is still not completely resolved. The current position is that some formerly ring-fenced grants have been rolled into Dedicated Schools Grant which remains ring-fenced, some have been ended and some are still under review.

Details of all savings proposals and equalities impact assessments agreed by Cabinet to date have been provided to Scrutiny Panels and the Overview and Scrutiny Commission. Further information will be included in the report to Cabinet on 14 February, including the latest available information on all government grants.

23 From Councillor Henry Nelless to the Cabinet Member for Environmental Sustainability and Regeneration:

Can the Cabinet member tell me which parks and open spaces will lose out as a result of the administration's proposal to focus on 25 key ones?

### **Reply**

This matter is currently under discussion as part of the current Greenspaces transformation process. The current list of our 25 key parks is merely provisional at this stage and is not yet confirmed. The provisional list is as follows:

1. Abbey Rec.
2. Cannizaro Park
3. Cannons Rec. complex
4. Colliers Wood Rec.
5. Commons Extension
6. Cottenham Park
7. Dundonald Rec.
8. Figges Marsh
9. Haydons Road Rec.
10. Holland Garden
11. John Innes Park
12. Joseph Hood Rec.
13. King George's PF
14. Lavender Rec.
15. Morden Park & Playing Fields

16. Morden Rec.
17. Mitcham Common
18. Nursery Road PF
19. Raynes Park Sport Ground
20. Sir Joseph Hood MPF
21. South Park Gardens
22. Tamworth Rec.
23. Three Kings Piece
24. Wimbledon Park
25. Wandle Valley sites (various, including Ravensbury Park)

24 From Councillor Richard Hilton to the Cabinet Member for Education:

Can the Cabinet Member give me an update on the progress with regard to a new primary school in the Borough following the consideration of this matter by the Overview and Scrutiny Commission on 21<sup>st</sup> December 2010?

### **Reply**

Colleagues will be aware that Cabinet on 6th December 2010 agreed plans to expand a number of schools to meet the significant increased demand for primary school places in the borough. Additional forms of entry will be established in the following schools:

- Gorringe Park
- Liberty
- Morden
- St Mary's
- Singlegate
- William Morris
- All Saints (through establishing a split site at the South Wimbledon Community Centre)
- Dundonald
- Wimbledon Park (subject to an application to the Schools Adjudicator for an Admissions Priority Area)

The previous administration had been seeking to build a new primary school in the North Wimbledon Area. This option was not agreed due to the significant additional cost compared to the expansion of existing schools, the fact that the purchase of the identified site could not be guaranteed, and the proposed scheme could not be

delivered in time to accommodate the projected additional places required.

Nevertheless, the council will keep under review the possibility of building a new primary school should a suitable site become available and subject to the availability of sufficient capital funding from central government.

25 From Councillor Diane Neil Mills to the Cabinet Member for Environmental Sustainability and Regeneration:

Would the Cabinet Member please explain the reason for not progressing the sale of 165-169 Merton Road, complete with planning permission for five high quality townhouses, which effectively replicate the original homes on the site that were destroyed by bombing and those still remaining on both sides of the site?

### **Reply**

Following the collapse of the property market the disposal of 165-169 Merton Road was held until market conditions would support best consideration. This has enabled the council to consider disposing of the property to a housing association to provide a development for re-housing 8 supported people with learning difficulties, thereby supporting the PCT who we have a duty to support.

26 From Councillor Debbie Shears to the Leader of the Council:

I am sure we would all agree that it is important to support both our current and former servicemen and women and their families.

Like me, the Leader will have received a recent letter from the Royal British Legion emphasising the crucial role that home adaptations play in enabling independent living for many veterans. Can he therefore tell me how his administration is responding to the Royal British Legion's call for Merton Council to ensure that, during the budget setting process, Disabled Facilities Grants funding is protected and that sufficient resources are made available to provide essential facilities for those disabled veterans in our Borough that need them?

### **Reply**

On the 25th January the Department for Communities and Local Government wrote to all Local Authority Chief Executives announcing a small change to the allocation methodology for the Disabled Facilities Grant for the financial year 2011/12. In 2011/12 there is £180m available to be distributed as Disabled Facilities Grant to local authorities – an extra £11m more than was available in 2010/11. Under the proposed new methodology all Local Authorities will, as a minimum, receive what they were allocated in 2010/11. The extra £11m will be shared between the Local Authorities using a relative needs weighted index developed by the Building Research Establishment. This index will be used to give additional money to those Local Authorities who would have gained additional resources had the relative needs formula been used to distribute the entire £180m. Those Local Authorities who would have received less on this basis will receive what they were allocated in 2010/11. Merton's allocation in 2010/11 was £444,000. In addition the Council has historically contributed significantly to the DFG programme and will be adding a further £280,000 to the total sum available, making a minimum of £724,000, as was the case in 2010/11. Some slipped and uncommitted capital from

previous years has been offered as a saving to the capital programme, however the 2011/12 programme is unaffected.

With regard to the specific case of the Royal British Legion; Disabled Facilities Grants are means tested in accordance with Government regulations, everyone has to go through the same process and the limited discretion that exists sits with the Director but only in relation to work required which exceeds the maximum mandatory grant of £30000 and that could only be undertaken on a case by case base that could not in all fairness be limited to any particular group such as the Royal British Legion.

## STRATEGIC OBJECTIVE QUESTIONS

27 From Councillor Gilli Lewis-Lavender to the Cabinet Member for Community and Culture:

I recently attended a meeting regarding the one day closure of the West Barnes Library. Would the cabinet member agree that, although savings need to be made, we as councillors have a moral responsibility to protect areas that provide community services to the residents of Merton and that we should seek ways and means to provide services in a more efficient way? Will he also listen to the 240 residents of West Barnes who turned up with me to oppose this closure?

### **Reply**

As the Member will be aware, Merton Council has made £18m of efficiency savings over the last three years. As a result the council is actually very efficient in its delivery of services so cuts of the level we are being forced by central government to find will inevitably impact on service delivery. Nonetheless, if the Member would like to join me in writing to the prime minister to explain this reality to him I am more than happy to do so.

As discussed at the public meeting at West Barnes Library the Cabinet Member is open to suggestions on how it can extend the community usage of its library facilities and to get residents more involved in the running of them. The cabinet member remains committed to finding alternatives to make efficiencies whilst retaining public services.

### **Supplementary**

Can the Cabinet Member please tell me if he will be investigating the Localism Bill, which allows local communities to control local assets such as our library?

### **Reply**

Clearly we have to examine the full content of the bill. Obviously we have the Big Society as well so if people of West Barnes want to run the library as part of the Big Society then we'll also be willing to consider those proposals.

28 From Councillor Iain Dysart to the Cabinet member for Community and Culture

The Cabinet member recently attended a public meeting at West Barnes library with 242 residents. Given the evident value attached to this facility, which raw data alone cannot show, how does he now propose to proceed and demonstrate that the Council in turn values the West Barnes community as highly as those communities who returned Labour councillors last May?

### **Reply**

The revised opening hours proposal for libraries will extend the opening hours available to customers across the borough and takes on board previous consultation comments. The reduction in opening hours at West Barnes Library equates to only 4.5 hours per week and in a time when other authorities are closing their smallest and least used

libraries this shows a commitment to try and retain services whilst achieving significant savings. The Cabinet member is open to suggestions on how we can mobilise the community to make more use of the space at West Barnes Library for other community events and to get volunteers more involved in supporting the library.

Donald Hope, which returned three Labour Councillors, will also close for an extra day a week (4.5hours) as the decisions on opening hours have been based on library usage levels and not on political considerations.

### **Supplementary**

Does the Cabinet Member accept that if the council ultimately pulls the plug on West Barnes Library, even if the efforts to increase usage and community involvement lead to an improved position, which I believe they will, it will constitute a betrayal of our community?

### **Reply**

Can I start by thanking the work of Councillor Dysart and Councillor Jeanes and Councillor Lewis-Lavender on West Barnes Library. I do like to give credit to both parties. In relation to West Barnes Library, clearly we've had to consider many difficult decisions over the past few months. I am pleased to say that West Barnes Library will be remaining open. Going forward we have many difficult decisions given that we have to save £70m over the next four years. We are willing to look at solutions in increasing usage, and working closely with local councillors and the community, who came out in droves at the recent meeting.

29 From Councillor Agatha Akyigyina to Cabinet Member for Community and Culture

Can the Cabinet Member confirm that all Merton Libraries will be remaining open next year and how does this compare to our neighbouring boroughs?

### **Reply**

There are no proposals to close any of Merton's libraries and they will remain open throughout the 2011/12 financial year. Library closures are being felt all across the country and there are currently proposals underway to close libraries in three of our neighbouring boroughs. In difficult financial circumstances Merton remains committed to trying to retain its current library sites for residents.

### **Supplementary**

Could the Cabinet Member tell me if there's been any further update. I've been advised by friends that the libraries will be closing in our neighbouring boroughs of Wandsworth and Croydon.

### **Reply**

Yes, one of the libraries near my ward, in Norbury is being closed. Their justification was that Pollards Hill Library is nearby. I don't think it's any coincidence that both

Wandsworth and Croydon are Conservative controlled. None of the LibDem or Labour boroughs are proposing to close libraries. It's interesting that Councillor Cooper at Wandsworth turned up at the Colliers Wood meeting the other week, whilst at the same time, his borough is slashing half his libraries.

30 From Councillor Samantha George to the Cabinet Member for Community and Culture:

Can the Cabinet member tell me why a decision on options for the replacement of Morden Park Pools has now been further delayed until the Cabinet meeting in March?

### **Reply**

It was important for us to firstly secure a company to operate all of our leisure centres in the long-term so that they too could be involved in the future options for the replacement of Morden Park Pools. At the same time as concluding this we have sought some demand / needs analysis on the borough and surrounds in relation to a replacement Morden Park Pool. Although we commissioned this work from Sport England and Edinburgh University early in the autumn the earliest they were able to produce their findings was late January. We have now received the first draft and officers are reviewing the findings in order to produce the report. With such a significant financial investment needed the administration must ensure that such facilities are most appropriate for the next 50 years. A report will be going to scrutiny in March for pre-decision scrutiny, followed by Cabinet in June.

### **Supplementary**

I am disappointed to note the further delay in a decision until June. However I see the Business Plan that went to Scrutiny last week refers to having three leisure centres in the borough. Does that mean that the Labour Administration are committed to replacing Morden Park pool, particularly given the previous Conservative Administration left £1m in the budget to do so?

### **Reply**

In relation to Morden Park pool, we are in very different financial circumstances now. We have to consider each and every decision given the constraints on the capital budget, given the expenditure going forward. I would like to be able to announce the replacement of Morden Park pool. I cannot be in that position and it would be irresponsible of me to promise that now. The Cabinet is considering all the options and engaging with the relevant scrutiny panel who will undertake pre-decision scrutiny of all proposals for Morden Park pool at the March meeting. We recognise that Morden Park pool plays a vital role in the local community, but I can't give any promises to council tonight.

31 From Councillor Sam Thomas to Cabinet Member for Community and Culture  
What is the cost per user of each Merton library?

### **Reply**



The cost per visit for libraries for the last full financial year (2009/10) is £2.13. The cost per visit for libraries is the lowest in comparison to any of our neighbouring authorities.

Cost per visit for each library without including corporate overheads for 2009/10 is:

Wimbledon Library - £1.07

Morden Library - £1.04

Mitcham Library - £1.57

Pollards Hill Library - £1.41\* (library closed for 4 months, figure based on 8-month opening)

Raynes Park Library - £0.97

Donald Hope Library - £1.92

West Barnes Library - £1.73

### **Supplementary**

Can the Cabinet Member tell me how we go about reducing these costs against the backdrop of cuts from central government.

### **Reply**

Obviously we have to consider the opening costs of libraries and the costs are laid out for us here this evening. We are restructuring the library service to make it more efficient to save £120k next year. We are also proposing to increase library hours overall in Merton, and hopefully council will approve that proposal.

32 From Councillor Suzanne Grocott to the Cabinet Member for Environmental Sustainability and Regeneration:

Could the Cabinet Member confirm that the Dundonald Park changing and toilet facilities will not be closed for any period of time given the popularity of sporting events taking place and their importance in this respect?

### **Reply**

Currently the changing rooms and public toilets at Dundonald Recreation Ground are opened when there is a member of staff on duty in the park. There is currently a member of staff stationed there during the day, Monday to Friday, and again on Saturdays and Sundays in winter and summer when we provide personnel support for booked sports lettings at the site, principally football and cricket. There are no plans to amend these arrangements at this time.

### **Supplementary**

I understand that Dundonald Park is applying for Green Flag status. Would the loss of current amenities have a detrimental effect on that application?

### **Reply**

If the amenities were lost, inevitably it would, but there's no plans to lose the amenities. If the reference is to the primary school expansion, I'm not clear whether you're referring to plans to replace the current rather scruffy changing rooms and pavilion, with an architecturally designed extension to the existing school using the same footprint as the existing premises, but with sports and changing rooms on the ground floor and classrooms above. If that's what you're thinking, I would have thought it could only enhance an application for Green Flag status as it would add a building of character and note in place of the rather run-down facilities at present. If your concern is about the current budget, there are no plans to close the current changing rooms and toilets at Dundonald Park.

33 From Councillor Sam Thomas to Cabinet Member for Education

What will be the impact to the borough in terms of the end of Schools Sports Partnerships?

### **Reply**

After the spending review Richard Hayward the Partnership Development Manager of Merton School Sport Partnership wrote to members of this authority as follows:

"The decision made by the coalition government is at best misguided, myself and my team of dedicated sports development professionals and schools are left puzzled and de-motivated by the clear lack of understanding of what is needed for young people by central government."

"I have been working very hard with the Local Education authority to salvage some of the fantastic structure we have in Merton. The fact is that the team of 60 people working diligently to provide opportunities will be cut to 3 people. The money that was going towards P.E. and sport will not be identifiable and schools will choose against extra provision as funds will be very tight across the board."

I can put the effect of these reckless cuts no better myself.

34 From Councillor Janice Howard to the Cabinet Member for Community and Culture:

I understand that a repeat of the extravaganza that took place in Wimbledon Park in 2006 was scheduled for 2011. Can the Cabinet member tell me whether this is going ahead?

### **Reply**

The Wimbledon Park extravaganza was in 2008 to launch the cultural Olympiad at the handover from Beijing to London. This was one of many events that took place in that year to celebrate the special handover time. Since then officers have been working annually with local community groups to celebrate the cultural Olympiad across Merton. In 2009 the event was at Colliers Wood, in 2010 it was in Raynes Park and in 2011 it will be in Pollards Hill. The 2008 event was made possible due to some external funding which is not available now.

35 From Councillor Geraldine Stanford to Cabinet Member for Community and Culture

Can the Cabinet Member confirm that the Mitcham Carnival will be taking place this summer?

**Reply**

Yes, I can confirm that the Mitcham Carnival will be taking place this summer on Saturday 11 June 2011. In 2012, it will also be taking place on Saturday 2 June as part of the Diamond Jubilee celebrations. The Carnival is a not for profit event and has become an annual tradition for Merton. It involves many local groups and charities and also has a parade, which last year included 23 floats. Although the Mayor's Office facilitates many of the arrangements, the organisation of the Carnival is carried out by an independent community committee, which includes councillors and past mayors.

**Supplementary**

In spite of all the doom and gloom, Mitcham is determined not to be downhearted so the theme for the carnival is Strictly Mitcham. I am aware that the Leader is currently visiting local businesses and I was wondering if he would be visiting the ballroom gown dress manufacturers to invite them to participate in the carnival.

**Reply**

Obviously Mitcham Carnival plays an important role in the local community. I am delighted that it will be part of our Diamond Jubilee celebrations next year. I am working closely with the Leader to drum up support for the carnival this year.

36 From Councillor John Bowcott to the Cabinet Member for Environmental Sustainability and Regeneration:

The Olympics authorities are planning their own traffic flows in relation to the 2012 Olympics tennis event here in Wimbledon. Can the Cabinet member confirm whether consultation has taken place with:

- a) The local authority
- b) The AELTC
- c) Ward councillors
- d) Local residents
- e) Local businesses

**Reply**

Consultation is ongoing with ourselves, AELTC, residents, ward councillors and businesses.

**Supplementary**

I do have to say that as a councillor of Village Ward I have not yet been involved in the

ongoing consultation. Would the Cabinet Member assure the council that councillors will be invited to discuss the possibly competing issues of the Olympic authorities, local residents and the businesses that we seek to represent.

**Reply**

Street management issues are so numerous that I do depend on the initiative of ward councillors to contact the responsible officer and I have no problem with that. The Olympic Delivery Authority are taking a very cautious approach to any roads that may affect the tennis event and Marriott Road would be one such. I would be glad to speak to Councillor Bowcott in relation to any information that comes to me, but also contact Mario Lecordier.

37 From Councillor Laxmi Attawar to Cabinet Member for Community and Culture  
Can the Cabinet Member detail the proposed library hours for 2011/12 in comparison to 2010/11?

**Reply**

The council will be increasing the opening hours of its libraries by 19 hours per week across the borough. Following previous consultations around opening hours with residents there has been a consistent message round ending lunch-time closures and opening on a Wednesday. As a result, Wimbledon, Morden and Mitcham libraries will remain open on a Wednesday afternoon and the other branch libraries will no longer close at lunchtimes. The one trade off in this new opening hours package is that West Barnes and Donald Hope libraries (currently the two least used libraries) will be closed an additional day per week (net four and a half hours loss) but overall the new opening hours package will give residents more access to libraries.

38 From Councillor Suzanne Evans to the Cabinet Member for Environmental Sustainability and Regeneration:

I was surprised to read recently that Wimbledon will be one of two major congestion points during the 2012 Olympics. What alleviation measures is the Council planning to help visitors as well as local residents and businesses?

**Reply**

The ODA have consultants who are working on this project and we are expecting to see their plans in March.

39 From Councillor Russell Makin to Cabinet Member for Community and Culture  
What representations have been made by the administration about the future use of the Olympic Stadium in Stratford?

**Reply**

The Leader last week sent a letter signed by a by a number of Leaders in London supporting West Ham's bid for the Olympic Stadium.

40 From Councillor Richard Chellew to the Cabinet Member for Community and Culture:

Can the Cabinet member please give me an update on progress with regard to the Wimbledon Way - the proposed walking route from town to the tennis?

**Reply**

Merton Chamber of Commerce is leading on the Wimbledon Way under their 'Going for Gold' initiative. A working party of key decision makers has been established to steer the project and this includes the Leader of the Council and the opposition spokesperson for Culture and Communities. To date two meetings have been held and a prospectus has been developed setting out a project timetable and implementation plan so that it can be in place for 2012. The prospectus includes ideas for different zones, the physical needs, technological opportunities, as well as marketing and financial plans. A copy is available from Merton Chamber of Commerce.

41 From Councillor Geraldine Stanford to Cabinet Member for Community and Culture

What preparations been made for hosting the tennis at the 2012 Olympics?

**Reply**

The London Organising Committee of the Olympic (& Paralympic) Games (LOCOG) are organising all London 2012 Games events including the tennis. The area surrounding the venue and the Olympic Route Network comes under the jurisdiction of the ODA and the security measures under the London Fire & Defence Authority. As such council officers are providing the knowledge, support and infrastructure in order to ensure that each organisation is able to deliver successfully in Merton. This will include similar levels of support that are provided to the regular All England Tennis Championships enhanced by the specialist nature of the 2012 Games.

In addition the Council is acting as sub regional lead in forming a Borough Group Support unit to ensure that day to day services are maintained throughout the games period

42 From Councillor Maurice Groves to the Cabinet Member for Community and Culture:

I see from the latest Annual Residents Survey that there was a 5% increase in the number of people rating our leisure and sports facilities good in 2010. Would the Cabinet member agree with me that residents are benefitting from the considerable capital investment put into the Borough's leisure facilities by the previous Conservative administration?

**Reply**

The residents are clearly benefitting from investment put in over a number of years by both parties and also investment by the leisure contractor. This is set to continue to

ensure that our leisure facilities are fit for purpose. However, we should recognise that the resident's satisfaction is more likely to be attributed to the service provided by our leisure contractor Greenwich Leisure Limited, who we have just awarded the new long-term contract to, aiming to keep our residents satisfied for many years to come.

43 From Councillor Laxmi Attawar to Cabinet Member for Community and Culture

Would the cabinet member outline the benefits of the 15 year leisure contract with Greenwich Leisure?

### **Reply**

The benefits from the new 15 year leisure contract with Greenwich Leisure include:-

- Capital investment for a new Youth Zone at the Canons Leisure Centre and Health & Fitness Spa at Wimbledon Leisure Centre.
- Requirement to achieve & maintain Inclusive Fitness Initiative accreditation on the gyms, thus ensuring disabled people can access and be fully integrated into those environments
- To increase participation by those target groups who are less likely to engage in sport and physical activity
- Offering Gym London & Swim London – GLL own programmes, to increase participation by using differential pricing policies
- To benchmark biennially using the National Benchmarking Service and improve performance against these standards
- To maintain Quest quality assurance standards biennially and improve performance in the quality standards
- Delivery of the Council's key outcomes identified in the LAA and Community Plan
- Range of initiatives including Physical Activity Referral Scheme, Volunteering and Routes to Employment
- GLL Sport Foundation
- Social Pricing Policy

44 From Councillor Samantha George to the Leader of the Council:

I've heard from Councillor David Williams about the recent working party meeting on plans to mark the Queen's Diamond Jubilee in 2012. Could the Leader share some of the interesting ideas coming out of the group?

### **Reply**

I am delighted that Cllr Draper has already taken the lead, on behalf of the council, in establishing a cross party working group, which has now had its first meeting.

The Queen has made it known that she does not want public money spent on her

Diamond Jubilee. The working party are bearing this in mind as they plan for Merton's celebrations. The group have already secured the promise of 5 Black Poplar trees (one for each area of the borough) from a benefactor – this is the Queen's favourite tree! The Mitcham Carnival Committee have agreed to change the date of the 2012 event to Saturday June 2nd to kick off the Queen's Diamond Jubilee and launch the borough into the events and festivities leading up to and through the London 2012 Games. The group are working with the Lord Lieutenant's Office and LOCOG to try to produce approved floral displays, whether that be hanging baskets, window boxes, garden and park displays. Our Queen's representative, Sir John Wheeler is in discussions with the Royal Household to see if the Queen will choose to visit Merton on her day visit in 2012 to South London, beyond this there are ideas for school and community involvement that will aim to have a seamless range of celebrations starting with the Queen's Diamond Jubilee and moving into the annual tennis championships and onto the London 2012 torch relay and tennis event in the borough.

45 From Councillor Suzanne Grocott to the Cabinet Member for Community and Culture:

The Corporate Capacity Panel heard recently that key capital projects have been reprofiled to next year yet at the same time are 100% on track to be delivered. Can the Cabinet member explain how both things can be true?

## Reply

### **The Cabinet member for Finance will respond to this question**

It may help to clarify the position if a definition of "on track" is provided. The definition of "on track" is that the project is on course to be completed within the timetable set for the project when it was approved.

Some reprofiling of budget within this timetable for some key projects has taken place and we may need to reprofile again but this does not mean that the project will not be on track to be delivered to the existing timetable which can be over a number of years.

It may also be useful to update Members on the position on the authority's key capital projects which is as follows:

Highway Maintenance Planned Programme – Completed

Footway Maintenance Planned Programme - Completed

Transport for London Schemes - Spending is behind profile but the department confirms that all schemes are currently on schedule to complete to timetable.

Purchase of Waste Collection Vehicles - All vehicles have been delivered within the timetable set.

SEN Centre of Excellence - Spending may fall behind the current profile but the centre remains on schedule for occupation in spring 2011 with school using the building for



additional pupils from September 2011 which is consistent with the timescale previously set .

6th forms - All of the schools were completed for occupation by the schools for September which is consistent with the timescale previously set.

Primary School expansion most significant projects - Spending has fallen behind profile in some instances but all schemes are on schedule for providing the new places as they are required.

The "New School in North Wimbledon" is no longer classed as a key capital project as on 6 December Cabinet agreed expansion of existing schools is to be a greater funding priority.

It may also help to clarify how well advanced capital expenditure is in 2010/11 compared to previous years. At the end of December 2010, 51% (£34m) of the total budgeted capital expenditure had been spent compared to 44% (£31.7m) at the same point (December 2009) in 2009/10. It is expected that this improvement will be maintained for the remainder of the year and historically a large element of the capital programme is spent in the last quarter.

Slippage in the capital programme has been an issue in recent years. Most local authorities have slippage in their capital programmes. In previous financial years there has been a high level of slippage in Merton.

At the end of 2009/10, slippage carried forward into 2010/11 was £22.182m out of a total budget of £78.159m. i.e. 28.4%

Slippage into 2009/10 was £18.679m out of a total budget of £58.756m. i.e. 31.8%

Slippage into 2008/09 was £12.045m out of a total budget of £43.749m i.e. 27.5%

Slippage into 2007/08 was £9.597m out of a total budget of £39.215m. i.e. 24.5%

The Council is continually aiming to improve its monitoring procedures. The programme was reviewed during the year and it is expected that slippage to be carried forward at 31 March 2011 will be less than last year, despite the impact of the difficult weather conditions; thanks to the hard work of our staff, I am hopeful that we have weathered the storm.

46 From Councillor Janice Howard to the Cabinet Member for Community and Culture:

I was interested to read of Merton's consultation on its Heritage and Culture strategy. Can the Cabinet member please give me a flavour of the responses and tell me what happens next with this?

### **Reply**

In general respondees were in favour of some partnership working and exchange of information as well as organising an event to showcase heritage in Merton. A number of specific suggestions were put forward to add to or amend the consultation draft and



these will be posted on the website as well as assessed in finalising the strategy.

The next stages would be to (a) finalise the strategy, (b) organise the showcase event, (c) assess what form the forum should take to ensure it can work effectively.

However, in the context of the cuts we are facing from central government, we will need to ensure our aspirations for cultural services fit with the very much reduced level of funding that will be available for this non statutory service in future years.

47 From Councillor Maurice Groves to the Cabinet Member for Environmental Sustainability and Regeneration:

Can the Cabinet member outline what we are doing here in Merton to promote the Year of Walking?

**Reply**

The Mayor of London has declared his intention to make 2011 the 'Year of Walking'. In response to this the London Assembly launched their 'Walk This Way' report at the end of October 2010. It contained 9 recommendations for Transport for London to consider for the 'Year of Walking'.

Transport for London has indicated that further information on the potential funding opportunities for boroughs to support additional walking initiatives will be provided in March 2011. In the meantime officers will continue their programme to promote safe and sustainable travel behaviour through transport projects and smarter travel initiatives.

48 From Councillor Henry Nelles to the Cabinet Member for Environmental Sustainability and Regeneration:

Can the Cabinet member please give me an update on the future of the P4 site?

**Reply**

The future of the P4 site is being considered within a comprehensive review of all disposal opportunities to ensure that both value is maximised and opportunities for providing quality redevelopment are considered.

49 From Councillor Chris Edge to the Cabinet Member for Environmental Sustainability and Regeneration:

Can the Cabinet member please give me an update on the future of the P3 site and the possible need for a hotel to accommodate London 2012 visitors?

**Reply**

The future of the P3 site is being considered within the same comprehensive review of all disposal opportunities as P4 to ensure that both value is maximised and opportunities for providing quality redevelopment are considered. P3 does not offer an opportunity for other than a budget hotel and redevelopment is highly unlikely before 2012 for any scheme.

50 From Councillor Maurice Groves to the Cabinet Member for Community and Culture:

Can the Cabinet member tell me whether we are entering Merton teams in the London Youth Games this year?

**Reply**

Yes. In fact, we have already had the first competitions for the year and I am pleased to report that competitors have already been involved in the cross-country and we have boys and girls cricket teams competing in February. Trials and training are underway for other sports and competitions will take place throughout the year leading up to the grand finals on 2nd and 3rd July.

51 From Councillor Suzanne Grocott to the Cabinet Member for Community and Culture:

I see from the latest dashboard that the percentage of people aged over 50 attending sports sessions is well below target. Can the Cabinet member tell me why this is and what action is proposed to remedy this?

**Reply**

Free swimming for Over 60's was a key contributor to the over 50's sports participation. This programme was cut earlier in the year and the numbers reduced. The targets were set with an expectation that Free Swimming would continue until March 2011. There is no intended action to remedy the shortfall as we do not have the funds to offer such an initiative ourselves.

52 From Councillor Margaret Brierly to the Cabinet Member for Community and Culture:

Can the Cabinet member tell me of any plans to promote the disabled access to the 2012 Olympics tennis event?

**Reply**

The London Organising Committee of the Olympic (& Paralympic) Games (LOCOG) are organising all London 2012 Games events including the tennis. It will be their responsibility under the Equalities Act (2010) to ensure that disabled people are able to access the tennis event.

53 From Councillor Maurice Groves to the Cabinet Member for Community and Culture:

I understand Merton has been able to join the London Library Consortium this year. Can the Cabinet member tell me how this has been possible?

**Reply**

Officers have been looking into options for reducing procurement costs linked to stock purchasing and the computerised library management system used by the service. The

London Libraries Consortium provides the best option available for reducing operating costs linked to these systems by using shared procurement systems with other authorities. To support the implementation of the libraries management system a small proportion of the stock fund will be used but there will be a significant return on investment in future years on subscription costs by being part of the consortium. Being part of the consortium also enables the authority to be part of a bigger purchasing network and to continue to drive down costs in other areas.

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## **Committee: Council**

**Date: 2 March 2011**

**Agenda item:** 4  
**Wards:** All  
**Subject:** Budget 2011/12, Medium Term Financial Strategy 2011-2015  
Capital Programme 2011-15 and Capital Strategy 2011-15

**Lead officer:** Caroline Holland, Director of Corporate Services

**Lead member:** Councillor Mark Allison, Cabinet Member for Finance

**Key Decision Reference Number:** 1004 -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

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### **Recommendations:**

1. That the Council agrees:
  - the General Fund Budget;
  - the Council Tax Strategy for 2011/12 equating to a Band D Council Tax of £1,102.99;
  - the Medium Term Financial Strategy (MTFS) for 2011-2015;
  - the Capital Investment Programme;
  - the Capital Strategy (Appendix 16);
  - the Treasury Management Strategy (Appendix 17), incorporating the Prudential Indicators.

as set out in this report, and agrees the formal resolutions as set out in Appendix 1 to this report.

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### **1. Purpose of report and Executive Summary**

- 1.1 At its meeting on 14<sup>th</sup> February 2011, 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 2011/12
- the Council Tax Strategy for 2011/12
- the Medium Term Financial Strategy (MTFS) for 2011-2015;
- the Capital Investment Programme;
- the Capital Strategy (Appendix 16); and
- the Treasury Management Strategy (Appendix 17), incorporating the Prudential Indicators.

## 2. Introduction

- 2.1 This report summarises the work that has been undertaken since April 2010 towards formulating the Budget for 2011/12. 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.
- 2.2 The report also sets out the draft Capital Programme 2011-2015. It is an integral part of the overall financial and service plans that form the basis of setting the council tax for 2011/12.
- 2.3 Finally, the Medium Term Financial Strategy (MTFS) is updated to reflect the Council's anticipated financial outlook over the period 2011-2015.
- 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 8<sup>th</sup> November 2010, with additional proposals being considered by Cabinet on 13<sup>th</sup> December 2010 and on 17<sup>th</sup> January 2011. The proposals considered on 8<sup>th</sup> November 2010 were subject to scrutiny by the Overview and Scrutiny Commission on 18<sup>th</sup> November 2010. The Overview and Scrutiny Commission and Panels considered all of the budget proposals during the January and February 2010 cycle of meetings and feedback from this scrutiny process is provided in Appendix 2.
- 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 2011-2015.
- 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 2011/12 and Medium Term Financial Strategy for 2011-2015 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 The Scrutiny Function

2.8.1 During the January/February 2011 cycle of meetings the available details relating to the MTFS, revenue and capital budgets and the Business Plan have been considered by the Scrutiny Panels on the following dates:-

Sustainable Communities Overview & Scrutiny Panel	25 January 2011
Healthier Communities & Older People Overview & Scrutiny Panel	26 January 2011
Corporate Capacity Overview & Scrutiny Panel	27 January 2011
Children and Young People Overview & Scrutiny Panel	8 February 2011
Overview and Scrutiny Commission	9 February 2011

## 2.9 Feedback from Scrutiny Process

A summary of findings and recommendations from the Overview and Scrutiny Commission is provided in Appendix 2.

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

2.11 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 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 7.4 – 7.9) 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 MTFFS and Budget to Cabinet on 8<sup>th</sup> November 2010, 13<sup>th</sup> December 2010 and 17<sup>th</sup> January 2011.

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;
- A petition calling for the council to "Stop the total closure of Weir Road Recycling Centre" collected 491 signatures on our official e-petition system. The petition closed to new signatures on 13 February 2011 and the petitioner has asked for Cabinet to consider their petition in making their decision. A full response to the petition will be provided within 20 working days in accordance with the Council's petition scheme.

8.3 In accordance with statute, consultation took place with business ratepayers and a meeting was arranged for 14<sup>th</sup> February 2011. There was one attendee, from the North Surrey Branch of the Federation of Small Businesses, which represents the Mitcham and Morden part of Merton

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

<b>SECTION 1:</b>	<b>Revenue budget</b>
Appendix 1:	Draft Resolutions to Council
Appendix 2:	Summary of findings and recommendations of the Overview & Scrutiny Panels and Commission
Appendix 3:	Local Government Finance Settlement 2011-2013
Appendix 4:	Collection Fund
Appendix 5:	Corporate and technical adjustments in the MTFFS
Appendix 6:	Details of Savings proposals
Appendix 7:	Details of Growth proposals
Appendix 8(a):	Equalities Impact Assessments - Savings
Appendix 8(b):	Equalities Impact Assessments - Growth
Appendix 9:	Details of Government Grants
Appendix 10:	Budget summaries
Appendix 11:	Risk based assessment of balances strategy

- Appendix 12: Analysis of the transition from £13.715m gap to balanced budget
- Appendix 13(a): Statement of Council Tax requirements and balances
- Appendix 13(b): Revised MTFs incorporating changes
- Appendix 14: Reserves
- Appendix 15: Sensitivity Analysis – Various Likely, Best, Worst Case scenarios

**SECTION 2: Schools budget**

No appendices

**SECTION 3: Capital budget**

Appendix 16: Draft Capital Strategy and Capital Programme 2011-15  
- including details of draft Capital Programme 2011-15

Appendix 17: Treasury Management Strategy including Prudential Indicators

**SECTION 4: Medium Term Financial Strategy**

APPENDIX 18: Financial Implications of Changes approved by Cabinet in response to Scrutiny

**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

## SECTION 1:

### THE GENERAL FUND REVENUE BUDGET AND COUNCIL TAX STRATEGY

#### 1. Background to Financial Planning

1.1 The budget process for 2011/12 has been developed during a period of significant change and economic uncertainty. The MTFS agreed in March, whilst setting a balanced budget for 2010/11 identified gaps of £13.715m in 2011/12, and £12.120m in 2012/13. The MTFS was reviewed by PwC and considered by CMT and some planned improvements to the budget process were agreed:-

- Merton is a £0.5bn organisation and the focus should be on the gross cost of services;
- The MTFS, and therefore projections of corporate and technical adjustments, savings, growth, funding etc., should be extended to four years;
- Corporate and technical adjustments should be more transparent to improve visibility and clarity;
- Assumptions to be prepared on “best case”, “likely” and “worst case” scenarios based on existing current evidence rather than the prudent assumptions used previously for the following – pay and price inflation, interest rates, grants, income streams, demographic growth, other demand-led services;
- A risk assessment to be applied to determine where cost pressures are likely to arise over the period of the MTFS;
- Increased engagement with other stakeholders to be sought;

1.2 A General Election and local elections followed in May 2010, both of which led to changes in Administration.

1.3 There was a continuing poor economic outlook over the medium term and the coalition government announced emergency cuts in government grant for 2010/11 and in its Spending Review 2010 indicated that further significant cuts in funding would follow in future years.

1.4 Cabinet has received regular reports, on 8<sup>th</sup> November 2010, 13<sup>th</sup> December 2010, and 17<sup>th</sup> January 2011 during the budget process setting out the latest information on the budget 2011/12 and MTFs 2011-15.

1.5 **Strategy to set a balanced budget in 2011/12 and future years**

1.5.1 The MTFs agreed in March 2010 formed the starting point for the MTFs 2011-2015:-

a) **Medium Term Financial Strategy 2010-2013**

	<b>Forecast 2010/11 £m</b>	<b>Forecast 2011/12 £m</b>	<b>Forecast 2012/13 £m</b>
Revenue Budget brought forward from previous year	148.452	149.638	149.638
Less: Levies	(0.667)	(0.658)	(0.671)
<b>Revenue Budget brought forward exc. levies</b>	<b>147.785</b>	<b>148.980</b>	<b>148.967</b>
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
<b>Forecast Budget Requirement (inc. Growth and Savings)</b>	<b>157.482</b>	<b>162.857</b>	<b>158.630</b>
Add: Levies	0.658	0.671	0.685
<b>Forecast Budget Requirement</b>	<b>158.140</b>	<b>163.528</b>	<b>159.315</b>
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)
<b>Total Resources</b>	<b>(149.638)</b>	<b>(149.638)</b>	<b>(149.638)</b>
<b>Revised Gap (before savings/income and growth and any Council Tax increase)</b>	<b>8.502</b>	<b>13.890</b>	<b>9.677</b>
Savings/Income proposals 2010/11	(11.738)	0.035	(0.167)
Growth proposals 2010/11	3.236	(0.210)	2.610
<b>Revised Gap (after savings/income and growth)</b>	<b>0.000</b>	<b>13.715</b>	<b>12.120</b>

1.5.2 During the budget process for 2011/12, a number of improvements have been made to the MTFs to address the issues summarised in paragraph 1.1. The MTFs has been rolled forward and extended to cover four years, and the gross cost of services is now shown.

1.5.3 The assumptions in the MTFs agreed by Cabinet in March 2010 were reviewed and an updated MTFs reported to Cabinet on 8<sup>th</sup> November 2010. In particular, changes were made in the light of new information:-

- Provision for a pay award of 0.5% in 2011/12 (previously 2.5% included), 0.5% in 2012/13 and 1% in 2013/14 and 2014/15
- Provision for general price inflation of 2% (previously 1.5% included) in 2011/12, and 1.5% for 2012/13, 2013/14 and 2014/15
- Reductions in Central Government funding signposted in the Emergency Budget were included with initial assumptions of annual reductions of £7.5m per year (7.5% p.a.).
- Provision of growth of £3.245m for pledges in 2011/12.

1.5.4 Using these assumptions, the budget gap over the four year period reported to Cabinet on 8<sup>th</sup> November 2010 was estimated to be in excess of £70m:-

	Forecast 2011/12 £m	Forecast 2012/13 £m	Forecast 2013/14 £m	Forecast 2014/15 £m	Total over 4 years £m
<b>Revised Gap (after savings/income and growth) &amp; four year cumulative total</b>	<b>23.673</b>	<b>18.407</b>	<b>14.713</b>	<b>13.764</b>	<b>£70.557m</b>

## 1.6 Approach to identifying Savings

1.6.1 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 2011-2015.

1.6.2 In order to make an initial start towards identifying savings, CMT on 1<sup>st</sup> June agreed targets to achieve £14m which is approximately 8.7% of the controllable budget. In addition, as a result of reductions in ABG in 2010/11 by Government, those departments affected were requested to find equivalent savings in 2011/12.

1.6.3 Departments have identified savings proposals from their controllable budgets and these have been reviewed for acceptability, feasibility and risk to determine whether they should contribute towards the departments' target.

1.6.4 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.

- 1.6.5 Within the context of the overall baseline budget for 2010/11, each savings proposal sets out the implications for the service together with staffing, business plan, and equalities implications as well as identifying the impact on other departments over the four year period of the MTFS.
- 1.6.6 Savings have been identified in three phases and these have been reported to Cabinet on 8<sup>th</sup> November 2010, 13<sup>th</sup> December 2010 and 17<sup>th</sup> January 2011. These have been scrutinised by the Scrutiny Panels and the Overview and Scrutiny Commission.
- 1.6.7 Equalities impact assessments have been provided for each saving and are provided in Appendix 8(a).

## 1.7 Growth

- 1.7.1 As part of the budget process it has also been necessary to review growth priorities and new growth in light of new statutory responsibilities, business plan priorities and service pressures. In similar fashion to that used for savings, each growth proposal sets out the implications for the service together with staffing, business plan, and equalities implications as well as identifying the impact on other departments over the four year period of the MTFS. Again, equalities impact assessments have been provided for each growth item and are provided in Appendix 8(b).

## 1.8 Setting a Balanced Budget

- 1.8.1 Resource projections have been continually updated throughout the year and the summary MTFS updated to inform Members and officers of the overall position for 2011-2015. 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 four-year forward plan is presented, but it is still a legal requirement that a balanced (i.e. fully funded) budget is achieved for 2011/12. 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.

1.8.2 Budget savings and growth proposals have been formulated within the overall constraints of the resource projections. The proposals have been approved in principle by the Cabinet and then considered by Overview and Scrutiny Panels as part of the scrutiny process. Scrutiny Panels have met again during January/February 2011 and their feedback on the Council's spending proposals is set out in Appendix 2(a).

1.8.3 The Medium Term Financial Strategy (MTFS) for the Council supports the achievement of the business plan and any financial implications arising from the agreed plan are included in financial planning for 2011/12 and beyond. The MTFS brings together all of the key elements relating to the Council's financial position which are reflected in the General Fund, and the Capital Programme. The detailed MTFS is included in Section 4 of this report.

## **2. Local Government Finance Settlement 2011-13**

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 13<sup>th</sup> December 2010.

2.2 The final Settlement was announced on 31<sup>st</sup> January 2011. Further details on the Final Settlement for 2011-13 are provided in paragraph 5.1 and in Appendix 3.

2.3 There was no change to Merton's formula grant to that notified in the provisional settlement. Details of Merton's estimated government grant allocations are set out in paragraph 5.

## **3. Review of Corporate and Technical Provisions for 2010-2011**

3.1 The report to Cabinet on 17<sup>th</sup> January 2011 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 2011/12 and were reported to Cabinet on 17<sup>th</sup> January 2011.

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:

##### 2010/11 award:

The MTFs approved by Council on the 3<sup>rd</sup> March 2010 included 1.0% for the 2010/11 pay award. As previously notified, because of the lack of progress in pay negotiations, the Trade Unions registered a formal dispute with the employers on 26 July under paragraph 17 of the Green Book constitution which means that the matters under dispute will be referred to ACAS for arbitration.

2011/12 - The Government has previously announced that “a two year pay freeze will be introduced from 2011-12 for public sector workforces, except for those earning £21,000 or less, who will receive an increase of at least £250 a year”.

Pay Claim 2011/12: The Trade Union Side of the National Joint Council for Local Government Services has submitted (on 13 October 2010) a pay claim for 2011/12. The headline claim is: “An increase of at least £250 on all salaries and spinal column points for 2011/12 and a joint review of employment condition proposals tabled by the trade unions in 2008/9.” This equates to an increase of approximately 1.2%.

As previously mentioned, the MTFs now includes provision for a pay award of 0.5% in 2011/12 and 2012/13 and 1% in 2013/14 and 2014/15.

The budget provision for a pay award in 2010/11 of £0.810m was clawed back and added to the corporate contingency. The 2011/12 provision of £0.428m will be held centrally, pending the outcome of pay negotiations in 2011/12.

#### 3.3.2 Prices:

CPI annual inflation – the Government’s target measure – was 3.7% in December which increased from 3.2% in November. There were upward pressures from air transport due to fare increases, fuels and lubricants because of petrol and diesel price increases arising from the oil price, gas because of tariff increases and food costs also rose, particularly vegetables and bread, cereals, milk, cheese and eggs. These upward pressures were partially offset by a fall in the cost of furniture and furnishings. In the year to December, RPI annual inflation was 4.8% up from 4.7% in November, with the main factors that affected CPI also affecting the RPI.



Provision of £5.549m is included in the MTFS in 2011/12 for price increases. This equates to a 2% increase for most non-employee budgets, plus additional amounts where inflation is expected to exceed that.

### 3.3.3 Utilities:

Given the volatility of utilities costs over the past 2-3 years, provision has been included to provide cover for potential increases in these budget heads. The budget for 2010/11 is £0.717m and provision of £0.217m is included in the inflation provision for additional utilities costs. The MTFS, therefore, includes £0.934m for the potential inflationary impact of a large increase in utilities costs. Current contracts expire in September and October 2011 and are likely to show an increase over current costs but not as significant as previously estimated. The latest estimated increases for the next three years are:-

2011/12 £000	2012/13 £000	2013/14 £000
102	186	35

Given the volatility of utilities budgets in the current economic climate, it may be prudent to retain the £0.217m element in the inflation provision for utilities as costs in this area can fluctuate dramatically through fuel shortages, economic uncertainty and oil and gas supply problems. The lump sum budget of £0.717m could be released.

### 3.3.4 Outlook for Inflation

As previously reported, the Bank of England expect the recovery in the UK economy to continue but the large fall in output during the recession means that some spare capacity is likely to remain for some time. Although the outlook for growth is highly uncertain, it is considered that the recovery in output is likely to be maintained, reflecting the stimulus to private demand from monetary policy, assisted by the strengthening of the global economy and the lower level of sterling. CPI inflation is likely to remain above the 2% target throughout 2011, reflecting the forthcoming increase in VAT and upward pressure from import price inflation. The Bank of England report assumes that quantitative easing remains at the £200billion currently issued.

The key issue is to try to accurately predict the inflation trend during 2011/12. In order to do this, an analysis has been undertaken of the HM Treasury Forecasts for the UK economy, which offers a comparison of independent forecasts for a range of economic factors, including RPI and CPI. The forecasts, based on the January 2011 report, suggest the following inflation rates over the next year:-

	Lowest	Highest	Average
<b>2010 (Quarter 4)</b>	%	%	%
- CPI	2.6	3.4	3.2
- RPI	4.4	4.7	4.6
<b>2011 (Quarter 4)</b>			
- CPI	2.4	4.1	2.8
- RPI	2.9	4.9	3.9

Based on the average independent forecasts, the average inflation rate during 2011 is estimated to be around 3.0% for CPI and 4.2% for RPI. The worst case is expected to be around 3.7% for CPI and 4.8% for RPI.

### 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.

	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m
<b>Revenue effects of 2011-15 Capital Programme</b>				
- Budget	20.607	23.107	24.927	25.796
- Forecast	17.997	22.110	25.639	26.540
- (Surplus)*/Deficit funding	(2.610)	(0.997)	0.712	0.744

\* rolled forward into future year's funding

### 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

2009/10 audited surplus is £5.999m and the estimated shares are £1.298m (21.6%) to the GLA and £4.701m (78.4%) to Merton. The budget for 2010/11 included an amount of £2.341m to support the revenue budget.

The proposed analysis of the balances is as follows:-

	Greater London Authority £m	London Borough of Merton £m	Total £m
Accumulated surplus as at 1 <sup>st</sup> April 2010	(1.298)	(4.701)	(5.999)
Allocation 2010/11	(0.646)	(2.341)	(2.987)
Allocation 2011/12	(0.521)	(1.859)	(2.380)

On the basis of the above allocations, and given the remaining estimated surplus for Merton of £0.501m together with the continuing good performance in collection of council tax, it is proposed to incorporate an annual contribution of £1m from the Collection Fund into the MTFs to support the revenue budget from 2012/13 onwards. This will be reviewed on an ongoing basis. Details on the Collection Fund are provided in Appendix 4.

### 3.6 Pension Fund – Actuarial Review 2010

#### 3.6.1 Pension Fund Actuarial Review

As reported to Cabinet on 17<sup>th</sup> January 2011, Barnett Waddingham, the Council's actuaries are carrying out an actuarial valuation of the London Borough of Merton Pension Fund ("the Fund") as at 31 March 2010. The valuation is being carried out in accordance with Regulation 77 of the Local Government Pension Scheme Regulations 1997 ("the Regulations") as amended. The actuaries final report is awaited but based on the latest information, the details are as follows:-

##### a) Past Service Deficiency

The current budgetary contribution is based on a 12 year recovery period. The expected results of the formal valuation indicate that the assets of the Fund currently represent approximately 83% of the accrued liabilities of the Fund. This has decreased from 90% as at 31 March 2007.

Clearly, the bigger the annual contribution that the Council can afford to make, the sooner the deficit will be eliminated. At the same time, it is recognised that as a result of the Hutton Review, there are likely to be changes to the Local Government Pension Scheme which will reduce the employers' liability and therefore contribution levels but from which year is not yet clear. Also, the Council has a significant budget gap to address.

The MTFS includes provision within the inflation amount for the additional employers contributions arising from early retirements as well as the lump sum contribution arising from the 2007 valuation.

The budget for 2010/11 is £5.386m and £0.463m is recharged to schools for their element, giving a net budget of £4.923m. The MTFS includes £0.834m uplift in 2011/12 to give a base budget for 2011/12 of £6.220m less schools recharge of £0.463m giving a net base budget in 2011/12 of £5.757m, assuming no change in the schools recharge.

The actuaries assessment is that, in order to clear the past service deficiency over 15 years, three years longer than currently provided for, and providing for additional contributions to address in-year early retirements, the estimated financial implications, compared with budget will be:-

Based on 15 years (previously 12 years)	2011/12 £m	2012/13 £m	2013/14 £m	New Revaluation 2014/15 £m
Lump sum	4.800	5.000	5.250	6.450
Additional employers contributions arising from early retirements	0.400	0.800	1.200	0.200
Total	5.200	5.800	6.450	6.650
Base Budget (MTFS)	6.220	7.020	7.820	8.620
Surplus	1.020	1.220	1.370	1.970
Change in MTFS	(1.020)	(0.200)	(0.150)	(0.600)

This indicates that the council could opt for higher annual contributions to address the past service deficiency over a shorter period or release some budget to reduce the budget gap. However, it would be advisable to review this annually as the budget for additional employers contributions arising from early retirements is subject to fluctuation and difficult to forecast with accuracy. Discussions with the actuary indicate that they would be prepared to consider a 15 year repayment period to make good the deficit.

b) Future Service Employer Contributions

The actuary advises that employer contributions in respect of future service should be held at 14.1% of payroll costs which is the same as the current level.

### 3.7 Council Tax Base

3.7.1 Cabinet on 17 January 2011 approved the Council Tax Base for 2011/12. The Council Tax Base for 2011/12 is 74,485.9 compared with 74,250.1 for 2010/11. The additional yield from Council Tax in 2011/12 arising from the increase in council tax base is approximately £0.260m. The MTFS included an amount of £0.400m, therefore a shortfall of £0.140m which it is proposed is funded by a reduction in the contingency.

### 3.8 Single Status

3.8.1 There have been some further settlements in 2010/11. The budget in 2010/11 is £0.628m. This area has been reviewed to ascertain whether any or all of the remaining provision will be required in 2011/12, and there will be a release of £0.066m in 2011/12 and £0.024m in 2012/13.

### 3.9 VAT

3.9.1 The budget for 2010/11 included one-off income of £1.050m from VAT. The MTFS incorporated an adjustment in 2011/12 to remove this budget, but see paragraph for the use of the VAT reserve.

### 3.10 Contingency

3.10.1 The budget approved for 2010/11 includes provision of £2.9m as a contingency to meet unforeseen cost and demand pressures particularly those arising as the economy recovers from the recession. As a result of various changes during 2010/11 arising from monitoring procedures, there have been virements from other budgets into the contingency and some one-off contributions to meet budget issues in 2010/11.:-

	£m
Approved contingency 2010/11	2.900
Free Personal Care at Home Bill – now scrapped	0.380
Pay inflation clawback	0.810
P3/P4 – Parking income adjustment	0.470
Bulky waste (one-off contribution)	(0.044)
PFI Lifecycle Fund Adjustment following 2006	(0.434)
Partial Termination (one-off contribution)	
Latest contingency (December 2010)	4.082

3.10.2 It was recognised that the contingency needed to be temporarily increased as reported to Cabinet previously on 18 January 2010 and 22 February 2010, in order to provide cover for spending pressures within Children,

Schools and Families and income shortfalls in Environment and Regeneration and potential budget pressures which could not be recognised with certainty in terms of magnitude and timing.

3.10.3 In paragraph 4.7 and Appendix 7, the proposed growth includes amounts for increases in CSF budgets for Children’s Social Care staffing and placements totalling £1.1m and also to address the rebasing of E&R income totalling £1.5m which has been a budgetary pressure throughout 2010/11 and is expected to continue. Accordingly, it is proposed to reduce the contingency budget in 2011/12 by £2.6m to fund this essential growth. In addition, an adjustment for council tax yield of £0.140m (paragraph 3.7.1 refers) has also been made.

3.10.4 The change in the contingency would be as summarised below:-

	£m
Ongoing adjusted contingency c/f	4.560
Less:	
Earmarked for potential increase in CSF costs	(1.100)
Earmarked to address E&R funding shortfall	(1.500)
Council Tax Base – adjustment in estimated yield	(0.140)
Contingency remaining for pressures	1.820

### 3.13 Review of Reserves

3.13.1 There are two reserves within the Council’s accounts as at 31<sup>st</sup> March 2010 which have currently been identified as being available for release. These are

	£m
VAT Reserve	0.724
Section 117	0.100

### 3.14 Bad Debt Provision

3.14.1 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.

### 3.15 Summary of Corporate and Technical Adjustments

3.15.1 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 The same methodology was used for 2011/12 as for 2010/11 to produce savings targets for each department. This was to produce savings targets based on controllable expenditure, and also incorporate a separate income target to each service department based on a percentage of the department's actual income for the previous year. If additional income over the agreed percentage can be achieved, the department can count this towards their savings target.

4.2 The savings targets of £14m for 2011/12 equates to around 8.7 % of controllable expenditure based on 2010/11 budget figures. The calculation of the savings targets included a weighting to recognise the need to protect front-line service departments. The controllable budgets for each department were weighted as follows:-

<b>Department:</b>	<b>Weighting</b>
Chief Executive's and Corporate Services	1.50
Children, Schools and Families	0.75
Environmental Services	1.50
Community and Housing	1.00

4.3 In addition, an adjustment was made to reflect each department's ability to generate income. This was based on an estimated uplift of 3% on each departments actual income for 2009/10.

4.4 The resulting target share of savings for each department as a percentage of their controllable budgets was as follows:

	Savings Target £m	Target as share of departmental controllable budget %
Chief Executive's and Corporate Services	3.418	10.7%
Children, Schools and Families	1.422	5.2%
Environmental Services	4.702	11.8%
Community and Housing	4.458	7.2%
<b>Total</b>	<b>14.000</b>	<b>8.7%</b>

4.5 Savings proposals have been agreed in four phases by Cabinet at meetings on 8 November 2010, 13 December 2010, 17 January 2011 and

14<sup>th</sup> February 2011 and been subject to scrutiny by scrutiny panels and the Overview and Scrutiny Commission, most recently in the January/February cycle of meetings.

4.6 At Cabinet on 14<sup>th</sup> February, Cabinet also agreed to make some changes to savings in response to the Overview and Scrutiny Commission. These are summarised in Appendix 18.

4.7 The total savings agreed are summarised as follows:-

**a) General Fund Savings: Non ABG**

	SAVINGS TARGET	Reported to Cabinet 13 <sup>th</sup> December	Additional Savings identified (Phase 3 & 3a and 4)	SHORTFALL/ (SURPLUS)
	2011/12	2011/12		2011/12
	£000	£000	£000	£000
Chief Executive's	387	3,581	0	(163)
Corporate Services	3,031			
Environmental Services	4,702	4,254	420	28
Children, Schools and Families	1,422	1,209	137	76
Community and Housing	4,458	3,750	703	5
<b>Total</b>	<b>14,000</b>	<b>12,794</b>	<b>1,260</b>	<b>(54)</b>

**b) General Fund Savings: ABG**

	ABG LOSS	Reported to Cabinet 13 <sup>th</sup> December	Additional Savings identified (Phase 3)	SHORTFALL/ (SURPLUS)
	£000	£000	£000	£000
Chief Executive's	66	66	0	0
Corporate Services	0	0	0	0
Environmental Services	22	0	22	0
Children, Schools and Families	919	909	0	10
Community and Housing	106	106	0	0
<b>Total</b>	<b>1,113</b>	<b>1,081</b>	<b>22</b>	<b>10</b>

4.8 Feedback from the Scrutiny Process:-



- 4.8.1 The findings and recommendations of the Overview and Scrutiny Commission on the revenue budget, MTFs and Capital Programme 2011-15 are set out in Appendix 2. The financial implications of Cabinet's response are set out in Appendix 18.
- 4.9 The revised mix of deliverable and political risk of the savings proposals, as previously presented to Cabinet on 14 February 2011, updated for the changes outlined in Appendix 18, 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 11.47%, or £1.612m by value, of the total gross savings.

<b>DELIVERABILITY RISK</b>	<b>High</b>	4.48% (1.4% 2010/11)	2.85% (10.1% 2010/11)	11.47% (0.4% 2010/11)
	<b>Medium</b>	8.08% (9.1% 2010/11)	30.87% (27.1% 2010/11)	14.18% (2.8% 2010/11)
	<b>Low</b>	13.04% (28.8% 2010/11)	8.67% (17.0% 2010/11)	6.36% (3.3% 2010/11)
		<b>Low</b>	<b>Medium</b>	<b>High</b>
		<b>REPUTATIONAL RISK</b>		

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

4.11 **Update/Review of Growth**

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

<b>Total Growth proposals</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
-------------------------------	----------------	----------------	----------------	----------------

	£m	£m	£m	£m
Chief Executive's }				
Corporate Services }	0.430	0.000	0.000	0.000
Children, Schools and Families	1.100	0.000	0.000	0.000
Environment and Regeneration	1.721	0.089	0.000	0.000
Community and Housing	0.101	0.000	0.000	0.000
<b>TOTAL</b>	<b>3.352</b>	<b>0.089</b>	<b>0.000</b>	<b>0.000</b>

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

#### 4.13 Financial Implications of Changes arising from response to Scrutiny

4.13.1 As a result of addressing some of the concerns raised by the Overview and Scrutiny Commission it is proposed to amend some of the financial implications of savings proposals incorporated in this report. It is not anticipated that these changes will result in a change to the net budget requirement for 2011/12. These are set out in Appendix 18.

4.13.2 Although there is no overall change in the budget requirement and council tax calculations, it will be necessary to amend some of the tables in this report to accurately reflect these changes. These will be revised in the papers for Council on 2 March 2011.

### 5. **GOVERNMENT GRANTS**

5.1 The Spending Review 2010 signposted that funding from central Government would be severely reduced and this was confirmed when the grant allocations were announced in the provisional Local Government Finance Settlement. As well as front-loaded reductions in grant, there has been a reduction in the number of ring-fenced grants, some grants have been rolled together, some have ended and there are still some under review or the allocations yet to be determined.

5.2 Previously, revenue grant funding to local authorities consisted of three main elements:-

- Formula Grant (Revenue Support Grant + Share of Business Rates pool)
- Area Based Grants and other non ring-fenced grants
- Specific and Special Grants – ring-fenced

- 5.3 Although analysis is ongoing, in order to enable year on year comparison and to present the information as simply as possible, the main areas of Government Grant can now be summarized as follows:-

	2010/11 £m	2011/12 £m	2012/13 £m
Formula Grant including rolled in grants	77.012	66.617	59.961
Core Revenue Grants	6.793	15.059	11.549
Dedicated Schools Grant inc. rolled in grants	119.294	120.586	120.568
Early Intervention Grant inc. rolled in grants	10.467	7.600	8.069
Pupil Premium Grant	0	1.200	1.200
Ended Grants – General	0.371	0	0
Ended Grants – Non-frontline Education	1.432	0	0
Unknown/Under Review	0.318	0	0
<b>TOTAL</b>	<b>215.687</b>	<b>211.062</b>	<b>201.365</b>

- 5.4 Details of the grants that are included in each of the above categories are provided in Appendix 9. It is important to note that some of the grants bring with them additional responsibilities which will lead to increases in expenditure.

5.5 Reduction in Formula Grant

Taking into account the rolled-in grants, the reduction in formula grant from 2010/11 to 2011/12 is £10.219m, (-13.3%) and from 2011/12 to 2012/13 is £6.221m (-9.4%). In order to allocate this reduction, the simplest and fairest method is to reduce each element pro rata to recoup the total grant lost, although this is subject to review if particular circumstances prevent this approach, e.g. concessionary fares. This is set out in the following table:-

Grant	2010/11 Provisional Settlement	2011/12	Change	2012/13	Change
	GF £m	GF £m	2011/12 £m	GF £m	2012/13 £m
<b>Formula Grant (Actual 2010/11)</b>	<b>67.733</b>	<b>58.788</b>	<b>-8.945</b>	<b>52.962</b>	<b>-5.826</b>
<b>Funding top-sliced from grants</b>	<b>-0.543</b>	<b>-0.543</b>	<b>0.000</b>	<b>-0.543</b>	<b>0.000</b>
<b><u>Rolled-in Grants:</u></b>					
Corporate Services	0.123	0.106	-0.016	0.096	-0.011
Children Schools & Families	1.121	0.973	-0.148	0.877	-0.096
Environment and Regeneration	0.065	0.056	-0.009	0.051	-0.006
Community & Housing	8.337	7.234	-1.103	6.520	-0.716
<b>Sub-total: Rolled-in Grants</b>	<b>9.103</b>	<b>7.829</b>	<b>-1.274</b>	<b>6.999</b>	<b>-0.830</b>
<b>Total</b>	<b>76.836</b>	<b>66.617</b>	<b>-10.219</b>	<b>59.961</b>	<b>-6.656</b>

5.6 Specific and Special Grants

Changes in specific and special grants are treated differently. Although not all of these are ring-fenced in 2011/12, it has been assumed that changes in these are earmarked for specific purposes. Increases will be subject to review to see if savings can be made. The impact of decreases will also be considered to see if the financial effect can be contained within the area of spend.

5.7 One aspect of the Local Government Finance Settlement that will lead to potential difficulties is the fact that a number of funding streams have been ended or have yet to be confirmed. Analysis of the implications for services of these is continuing, The grants that have been confirmed as ended are set out in Appendix 9, as are those which are under review/unknown. Any additional information that is available will be updated at the meeting.

5.8 In addition, there may be some sources of funding that services receive via other agencies which will be discontinued as a result of funding cuts in those areas.

5.9 Current practice is that, where a service is funded by grant, if the grant funding source ends then the service should be discontinued or an alternative funding source identified.

5.10 LAA Performance Reward Grant

A claim has been submitted for Performance Reward Grant (PRG) of £1.703m and this is expected to be paid as 50:50 revenue and capital grant. No expenditure commitments have been made against this and the Chief Executive will be meeting with Merton Partnership to discuss how it will be utilised, as per their previous agreement. The grant has been subject to a 50% reduction as part of the Government's funding reductions announced in 2010/11.

6. **BUDGETARY CONTROL 2010/11**

6.1 The revenue budgetary control information contained in the table below summarises the corporate position using the latest available information as at 31<sup>st</sup> December 2010 as shown in a separate report on the agenda for this meeting. As at 31<sup>st</sup> December 2010 , there is a forecast underspend for the Council of £9.703m, if Recommendation B is agreed, of which £4.275m will be set aside to fund the Capital Programme in 2011/12.

6.2 The underspend of £9.703m is made up as follows –

	<b>December</b>	<b>November</b>	<b>Variance</b>
	£m	£m	£m
Departmental	1.173	1.034	0.139
Corporate (excluding above)	(6.601)	(5.431)	(1.170)
<b>Sub-total</b>	<b>(5.428)</b>	<b>(4.397)</b>	<b>(1.031)</b>
<b>Capital Funding</b>	<b>(4.275)</b>	<b>(4.275)</b>	<b>0</b>
<b>TOTAL</b>	<b>(9.703)</b>	<b>(8.672)</b>	<b>(1.031)</b>

6.3 If the current level of underspend is maintained for the remainder of the year, there will be an underspend of £5.428m, net of the amount set aside to fund capital expenditure in future years, of which £4.252m will be used to close the budget gap in 2011/12.

6.4 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 prior three-year plan period has been a feature of previous years and was one of the key attributes in Merton's improved Use of Resources

rating, prior to the abolition of the Comprehensive Area Assessment (CAA) in May 2010.

7.3 General Fund balances were £10.649m as at 31<sup>st</sup> March 2010 which includes an unspent balance of £0.384m Area Based Grant that has been utilised to offset the impact of the Government's clawback of grant in 2010/11.

7.4 A report on the Council Balances and Reserves Strategy was taken to the Overview and Scrutiny Commission on 19<sup>th</sup> January 2011. The strategy has been reviewed and updated. Details of reserves are provided in Appendix 14. 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 2012/13, 2013/14 and 2014/15. In taking a decision on the level of balances, it is important to take into consideration current and future budget pressures and recognise that in order to set a balanced budget over the next four years there is a need for significant net reductions in the budget which inevitably will mean that there is very little room for manoeuvre in determining the level of balances. Incorporating the latest information, the effect on the Council's balances strategy would be as set out below:-

	£m
<b>Balance b/f @ 31/3/2010</b>	<b>10.649</b>
Amount relating to Area Based Grant	(0.384)
Balance @ 31/03/10 excluding ABG	10.265
Forecast addition/call on balances 2010/11	* 0
<b>Estimated balances c/f 31/3/11</b>	<b>10.265</b>
Forecast call on balances 2011/22	0
<b>Estimated balances c/f 31/3/12</b>	<b>10.265</b>

\*Subject to redundancy cost review

7.5 Assessment of Risk and Contingency to mitigate risk  
Using the same methodology as for previous years, the Council's draft budget for 2011/12 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 10.

7.6 In addition, the savings proposals for 2011/12 have been assessed in terms of deliverable risk.

7.7 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	10.1	14.5	20.3

- 7.8 In order to provide cover around the middle position of risk, the balances strategy set out in paragraph 7.4 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 7.7 are included at Appendix 11.
- 7.10 Scenario Analysis  
As agreed, following review of the MTFs by PwC and CMT, some additional work has been undertaken looking at the financial impact if some of the assumptions on which the MTFs is based are at variance with those used. Costings have been prepared on “best case”, “likely” and “worst case” scenarios based on existing current. This work is summarised in Appendix 15.
- 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 2010 survey have been published and the level of council tax was placed second with 32% (37% in 2009) of residents raising it as a concern. In addition, 53% of residents believe that the Council provides good value for money for the Council Tax paid, an increase of 10% on the 2009 survey.
- 8.2 Council Tax Freeze Grant
- 8.2.1 As previously reported to Cabinet on 17<sup>th</sup> January 2011, the Government has set aside £650 million to ensure that every council can freeze council tax in 2011/12, without a knock on effect in local services. Instead, the Government will provide councils that choose to freeze council tax with the equivalent of a 2.5% increase in funding. The Government also wants to protect council taxpayers from authorities which choose to reject the offer and impose excessive council tax rises. Through the Localism Bill, the Government plans to introduce a power for residents to veto excessive council tax increases through a referendum. In the meantime, the Government can take capping action against councils who propose excessive rises.

8.2.2 The broad intention is that a local authority that freezes or reduces its Band D council tax in 2011-12 will receive an additional grant equivalent to them having set a 2.5 per cent increase from their 2010-11 level. Specifically, the scheme refers to Band D council tax as an authority's basic amount of council tax.

8.2.3 Merton's average Band D for the area in 2010/11 is £1,106.57. A 2.5% increase in this would be £27.66 and the yield based on Merton's Council Tax Base for 2011/12 of 74,485.9 would be £2.060m.

8.2.4 Special expenses

All special items (other than parish precepts) are included in an authority's basic amount of council tax. Therefore, the average of all an authority's special items (including its special expenses) over the whole of its area is the amount that will be used to judge eligibility for the grant.

Any proposed council tax increase by Wimbledon and Putney Conservators would therefore be taken into account in assessing whether Merton is eligible for Council Tax Freeze Grant. Levies that the Council pays to Lee Valley, the London Pension Fund Authority and the Environment Agency are not taken into account.

Any grant paid to an authority for freezing or reducing its council tax in 2011-12 will be matched exactly in each subsequent year of the Spending Review to compensate for the income foregone for a freeze. Authorities will not have to continue to freeze or reduce their council tax from 2012-13 to continue to receive this grant, however, we have only received confirmation of the grant for 2011/12 and 2012/13 as it is a two-year settlement.

8.2.5 Capping of Council Tax increases

Capping rules may restrict the Council's scope to set council tax levels to cover for the loss of grant in future years. When announcing the Provisional Settlement on 13 December 2010, the Secretary of State for Communities and Local Government, Eric Pickles, stated that "Government also want to ensure that council tax payers are protected against authorities that reject the offer (of Council Tax Freeze Grant) and impose excessive council tax rises. We will introduce powers for residents to veto excessive council tax increases through a local referendum. In the meantime, the Government will take capping action against councils that propose excessive rises. When the House debates the final local government finance report next year, I will set out the capping principles."

8.2.6 The Secretary of State subsequently announced the council tax capping principles that will apply to local authorities' budgets for 2011-12, stating



that “I am therefore now informing the House that I will consider an authority to have set an excessive increase if:

- a) the amount calculated by the authority as its budget requirement for 2011-12 is more than 92.5% of —
  - (i) the authority’s alternative notional amount; or
  - (ii) where no such amount has been specified for the authority, the authority’s budget requirement for 2010-11; and
- (b) the amount calculated by the authority as its Band D council tax for 2011-12 is more than 3.5% greater than the same amount calculated for 2010-11.

8.2.7 Based on the details in this report, the capping criteria will not affect Merton’s council tax and budget proposals.

## 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 2011/12 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 2011-12 and his draft consolidated budget for 2011/12 on 22 December 2010. The Mayor will present his draft consolidated budget to the London Assembly on 10 February 2011 and his final draft consolidated budget to the London Assembly on 23 February 2011. The London Assembly are recommended to agree to set a Band D council tax precept of £309.82 for 2011/12 for the London Boroughs which is unchanged from 2010/11. 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:-

<b>Change in precepts</b>	<b>Pence/week</b>
Metropolitan Police Authority	16p
London Fire and Emergency Planning Authority	-14p
Greater London Authority	-2p
Transport for London	-3p
London Development Agency	-
Collection fund – reduced council tax collection surplus	3p
<b>Total band D change</b>	<b>Nil</b>

### 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 2011/12 are still to be confirmed but the latest estimates are set out in the following table:-

	2010/11 £000	2011/12 £000	2011/12 Change %
London Pension Fund Authority	283	254	-10
Lee Valley Regional Park	227	220	-3
Environment Agency	148	147	-1

### 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 2011/12 will be £266,647.43, an increase of £9,034.55 (3.5%) on the 2009/10 levy of £257,612.88

	2010/11 £000	2011/12 £000
Wimbledon & Putney Commons Conservators	258	267

10.3.4 In order to be eligible to receive the Council Tax Freeze Grant of £2.060m it will be necessary to ensure that the average Council Tax for the area has not increased. It will therefore be necessary to make an adjustment of approximately £0.008m to the budget requirement to ensure that this is the case. (This equates to 11p x Council Tax Base – paragraph 12.1 refers).

11. **REDUNDANCY IMPLICATIONS**

11.1 The Council has received approval to a capitalisation direction of £0.477m in respect of statutory redundancy payments. The direction represents 38% of the amount requested which has been scaled back following a high level of demand from authorities.

11.2 The current estimated numbers of staff vulnerable to redundancy, broken down by department and projected forward in three time tranches, is set out in the following table.

**Estimates of Staff vulnerable to redundancy as at 11 January 2011**

	<b>By 31/3/11</b>	<b>By 31/7/11</b>	<b>Beyond 31/7/11</b>	<b>Total</b>
CSF	45	8	TBC	<b>53</b>
CS/CE/ Transformation	35	21	TBC	<b>56</b>
E&R	58	8	4	<b>70</b>
C&H	43	TBC	TBC	<b>43</b>
<b>Total</b>	<b>181</b>	<b>37</b>	<b>4</b>	<b>222</b>

11.3 It should be noted that these figures will be subject to constant change as there are a number of variables such as: redeployment, bumped redundancy, new posts identified as vulnerable to redundancy, slotting in/ring-fencing, etc

11.4 HR Managers are updating the data on a regular basis as the situation evolves. We are also keeping staff side colleagues informed through regular monthly consultation meetings.

11.5 As at 31 January 2011, 58 redundancies have been completed with total redundancy payments of £0.787m, of which statutory payments amount to £0.243m. The average payment is therefore currently approximately £14,000.

11.6 Based on an average cost of £14,000 per redundancy, the costs in each period and in total are as follows:-

	<b>By 31/3/11</b>	<b>By 31/7/11</b>	<b>Beyond 31/7/11</b>	<b>Total</b>
	£m	£m	£m	£m
Redundancy costs	2.534	0.518	0.056	3.108

These will be funded through corporate budgets, capitalisation, the OCPB reserve and General Fund balances as necessary.

## 12. CONCLUSIONS

- 12.1 The Medium Term Financial Strategy assumes that all of the corporate provisions, proposals for growth and proposals for savings, in 2011/12 are agreed and if this is the case, the following financial position is achieved:-

<b>Council Tax Calculation</b>	£m
Budget requirement (non –Schools)	150.900
WPCC	(0.267)
Formula Grant	(66.617)
Collection Fund Surplus	(1.859)
Balance to be met from Council Tax	82.157
Implied Council Tax 2011/12 (Band D)	1,102.99
Actual Council Tax 2010/11 (Band D)	1,103.10
Implied Net Change 2010/11 to 2011/12	(0.11)
Implied Change 2010/11 to 2011/12	0.0%

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

<b>Council Tax at Band D</b>	<b>2010/11 £</b>	<b>2011/12 £</b>	<b>% change from 2010/11</b>
Merton (exc. WPCC)	1,103.10	1,102.99	0.0%
GLA Precept (Provisional)	309.82	309.82	0.0%
<b>Implied Council Tax at Band D</b>	<b>1,412.92</b>	<b>1,412.81</b>	<b>0.0%</b>

- 12.3 The small reduction in Merton's Band D Council Tax of £0.11p is to ensure that Merton's average council tax, taking into account the increase in the WPCC levy, has not increased so that the Council Tax Freeze Grant of £2.060m is not at risk.

<b>Average Council Tax Calculation at Band D</b>	<b>2010/11 £m</b>	<b>2011/12 £m</b>	<b>% change from 2010/11</b>
Budget Requirement	152.237	150.900	(0.9)
Formula Grant	(67.733)	(66.617)	(1.6)
Collection Fund Surplus	(2.341)	(1.859)	(20.6)
Council Tax Requirement	82.163	82.424	0.3
Council Tax Base	74,250.1	74,485.9	0.3
<b>Average Council Tax</b>	<b>1,106.57</b>	<b>1,106.57</b>	<b>0.0</b>

12.4 Analysis of the transition from the gap of £13.715m reported in March 2010 to a balanced budget as set out in this report is set out in Appendix 12.

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

### 13. **Housing Revenue Account**

13.1 The account will be closed after April 2011 subject to the Secretary of State's approval and no recognition of potential transfers of final balances has been taken into account at this stage, due to the uncertainty of the timing and final amounts left in the account.

### 14. **Future Years**

15.1 As indicated in the updated MTFS there is a gap between the forecast level of resources and budget requirements for 2012/13, 2013/14 and 2014/15 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 2012/13 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 service reviews
- Income – increase in fees and charges/new sources of income
- Council Tax increase
- Use of balances

**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 2011/12 set out in Appendix 13 of the revenue report, together with the proposed Council Tax levy in 2011/12.
2. That it be noted that at its meeting on 17<sup>th</sup> January 2010 the Council calculated its **Council Tax Base for the year as 74,485.9** 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 10,721.5** 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	473.149
Corporate Provisions	29.148
Amounts Payable to the Levying Bodies	0.887
Contribution to Financial Reserves	0.000
<b>Gross Expenditure</b>	<b>503.184</b>

- 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	336.113
Corporate investment income and technical adjustments	15.965
<b>Total Income</b>	<b>352.078</b>

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

	<b>£m</b>
Total Net General Fund Expenditure	<b>151.106</b>

- 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

	<b>£m</b>
Revenue Support Grant	<b>15.729</b>
NNDR	<b>50.888</b>
<b>Total</b>	<b>66.617</b>

- 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

	<b>£m</b>
Required yield from Merton's element of the Council Tax	<b>84.489</b>

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

	<b>£</b>
<b>Wimbledon and Putney Commons Conservators Levy</b>	<b>266,647.43</b>

- 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 -  
**£2,065000** 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**

	<b>£</b>
<b>Merton's General Band D Council Tax Levy</b>	<b>1,102.99</b>

- 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.

	<b>£</b>
<b>Wimbledon and Putney Commons Conservators Band D Levy</b>	<b>1,127.86</b>

- 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	735.33	857.88	980.44	1,102.99	1,348.10	1593.21	1,838.32	2,205.98
Parts inc. WPCC	751.91	877.22	1,002.54	1,127.86	1,378.50	1,629.13	1,879.77	2,255.72

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	941.88	1,098.85	1,255.84	1,412.81	1,726.77	2,040.73	2,354.69	2,825.62
Parts inc. WPC	958.46	1,118.19	1,277.94	1,437.68	1,757.17	2,076.65	2,396.14	2,875.36

**FINDINGS AND RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMISSION ON THE REVENUE BUDGET, MTFS AND CAPITAL PROGRAMME 2011-15**

**Extract:**

**“Revenue Budget 2010/11**

- 3.1. The Director of Corporate Services provided an update on the latest position in relation to two further savings proposals that will be received by Cabinet on 14 February 2011 (ER39 and CSF38), current underspend in 2010/11, the predicted budget gap and how this will be addressed.
- 3.2. The Commission considered the Medium Term Strategy and the draft Revenue Budget and agreed to forward the comments and recommendations presented by the scrutiny panels (contained in Appendix 3) to Cabinet for its consideration.
- 3.3. The Commission discussed and agreed the savings proposal (ER28 – Safer Merton) that relates to its remit.
- 3.4. The Commission discussed a number of specific savings items that had been of concern to the scrutiny panels. The Commission agreed to ask Cabinet to reconsider the proposal in CS2 – Review of Support Services – to withdraw legal advice from Licensing Committee. The Director of Corporate Services agreed to provide further information on the impact that continuing legal support would have on the type of cases that would no longer be prosecuted and the cost implications for the Council.
- 3.5. The Director of Corporate Services agreed to send further information on the decision making timetable relating to the issues covered by the members’ working group within item CS2– the restructure of support services – so that members can take this into account in planning further discussion in their political groups.
- 3.6. The additional information that had been provided subsequent to the panel meetings was noted and further clarification was sought on some of the detail:
  - ER22 – Street Cleansing Service - the Director of Environment and Regeneration agreed to provide Commission members with information on the recent government announcement relating to checking content of refuse bags
  - ER29 – Parking Services – the Director of Environment and Regeneration agreed to inform Commission members of the consultation requirements in relation to amending the hours and days for controlled parking in CPZ areas.
  - CC35 – Discretionary Freedom Passes for mentally ill people – the Director of Community and Housing will be asked when the decision in relation to the savings in 2012/13 needs to be made

- 3.7. Commission members discussed their concerns in relation to specific savings items. At the conclusion of the discussion the Chairman then asked members to informally list the six items that caused them greatest concern and which might be particularly flagged to Cabinet \*. The seven items which generated the most responses, together with the concerns raised in the discussion were:
- ER07 – Greenspaces – delete evening parks locking up service*
- 3.8. Members are concerned about the impact of this measure on community safety, leading to problems with vandalism and therefore a false economy.
- ER22 – Street Cleansing – service efficiencies and reductions*
- 3.9. Members examined the additional information provided on detail of this proposal and commented that the focus seems to be more on service reduction than efficiencies.
- ER27- Household Waste & Recycling Centres – close Weir Road*
- 3.10. Noted concerns raised by Sustainable Communities Panel

Footnote

\* Councillor Richard Williams, while drawing attention to the specific comments he had made in relation to particular savings items, expressed concern that without being able to identify or discuss the compensatory savings that might need to be found by Cabinet or the impact on the budget gap in future years, he did not feel able to informally list items in this way.

*LI01 – revised library opening hours*

- 3.11. Concern about the impact of this proposal.

*CC35 – target the discretionary use of Freedom Passes for mentally ill people*

- 3.12. Concern that the impact that this will have on a vulnerable group of people – members believe that Freedom Passes are valuable and beneficial for people who are mentally ill. Freedom Passes may be included in personal care plans.

*CS3 - reduction in support for Community Forums*

- 3.13. Members acknowledged that community forums are not working well in the centre and east of the borough and that they are expensive. There was discussion on whether it would be best to seek to improve the forums or to look for alternative models such as councillor-led ward based meetings. Members agreed that ward councillors have an important part to play as an interface between the council and residents but views differed on whether officer support is needed.

*CSF28 – Integrated Services – review of Brightwell respite centre*

- 3.14. Concern that this saving proposal impacts on a particularly vulnerable group of people.
- 3.15. Andrew Boxall, parent governor representative, asked Cabinet to reconsider this saving. He also drew attention to the impact that saving proposal CSF25 – service efficiencies in Special Educational Needs Service – would have on already stretched school budgets.

**Capital Programme 2011/15**

- 3.16. The Commission considered the draft Capital Programme, together with the comments presented by the scrutiny panels (contained in Appendix 4) and agreed to forward these to Cabinet for its consideration.
- 3.17. The Commission discussed the need for a balanced capital programme budget going forward and the use of monies from the revenue budget to service capital debt. The Commission welcomed the proposals for close management of the future capital programme.”

## LOCAL GOVERNMENT FINANCE SETTLEMENT 2011-13

### Summary of General Fund Impact (excluding Schools)

The Final 2011-12 and Provisional 2012-13 Provisional Local Government Finance Settlement was announced on 31 January 2011. There have been only minor amendments since the Provisional Settlement was announced on 13 December 2010. It provides allocations to local authorities for 2011/12 and 2012/13 based on the headline totals published as part of the Spending Review in October 2010.

The key points arising from the final announcement are:-

1. There have been only minor changes since the Provisional Settlement was announced on 13 December 2010;
2. **Formula Grant** has increased slightly for London by £0.380m but Merton's allocation is unchanged;
3. **Core Revenue Grants** - No changes have been made;
4. **Grants under review and other grants** -

#### Grants under review and Other Grants

Three new grants have been created since the Provisional Settlement announcement:

1. **The Community Safety Fund**, worth £56.8m in 2011- 12 and £28.8m in 2012-13. This replaces three Home Office Grants (worth £77.2m in 2010-11) which were previously under review, namely:
  - the Stronger Safer Communities Fund (HO element),
  - Young People Substance Misuse (HO element) grant, and
  - Community Call to Action grant.

Only national totals have been announced for these grants and local authority allocations are as yet unknown

Other grants remain under review, namely:

- The Music Grant (£82.5m in 2010-11), and
  - Extended Rights for Free Travel (£28.9m in 2010-11).
2. **Neighbourhood Management Pathfinders** funding (Stronger Safer Communities (CLG element))  
The Strong Safer Communities grant (CLG element), worth £4.9m in 2010-11, was previously thought to be ending. This has been reinstated as funding for Neighbourhood Management Pathfinders, albeit at a lower national total of £3.9m for 2011-12. The grant will not be paid in 2012-13. Only national totals have been announced for these grants and local authority allocations are as yet unknown

3. **‘Housing Growth & Housing Market Renewal Transitional Fund.’** Growth Areas, Growth Points and Eco Towns grant, worth £2.3m in 2010-11, has been reinstated with the new name ‘Housing Growth & Housing Market Renewal Transitional Fund.’ This grant will be worth £3.0m in 2011-12 and £2.0m in 2012-13

### **SUMMARY OF THE LOCAL GOVERNMENT FINANCE SETTLEMENT**

Previously, revenue grant funding to local authorities consisted of three main elements:-

- Formula Grant (Revenue Support Grant + Share of Business Rates pool)
- Area Based Grants and other non-ring-fenced grants
- Specific and Special Grants – ringfenced

The Settlement confirmed that many of the existing grants will be rolled into formula grant, some will remain as core revenue grants, some have ended. There is still currently uncertainty with respect to a number of grants and more details are being released on a daily basis.

#### Year on Year Changes in Formula Grant:

	2011/12 %	2012/13 %
England	-9.9	-7.3
London boroughs	-11.3	-7.6
Inner London	-11.2	-7.4
Outer London	-11.3	-7.9
GLA	-4.9	-5.9
<b>Merton</b>	<b>-13.3</b>	<b>-9.4</b>

#### ***Changes to Aggregate External Finance***

Total funding for local authorities will be worth £30.0bn in 2011-12, excluding schools, PFI and police funding (outside of formula grant). Formula grant funding, nationally, will be worth £24.9bn, accounting for 83% of this total. Merton’s revenue grants are included in the following table:-

Merton Revenue Grant (exc. PFI)	2011/12 allocation £m	%
Formula Grant	66.617	74.6
Early intervention Grant	7.600	8.5
Learning Disability and Health Reform	6.653	7.5
Council Tax Freeze Grant	2.060	2.3
Housing and Council Tax Benefit Subsidy Admin	1.597	1.8
NHS Funding to Support Social Care and Benefit Health	2.052	2.3
Preventing Homelessness	0.500	0.6
New Homes Bonus	2.042	2.3
Lead flood authority	0.127	0.1
Total (See * on next page)	* 89.248	100.0

## FUNDING PROTECTION AND FLOORS

There will be two forms of funding protection from 2011-12 onwards: floor damping and the Transition Grant.

- Floor damping - As in previous years, a funding “floor” will be applied to each authority to minimise year-on year changes in its level of cash grant. In 2011-12 floors will be set at a negative level for the first time, guaranteeing each authority a maximum decrease in funding (rather than a minimum increase, as has previously been the case). A new floor system is proposed which reflects the extent to which authorities rely on formula grant. Each authority’s budget requirement is financed either by formula grant or council tax – “grant dependency” is defined as the proportion of each authority’s 2010/11 budget requirement that was funded through the 2010/11 formula grant. For social service authorities, councils are grouped into four floor bands according to their level of grant dependency:-

Floor Band	2011-12 floor	2012-13 floor	No. of London Authorities
Band 1 (most dependent)	-11.3%	-7.4%	17
Band 2	-12.3%	-8.4%	3
<b>Band 3 (Merton’s Band)</b>	<b>-13.3%</b>	<b>-9.4%</b>	<b>9</b>
Band 4 (least dependent)	-14.3%	-10.4%	4

Merton is in Band 3.

- Transition grant - An additional revenue grant (Transition Grant) will be paid to those local authorities who would otherwise see a reduction in their ‘revenue spending power’ of more than 8.8% in either 2011-12 or 2012-13. The grant will be worth £85m in 2011-12 and £14m in 2012-13.

The DCLG have presented the figures for authorities in terms of Revenue Spending Power. Revenue Spending Power is defined as the aggregate of council tax, formula grant, other specific grants and NHS funding for social care. To ensure greater certainty in funding, the data used to calculate this grant will be based on figures as at the provisional finance settlement. Changes made after this date will not be included (i.e. New Homes Bonus (£2.042m), Lead Flood Authority (£0.127m), Council Tax Freeze Grant (£0.026m CR)). (See \* below and on previous page))

## CALCULATION OF REVENUE SPENDING POWER

	2010/11 £m	2011/12 £m	Change £m	Change %	2011/12 Adjusted £m	2012/13 £m	Change £m	Change %
Council Tax requirement	82.163	82.163	0	0	82.163	82.163	0	0
Formula Grant	67.733	N/A	N/A	N/A	66.182	59.961	-6.221	-9.40
Rolled –in grants	9.103	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Sub-total: Formula Grant</b>	<b>76.836</b>	<b>66.617</b>	<b>10.219</b>	<b>-13.30</b>	<b>66.182</b>	<b>59.961</b>	<b>-6.221</b>	<b>-9.40</b>
Specific & Special Grants	17.030	20.490	3.460	20.32	18.893	19.332	0.439	2.32
<b>Sub-total: Grants</b>	<b>93.866</b>	<b>* 87.107</b>	<b>-6.759</b>	<b>-7.20</b>	<b>85.075</b>	<b>79.293</b>	<b>-5.732</b>	<b>-6.8</b>
Estimated Revenue Spending Power	176.029	169.270	-6.759	-3.84	167.238	161.456	-5.782	-3.46%

## Reduction in Formula Grant

Taking into account the rolled-in grants, the reduction in formula grant from 2010/11 to 2011/12 is £10.219m, (-13.3%) and from 2011/12 to 2012/13 is £6.221m (-9.4%). In order to allocate this reduction, the simplest and fairest method is to reduce each element pro rata. This is set out in the following table:-

Grant	2010/11 Provisional Settlement	2011/12	Change	2012/13	Change
	GF £m	GF £m	2011/12 £m	GF £m	2012/13 £m
<b>Formula Grant (Actual 2010/11)</b>	<b>67.733</b>	<b>58.788</b>	<b>(8.945)</b>	<b>52.962</b>	<b>(5.826)</b>
<b><u>Rolled-in Grants:</u></b>					
Corporate Services	0.123	0.106	-0.016	0.096	-0.011
Children Schools & Families	0.660	0.512	-0.148	0.415	-0.096
Environment and Regeneration	-0.016	-0.025	-0.009	-0.030	-0.006
Community & Housing	8.336	7.236	-1.101	6.518	-0.717
<b><u>Sub-total: Rolled-in Grants</u></b>	<b>9.103</b>	<b>7.829</b>	<b>-1.274</b>	<b>6.999</b>	<b>-0.830</b>
<b>Total</b>	<b>76.836</b>	<b>66.617</b>	<b>-10.219</b>	<b>59.961</b>	<b>-6.656</b>

A detailed analysis of these changes is set out in Appendix \_\_.

### Specific and Special Grants

Changes in specific and special grants are treated differently. It is assumed that changes in these are earmarked for specific purposes, so any increase/decrease in grant is matched by a corresponding increase/decrease in expenditure so that there is no overall change in the budget gap.

Details of the latest information on all Government Grants is shown in Appendix \_\_.

### Indicative Council Tax Freeze Grant

The Government have included an amount of grant within the Provisional Settlement on the assumption that local authorities do not propose a council tax increase. If this is the case, the grant will be available to fund expenditure/reduce the budget gap.

### Remaining Uncertainty

There is still some uncertainty over some grants, even after the final Settlement details have been announced.

Even with the Final Settlement there is one aspect that will lead to potential difficulties and that is the fact that a number of funding streams have been ended or have yet to be confirmed. Analysis of the implications for services of these is continuing,

The grants that are under review/ended are set out in Appendix \_\_.



In addition, there may be some sources of funding that services receive via other agencies which will be discontinued as a result of funding cuts in those areas. (Appendix 3 refers)

### Capital Funding

Capital funding to local authorities will be by way of capital grant from 2011/12. There will be no supported borrowing allocations from 2011/12 onwards.

No details are yet available from the DCLG but information has been released on Schools Capital via the Department for Education and TfL for schemes within Environment and Regeneration.

### **Schools capital allocations for 2011-12**

On 13 December 2010, the Secretary of State announced details of allocation of over £2 billion of capital funding for 2011-12 to schools and local authorities.

The announcement included details of allocation of:

- £800 million of basic need funding to local authorities to provide school places where needed in their area, in all categories of taxpayer-funded schools
- £858 million of maintenance capital to local authorities to support the needs of the schools that they maintain and for the Sure Start children's centres in their area
- £196 million of locally-coordinated VA programme capital to support the maintenance capital needs of voluntary-aided schools
- £185 million of devolved formula capital for schools.

### For Merton.

In summary we have received the following for 2011/12:

- £6.087 million in basic need
  - £2.511 million in capital maintenance (previously labelled 'modernisation')
- = £8.6 million total

£0.962m has been allocated for Voluntary Aided schools maintenance – Merton officers co-ordinate this but it doesn't go through the council.

With regards to future years the DfE state "Allocations for 2012-13 until 2014-15 will be informed by the outcome of the capital review, which will be published in early 2011. While the allocation and management for these programmes may change to reflect the recommendations of the review, it is expected that the funding available for basic need and capital maintenance of schools will be roughly in line with the funding for 2011-12"

The devolved capital allocations to schools have been cut significantly, with the total allocation for non-VA Merton maintained schools being only

£364,165. In the last few years an average 420 place primary school would have received approximately £44k, and a 1200 place secondary school £120k. Now they will receive approximately just £9.5k and £27k respectively. This will reduce schools spending power for buildings and IT, but also put more pressure on Merton's schools capital maintenance programme as the Council will no longer be able to keep joint funding arrangements as they are for such items - currently Merton does not consider anything under £20k and then expects a significant contribution from the school



## 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 HM Revenue and Customs service. The data for 2011/12 is collected and presented to this Authority as at 4<sup>th</sup> October 2010. 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) A reduction to reflect anticipated losses of 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 2010/11, the total properties before adjustment amounted to 80,325 which converted to a tax base of 74,250.1. In 2011/12, the total number of

dwellings on the Valuation List before adjustment amounts to 80,710, which converts to a tax base of 74,485.9.

- 2.4 The table below shows the analysis of the tax base for 2011/12 and its comparison with 2010/11 analysed over Bands A – H.

<b>Bands</b>	<b>Council Tax Base 2010/11</b>	<b>Council Tax Base 2011/12</b>
Band A	578.7	568.8
Band B	5,058.9	5,083.2
Band C	15,848.6	15,979.8
Band D	23,823.0	23,904.6
Band E	14,083.6	14,031.0
Band F	6,265.6	6,332.4
Band G	5,830.7	5,801.6
Band H	2,761.0	2,784.5
<b>Total</b>	<b>74,250.1</b>	<b>74,485.9</b>

### 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 2011/12 is £77.29m. 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 2011/12, the estimated amount of discretionary rate relief used to reduce the contribution to the Business Rates pool is £0.164m.

- 3.6 The allowances for expected losses on collection of £1.00m and for the costs of collection, £0.286m are both calculated in accordance with Government Regulations.
- 3.7 The effect of the discretionary rate relief (£0.164m) and the allowance for losses and costs of collection (£1.286m) is to reduce the net amount payable to the national pool to £75.836m. The sum to be received from the National Pool will be £50.888m. Over the past four years the contributions to and from the National Pool are:-

	<b>Contributions to National Pool</b>	<b>Contributions from National Pool</b>	<b>Net contribution to/(from) pool</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
2011/12	75.836	50.888	24.948
2010/11	73.721	59.145	14.576
2009/10	72.959	54.233	18.726
2008/09	65.647	57.630	8.017

The uniform business rate poundage for 2011/12 has been set by the Government at 42.6 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 43.3 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 2011, 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 2011/12.

#### 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 will agree the final budget proposals outlining the 2011/12 budgets for the Greater London Authority and the four functional bodies on 23<sup>rd</sup> February 2011.

## APPENDIX 5

### SUMMARY OF CORPORATE AND TECHNICAL ADJUSTMENTS IN THE MTFs

<b><u>TECHNICAL &amp; CORPORATE ADJUSTMENTS:</u></b>	<b>Non-Schools</b>	<b>Non-Schools</b>	<b>Non-Schools</b>	<b>Non-Schools</b>
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Inflation – Pay	0.428	0.428	0.856	0.856
Inflation - Prices	5.558	4.575	4.525	4.525
Adjustment re: income arising from P3/P4	0.200	0.200	0.000	0.000
Borrowing, Investment & Debt Management Strategy	2.500	2.500	1.818	0.869
Collection Fund (Net)	0.455	0.832	0.000	0.000
Waste Management Strategy	0.776	0.776	0.000	0.000
Census	0.000	(0.050)	0.000	0.000
VAT	1.000	0.000	0.000	0.000
Pension Fund – Past Service Deficiency period from 12 years to 15 years	(1.020)	(0.200)	(0.150)	(0.600)
Use of Reserves – VAT Reserve	(0.724)	0.724	0.000	0.000
Use of Reserves – Section 117	(0.100)	0.100	0.000	0.000
Adjustment re Rolled-in government grant	9.103	0.000	0.000	0.000
Top-slice of Government Grant	0.543	0.000	0.000	0.000
Reduction in contingency to fund growth in CSF and E&R	(2.740)	0.000	0.000	0.000
Application of 2010/11 underspend	(4.252)	4.252	0.000	0.000
Reduction in provision for Single Status costs	(0.066)	(0.024)	0.000	0.000
<b>Corporate and Technical Adjustments</b>	<b>11.611</b>	<b>14.113</b>	<b>7.049</b>	<b>5.650</b>



**SAVINGS ANALYSIS FOR COUNCIL 2nd March 2011 - All savings**

<b>ALL SAVINGS</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
<b>CABINET 14th February 2011 (Phases 1-4)</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Chief Executive's and Corporate Services	3,647	-100	0	0
Children, Schools and Families	2,255	59	0	0
Environment and Regeneration	4,696	103	15	0
Community and Housing	4,559	128	0	0
<b>Total</b>	<b>15,157</b>	<b>190</b>	<b>15</b>	<b>0</b>

**SAVINGS ANALYSIS FOR COUNCIL 2nd March 2011 - Non ABG savings**

<b>NON - ABG SAVINGS</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
<b><u>CABINET 14th February 2011 (Phases 1-4)</u></b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Chief Executive's and Corporate Services	3,581	-100	0	0
Children, Schools and Families	1,346	59	0	0
Environment and Regeneration	4,674	103	15	0
Community and Housing	4,453	128	0	0
<b>Total</b>	<b>14,054</b>	<b>190</b>	<b>15</b>	<b>0</b>

## SAVINGS ANALYSIS FOR COUNCIL 2nd March 2011 - ABG savings

<b>ABG SAVINGS</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
<b><u>CABINET 14th February 2011 (Phases 1-4)</u></b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Chief Executive's and Corporate Services	66	0	0	0
Children, Schools and Families	909	0	0	0
Environment and Regeneration	22	0	0	0
Community and Housing	106	0	0	0
<b>Total</b>	<b>1,103</b>	<b>0</b>	<b>0</b>	<b>0</b>

COUNCIL 2nd March 2011

## SUMMARY OF 2011/12 RISKS: ALL SAVINGS

<b>DELIVERABILITY RISK</b>	<b>High</b>	4.16% (1.4% 2010/11)	2.64% (10.1% 2010/11)	10.64% (0.4% 2010/11)
	<b>Medium</b>	8.13% (9.1% 2010/11)	29.42% (27.1% 2010/11)	15.79% (2.8% 2010/11)
	<b>Low</b>	14.20% (28.8% 2010/11)	9.14% (17.0% 2010/11)	5.90% (3.3% 2010/11)
		<b>Low</b>	<b>Medium</b>	<b>High</b>
		<b>REPUTATIONAL RISK</b>		

COUNCIL 2nd March 2011

## SUMMARY OF 2011/12 RISKS: NON-ABG SAVINGS

<b>DELIVERABILITY RISK</b>	<b>High</b>	4.48% (1.4% 2010/11)	2.85% (10.1% 2010/11)	11.47% (0.4% 2010/11)
	<b>Medium</b>	8.08% (9.1% 2010/11)	30.87% (27.1% 2010/11)	14.18% (2.8% 2010/11)
	<b>Low</b>	13.04% (28.8% 2010/11)	8.67% (17.0% 2010/11)	6.36% (3.3% 2010/11)
		<b>Low</b>	<b>Medium</b>	<b>High</b>
		<b>REPUTATIONAL RISK</b>		

COUNCIL 2nd March 2011

## SUMMARY OF 2011/12 RISKS: ABG SAVINGS

<b>DELIVERABILITY RISK</b>	<b>High</b>	0.00% (N/A 2010/11)	0.00% (N/A 2010/11)	0.00% (N/A 2010/11)
	<b>Medium</b>	8.70% (N/A 2010/11)	10.88% (N/A 2010/11)	36.26% (N/A 2010/11)
	<b>Low</b>	29.01% (N/A 2010/11)	15.14% (N/A 2010/11)	0.00% (N/A 2010/11)
		<b>Low</b>	<b>Medium</b>	<b>High</b>
		<b>REPUTATIONAL RISK</b>		

## SAVINGS ANALYSIS FOR COUNCIL 2nd March 2011 All Savings

		2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<b>COUNCIL 2nd March 2011(Phases 1-4)</b>				
SI1	Income: increase in current level of charges	1,609	0	0	0
SI2	Income: increase arising from expansion of existing service/new service	1,210	10	0	0
SS1	Staffing: reduction in costs due to efficiency	1,846	0	0	0
SS2	Staffing: reduction in costs due to deletion/reduction in service	4,418	0	0	0
SNS1	Non - Staffing: reduction in costs due to efficiency	992	0	0	0
SNS2	Non - Staffing: reduction in costs due to deletion/reduction in service	1,752	150	15	0
SP1	Procurement / Third Party arrangements - efficiency	3,230	52	0	0
SG1	Grants: Existing service funded by new grant	97	-22	0	0
SG2	Grants: Improved Efficiency of existing service currently funded by unringfenced grant	3	0	0	0
SPROP	Reduction in Property related costs	0	0	0	0
		<b>15,157</b>	<b>190</b>	<b>15</b>	<b>0</b>

## SAVINGS ANALYSIS FOR COUNCIL 2nd March 2011 Non ABG Savings

		2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<b>COUNCIL 2nd March 2011(Phases 1-4)</b>				
SI1	Income: increase in current level of charges	1,609	0	0	0
SI2	Income: increase arising from expansion of existing service/new service	1,210	10	0	0
SS1	Staffing: reduction in costs due to efficiency	1,846	0	0	0
SS2	Staffing: reduction in costs due to deletion/reduction in service	4,076	0	0	0
SNS1	Non - Staffing: reduction in costs due to efficiency	892	0	0	0
SNS2	Non - Staffing: reduction in costs due to deletion/reduction in service	1,197	150	15	0
SP1	Procurement / Third Party arrangements - efficiency	3,124	52	0	0
SG1	Grants: Existing service funded by new grant	97	-22	0	0
SG2	Grants: Improved Efficiency of existing service currently funded by unringfenced grant	3	0	0	0
SPROP	Reduction in Property related costs	0	0	0	0
		<b>14,054</b>	<b>190</b>	<b>15</b>	<b>0</b>



## SAVINGS ANALYSIS FOR COUNCIL 2nd March 2011 ABG Savings

		2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<b>COUNCIL 2nd March 2011(Phases 1-4)</b>				
SI1	Income: increase in current level of charges	0	0	0	0
SI2	Income: increase arising from expansion of existing service/new service	0	0	0	0
SS1	Staffing: reduction in costs due to efficiency	0	0	0	0
SS2	Staffing: reduction in costs due to deletion/reduction in service	342	0	0	0
SNS1	Non - Staffing: reduction in costs due to efficiency	100	0	0	0
SNS2	Non - Staffing: reduction in costs due to deletion/reduction in service	555	0	0	0
SP1	Procurement / Third Party arrangements - efficiency	106	0	0	0
SG1	Grants: Existing service funded by new grant	0	0	0	0
SG2	Grants: Improved Efficiency of existing service currently funded by unringfenced grant	0	0	0	0
SPROP	Reduction in Property related costs	0	0	0	0
		<b>1,103</b>	<b>0</b>	<b>0</b>	<b>0</b>

DEPARTMENT: CORPORATE SERVICES & CHIEF EXECUTIVES SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS1	<p><b>Service Description</b>  <b>Service Implication</b>  <b>Staffing Implications</b>  <b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p> <p><b>ABG Reduction</b>                      Reduction in Preventing Violent Extremism (PVE) budgets. This will lead to less money available for PVE initiatives.</p> <p>None                      None                      Less funding available to support CSF in the engagement work with schools                      The reduction in funds will have an impact on our ability to fund projects to engage with sections of the population most at risk within the borough - young males and females from minority ethnic groups</p>	246	66				Low	Low	SNS2
CC	CS2	<p><b>Service Description</b>  <b>Service Implication</b>  <b>Staffing Implications</b>  <b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p> <p><b>Corporate Services &amp; Chief Executives Staffing</b>                      Restructure of Support Services                      See Appendix 6 for details.</p> <p>Net reduction of 65 ftes, but a number of these are vacant.</p> <p>None                      See Appendix 6 for details.                      See Appendix 5 for details</p>	13,770	2,166				Med	Med	SS2
CC	CS3	<p><b>Service Description</b>  <b>Service Implication</b>  <b>Staffing Implications</b>  <b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p> <p><b>Corporate Services &amp; Chief Executives Staffing</b>                      Customer Services Restructure                      Reduction in cash office opening hours. Supported community forums reduced to one per annum for each forum, with alternative arrangements to provide community engagement activity refocussed on other Member led activities. Reduced communications and marketing activity                      Reduction of 13,46 budgeted FTE.</p> <p>None.                      Reduced communications and marketing activity.                      See appendix.</p>	6,137	463				Med	Med	SS2
CC	CS4	<p><b>Service Description</b>  <b>Service Implication</b>  <b>Staffing Implications</b>  <b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p> <p><b>CHAS Contractors Health and Safety service.</b>                      CHAS is a national service operated by Merton to provide Health and Safety expertise to a wide range of customers. Anticipated additional income based on current level of demand for the service, which is anticipated to continue in 2011/12.</p> <p>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 Proadis.                      None</p>	-2,857	700	-100			Low	Low	SI2

DEPARTMENT: CORPORATE SERVICES & CHIEF EXECUTIVES SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS5	<p><b>Decision Package/Service Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan Implications</b></p> <p><b>Impact on other departments Equalities Implications</b></p>	482	50				Med	High	SS2
		<p><b>Description</b></p> <p><b>Review of HR business partners function shared with Sutfon - Merton contribution to be £50K through reduced staffing</b></p> <p>Reduction in Business Partner staffing - exact post/s yet to be identified and subject to consultation</p> <p>Will impact on level of HR business partner support provided to service departments</p> <p>Likely to see a reduction or one or two posts</p> <p>Will impact on support provided to departments</p> <p>Will impact on level of HR business partner support provided to service departments</p> <p>Not known at this stage - as subject to final consultation</p>								
CC	CS6	<p><b>Decision Package/Service Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan Implications</b></p> <p><b>Impact on other departments Equalities Implications</b></p>	183	30				Low	Low	SP1
		<p><b>Description</b></p> <p><b>Review of procurement of occupational and employee tendering</b></p> <p>Retender occupational health and employees assistance contracts</p> <p>We aim to retain the same level of service as far as possible but at a reduced cost</p> <p>None</p> <p>None</p> <p>We aim to minimise any loss of service quality</p> <p>None</p> <p>None</p>								
CC	CS7	<p><b>Decision Package/Service Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan Implications</b></p> <p><b>Impact on other departments Equalities Implications</b></p>	123	20				Med	Med	SS1
		<p><b>Description</b></p> <p><b>Review of learning development and diversity function</b></p> <p>Aim to co-locate the team and reduce staffing level</p> <p>We will seek to reduce administrative overheads as far as possible to achieve the saving</p> <p>Yes - likely to be one post - still subject to consultation</p> <p>None</p> <p>We aim to minimise any loss of service quality</p> <p>Yet to be determined</p>								

DEPARTMENT: CORPORATE SERVICES & CHIEF EXECUTIVES SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CS8	<p><b>Corporate</b></p> <p>Reduced Agency margins following renegotiation of Merton's contract with Hays</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p><b>Total CS &amp; CE Department Savings for 2011-2015</b></p>	-236	152				Low	Low	SP1

Panel

- C&YP Children & Young People
- CC Corporate Capacity
- HC&OP Healthier Communities & Older People
- SC Sustainable Communities
- O&SC Overview & Scrutiny Commission

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: CHILDREN, SCHOOLS AND FAMILIES PHASE 1 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
<b>Area Based Grant Savings</b>											
C&YP	CSF1	<b>Description</b>	43	43				Low	Low	SS2	
		<b>Service Implication</b>	<b>Education Health Partnerships</b> Cease Healthy Schools programme central co-ordination schools will continue to be encouraged to pursue aims of programme even if national funding is withdrawn								
		<b>Staffing Implications</b>	1 FTE redundancy								
		<b>Business Plan implications</b> <b>Impact on other departments</b> <b>Equalities</b> <b>Implications</b>	Possible impact on Healthy Schools targets - although these may be abandoned by coalition government Schools would lose overall LA coordination, challenge and support for meeting Healthy Schools standards. None specific								
C&YP	CSF2	<b>Description</b>	244	50				Low	Medium	SS2	
		<b>Service Implication</b>	<b>Extended Schools Start Up</b> Ending of central co-ordination and support to school clusters in connection with extended services provided by schools - Grant for 2011/12 not yet known but may go entirely								
		<b>Staffing Implications</b>	1FTE redundancy with possible 5 further redundancies subject to further grant reduction/removal								
		<b>Business Plan implications</b> <b>Impact on other departments</b> <b>Equalities</b> <b>Implications</b>	Schools' commissioning ability will need to develop to compensate for loss of LA support none Key elements of extended services are delivered to targeted groups vulnerable to poorer outcomes								

## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 1 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
C&YP	CSF3	<b>Description</b>	68	50				Low	Low	SS2	
		<b>Service Implication</b>									<b>Secondary Behaviour and Attendance - Central Co-ordination</b> Post will be sustained through use of re-prioritised DSG retained budget for purchasing alternative education for year 11 pupils out of school.
		<b>Staffing Implications</b>									No posts affected
		<b>Business Plan implications</b>									Will allow CSF to continue to deliver behaviour support /anti-bullying work to schools which minimises need for alternative education provision.
		<b>Impact on other departments Equalities Implications</b>									None CSF will sustain multi-agency bullying work - including racial and homophobic anti-bullying work - with schools
C&YP	CSF4	<b>Description</b>	29					Low	Low	SS2	
		<b>Service Implication</b>									<b>School Travel Advisors and Sustainable Travel</b> Removal of LA co-ordination and subsidies provided to schools for production of school travel plans
		<b>Staffing Implications</b>									1 redundancy of E+R hosted staff member
		<b>Business Plan implications</b>									None
		<b>Impact on other departments Equalities Implications</b>									See above re staffing implication in E+R department None specific

## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 1 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
C&YP	CSF5	<b>Description</b>	528	200				Medium	High	SNS2
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								
		<b>Business Plan implications</b>								
		<b>Impact on other departments Equalities Implications</b>								
C&YP	CSF6	<b>Description</b>	448	40				Low	Medium	SS2
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								
		<b>Business Plan implications</b>								
		<b>Impact on other departments Equalities Implications</b>								

**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 1 SAVINGS: 2011-2015**

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
C&YP	CSF7	<b>Description</b>	34	10				Low	Medium	SNS2	
		<b>Service Implication</b>	<p><b>Child Death Reviews</b> Reduction in administrative support to this shared function hosted by NHS Sutton and Merton. Impact will be minimised through increased collaboration across NHS and other LA partners</p>								
		<b>Staffing Implications</b>	<p>Potential implication for NHS Sutton and Merton employee</p>								
		<b>Business Plan implications</b>	<p>None</p>								
		<b>Impact on other departments Equalities Implications</b>	<p>None None specific</p>								
C&YP	CSF8	<b>Description</b>	1473	200				Medium	High	SNS2	
		<b>Service Implication</b>	<p><b>Connexions</b> Connexions grant provides information advice and guidance (IAG) to young people through a six borough careers service contract. LBM will cut investment in the new contract by reducing level of careers advice in schools, by reducing commissioning of Connexions services from the community and voluntary sector and through use of council accommodation for Connexions staff to reduce overhead costs.</p>								
		<b>Staffing Implications</b>	<p>Likely staffing reductions in Connexions main provider and other commissioned services.</p>								
		<b>Business Plan implications</b>	<p>Saving will reduce capacity of statutory advice and guidance service and is likely to impact on NEET target for young people</p>								
		<b>Impact on other departments Equalities Implications</b>	<p>School based service will be reduced. Targeted service to young people most in need of IAG will continue.</p>								



**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 1 SAVINGS: 2011-2015**

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
C&YP	CSF9	<b>Description</b>	235	20				Low	Medium	SS2/SNS2	
		<b>Service Implication</b>									<b>Positive Activities for Young People</b> Reduction of targeted youth work and summer positive activities funding. Reduction to be mitigated in part by reallocation of work amongst remaining targeted youth staff.
		<b>Staffing Implications</b>									Workload implications for existing staff
		<b>Business Plan implications</b>									None
		<b>Impact on other departments</b>									None
<b>Equalities Implications</b>	Impact on capacity of targeted service for some equalities groups										
C&YP	CSF10	<b>Description</b>	84	20				Low	Medium	SNS2	
		<b>Service Implication</b>									<b>Young Peoples Substance Misuse</b> Reduce contract sum for commissioned substance misuse service
		<b>Staffing Implications</b>									Possible staffing reductions in substance misuse service provider
		<b>Business Plan implications</b>									Key substance misuse targets can still be met
		<b>Impact on other departments</b>									This service is jointly commissioned with Safer Merton and PCT
<b>Equalities Implications</b>	More targeted elements of service will be sustained.										

## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 1 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
C&YP	CSF11	<b>Description</b>	109	27				Low	Medium	SNS2	
		<b>Service Implication</b>									<b>Teenage Pregnancy</b> Reduction in overall capacity of teenage pregnancy services, specifically impacting on work to link young parents into mainstream health and early years provision
		<b>Staffing Implications</b>									Deletion of vacant post in PCT
		<b>Business Plan implications</b>									Saving will not impact on specific teenage pregnancy targets
		<b>Impact on other departments Equalities Implications</b>									NHS hosted post to be deleted Teenage parents and their children are more vulnerable to poorer outcomes
C&YP	CSF12	<b>Description</b>	275	100				Low	Low	SNS1	
		<b>Service Implication</b>									<b>Transfer of Learning and Skills Council Functions</b> None specific as saving can be made from uncommitted grant provided to LAs to assume ex LSC functions from 2010-11 onwards.
		<b>Staffing Implications</b>									None
		<b>Business Plan implications</b>									None
		<b>Impact on other departments Equalities Implications</b>									None None None

**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 1 SAVINGS: 2011-2015**

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
<b>Commissioning, Strategy and Performance</b>											
C&YP	CSF13	<b>Description</b>	373	54				Low	Low	SS1	
		<b>Service Implication</b>									<b>Restructure the Research and Information Service and reduce by 1 post</b> Delayering and removal of one management post will require some rationalisation of products delivered by R+1 team to managers in CSF and council and to external bodies
		<b>Staffing Implications</b>									1 FTE redundancy
		<b>Business Plan implications</b>									None specific
		<b>Impact on other departments</b>	None								
		<b>Equalities Implications</b>	None								
C&YP	CSF14	<b>Description</b>	212	38				Low	Low	SS1	
		<b>Service Implication</b>									<b>Remove One Admissions Post</b> Service will need to further increase electronic school admissions applications - already at high levels - to mitigate loss of staff capacity and anticipated large increase in volume of school applications over next 3-5 years
		<b>Staffing Implications</b>									Deletion of post on retirement of current postholder
		<b>Business Plan implications</b>									None specific
		<b>Impact on other departments</b>	Possible impact on Merton Link								
		<b>Equalities Implications</b>	None								

**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 1 SAVINGS: 2011-2015**

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
<b>Education</b>										
C&YP		<b>Service Description</b>								
	CSF15	<b>Service Implication</b>	38	35				Low	Medium	SNS2
		<b>Staffing Implications</b>								
		<b>Business Plan implications Impact on other departments Equalities Implications</b>								
<b>Children's Social Care</b>										
C&YP		<b>Service Description</b>								
	CSF16	<b>Service Implication</b>	70	70				Medium	Medium	SS1
		<b>Staffing Implications</b>								
		<b>Business Plan implications Impact on other departments Equalities Implications</b>								

**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 1 SAVINGS: 2011-2015**

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
<b>Youth and Inclusion</b>										
C&YP	CSF17	<p><b>Service Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	305	30				Low	Medium	SS2
		<p><b>Youth and Inclusion</b></p> <p><b>Educational Welfare Team</b></p> <p>Reduction of 0.75 FTE Education Welfare Officer will be mitigated by reallocating work across remaining staff using LEAN review tool but some reduction in overall service capacity likely</p> <p>1 redundancy potentially</p> <p>Attendance and Persistent Absence targets at risk through reduced service</p> <p>Some reduction in EWS support to schools</p> <p>Children missing school are vulnerable to poorer educational and other outcomes</p>								

**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 1 SAVINGS: 2011-2015**

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
C&YP	CSF18	<p><b>Youth and Inclusion</b>  <b>Restructure Youth Provision</b>                      Savings proposal is part of major transformation project developing new Target Operating Model (TOM) for youth service. Current review is ongoing of configuration of centres; overhead costs and balance of direct provision and external commissioning of service. TOM will result in reduction in universal youth offer and increased targeting of service</p> <p><b>Service Description</b>                      Likely to involve redundancies and/or transfer of staff to new providers</p> <p><b>Service Implication</b>                      Likely impact on achievement of targets for participation in youth provision and achievement of accredited outcomes.</p> <p><b>Staffing Implications</b>                      Reduction in diversionary work with young people in some parts of the borough may lead to increased youth crime and anti-social behaviour with impact on Safer Merton and Community and Housing department</p> <p><b>Business Plan implications</b>                      TOM will focus the service on reaching higher risk groups.</p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	198	110	13			Medium	High	SNS2

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 1 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
<b>Early Years</b>										
C&YP	CSF19	<b>Service Description</b>								
		<b>Service Implication</b>	<b>Early Years</b> <b>Reduction of training budget</b> Reduction in free early years training offer to schools, PVI settings and childminders	50				Low	Medium	SNS2
		<b>Staffing Implications</b>	None							
		<b>Business Plan implications</b>	None							
		<b>Impact on other departments</b>	See above							
<b>Equalities Implications</b>	None specific									
<b>Cross Cutting</b>										
C&YP	CSF20	<b>Service Description</b>								
		<b>Service Implication</b>	<b>Cross Cutting</b> <b>Reduce Young People's Participation Budget</b> Saving will be achieved through a Target Operating Model (TOM) review and restructure of the service. Some prioritisation and targetting of participation work will be required.	40				Medium	Medium	SS2
		<b>Staffing Implications</b>	1 FTE redundancy likely							
		<b>Business Plan implications</b>	Work to support the new youth advisors will need to be retained.							
		<b>Impact on other departments</b>	None							
<b>Equalities Implications</b>	Participation officers promote the involvement of young people inc Looked After Children in decision-making									

**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 1 SAVINGS: 2011-2015**

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
<b>Social Care and Youth Inclusion</b>											
C&YP	CSF21	<b>Service Description</b>	<p><b>Community Support and Social Care</b> Delete one admin post. Removal of admin support to Family Support coordinators. Deletion of vacant post and reallocation of work</p>	20				Low	Low	SS1	
		<b>Service Implication</b>									
		<b>Staffing Implications</b>									
		<b>Business Plan implications Impact on other departments Equalities Implications</b>									
C&YP	CSF22	<b>Service Description</b>	<p><b>Community Support and Social Care</b> Reduction in daycare budget. Reduced capacity to subsidise the provision of daycare for vulnerable pre-school children.</p>	30				Low	Medium	SNS2	
		<b>Service Implication</b>									
		<b>Staffing Implications</b>									
		<b>Business Plan implications Impact on other departments Equalities Implications</b>									
		Providing daycare for young children in need can improve their outcomes educationally and within their families									



**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 1 SAVINGS: 2011-2015**

Panel	Ref	Description of Saving	Baseline Budget 09/10 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
C&YP	CSF23	<b>Service Description</b>	63	15				Low	Medium	SNS2	
		<b>Service Implication</b>									Community Support and Social Care Reduce Section 17 budgets across social care teams.
		<b>Staffing Implications</b>									Reduced capacity to provide ad-hoc financial assistance in defined circumstances to families of children in need.
		<b>Business Plan implications</b>									None
		<b>Impact on other departments</b>									None
		<b>Equalities Implications</b>									None
		This saving will impact on poorer families with children in need									
		<b>ABG</b>	789	0	0	0	0	0	0	0	
		<b>Non ABG</b>	492	13	0	0	0	0	0	0	
		<b>Total Children, Schools and Families Department Savings for 2011-2015</b>	1,281	13	0	0	0	0	0	0	

- 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

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

**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 2 SAVINGS: 2011-2015**

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
<b>Area Based Grant Savings</b>										
C&YP	CSF24	<p><b>Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	221	120				Medium	Medium	SS2
<p><b>Primary/Secondary Strategy - Central Co-ordination</b></p> <p>Complete service restructure in School Standards and Quality with increased targeting of residual funding and development of new models of delivery of school improvement services</p> <p>11 possible redundancies through known grant reduction.</p> <p>Significant impact on LA's ability to intervene to raise education attainment and school standards.</p> <p>none</p> <p>Need to protect support for schools in respect of their work to improve educational outcomes for vulnerable groups of pupils</p>										
<b>Education</b>										
C&YP	CSF25	<p><b>Service Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	303	50				Low	Medium	SNS1
<p><b>Special Educational Needs</b></p> <p>Service efficiencies and rationalisation of budgets</p> <p>Saving will be achieved through removal of training budget for schools and LA officers and increase in income generation targets</p> <p>None</p> <p>None specific</p> <p>Some impact on overall CSF training offer to schools</p> <p>None specific</p>										

**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 2 SAVINGS: 2011-2015**

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
C&YP	CSF26	<b>Service Description</b>	2579	100				Medium	Medium	SNS1/SNS2	
		<b>Special Educational Needs Reduce Budget for SEN Transport</b>									
		<b>Service Implication</b>									Saving will be achieved through review of transport eligibility policy and use of escorts undertaken alongside service user groups.
		<b>Staffing Implications</b>									None in CSF but potential impact in E+R
		<b>Business Plan implications</b>									None
		<b>Impact on other departments Equalities Implications</b>									See above Potential reduction of service for key equalities group
C&YP	CSF27	<b>Service Description</b>	97	40				Low	Medium	SS2	
		<b>Service Implication</b>									<b>Schools Standards and Quality Merton's LgFL Annual Revenue Contribution</b> Saving will be achieved through reduction in Merton's match funding contribution currently funding MLE consultants in schools - we will seek to achieve higher 'buy back' commitments from schools in order to retain service.
		<b>Staffing Implications</b>									1 possible redundancy if schools do not buy back
		<b>Business Plan implications</b>									None
		<b>Impact on other departments Equalities Implications</b>									None
											None

**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 2 SAVINGS: 2011-2015**

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
<b>Children's Social Care</b>										
C&YP	CSF28	<p><b>Service Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	592	70				High	High	SS1SNS1
<p><b>Integrated Services</b></p> <p><b>Integrated Services Efficiencies</b></p> <p>Saving will be achieved through a review of the role of Brightwell and efficiencies achieved through the new integrated model of service delivery</p> <p>Not known at this stage - review of Brightwell is ongoing and not due to produce final report until end December</p> <p>None specific</p> <p>None</p> <p>Potential impact on key equalities group although review of Brightwell aims to broaden service user access to respite services</p>										
C&YP	CSF29	<p><b>Service Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	111	70				Medium	Medium	SS2
<p><b>Strategy and Development</b></p> <p><b>Restructure</b></p> <p>Will reduce capacity to deliver current Common Assessment Framework (CAF) training and co-ordination across agencies providing children's services in the borough</p> <p>Up to 3 fte redundancies</p> <p>Will impact on partnership approach to the identification of, and support for, children with additional needs</p> <p>None in council but will affect partner agencies eg NHS Trusts; police; CVS and schools</p> <p>CAF is a national assessment framework designed to prevent the needs of vulnerable children escalating</p>										

## DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 2 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
C&YP	CSF30	<b>Service Description</b>	423	50				Medium	Medium	SS2
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								
		<b>Business Plan implications Impact on other departments Equalities Implications</b>								
		<b>Service Description</b>								
<b>Service Implication</b>										
C&YP	CSF31	<b>Staffing Implications</b>	700	22				Medium	Medium	SS2
		<b>Business Plan implications Impact on other departments Equalities Implications</b>								
		<b>Service Description</b>								
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								

**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 2 SAVINGS: 2011-2015**

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
C&YP	CSF32	<b>Service Description</b> <b>Service Implication</b>	1,149	25				Medium	Medium	SS2	
		<b>Staffing Implications</b>									
		<b>Business Plan implications</b> <b>Impact on other departments</b> <b>Equalities Implications</b>									
<b>Youth and Inclusion</b>											
C&YP	CSFD33	<b>Service Description</b>	659	30				Medium	High	SS2	
		<b>Service Implication</b>									
		<b>Staffing Implications</b> <b>Business Plan implications</b> <b>Impact on other departments</b> <b>Equalities Implications</b>									

**DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 2 SAVINGS: 2011-2015**

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
C&YP	CSF34	<b>Cross Cutting</b>									
		<b>Service Description</b>									
		<b>Service Implication</b>	<b>Cross Cutting</b> <b>Access to Resources (ART) Savings in Placement Costs</b> Planned project to establish new access to resources team from 1/4/11 to strengthen 'gatekeeping' and budget monitoring and achieve procurement savings from reduced unit costs of looked after children and SEN placements.	2,255	200				High	Medium	SP1
		<b>Staffing Implications</b>	Establishment of team will involve assimilation of existing staff								
C&YP	CSFD35	<b>Business Plan implications</b>	None specific								
		<b>Impact on other departments</b>	None								
		<b>Equalities Implications</b>	More robust procurement should improve quality of placements for these key equalities groups.								
		<b>Service Description</b>	<b>Cross Cutting</b> <b>Reviewing of Training and Supplies Budgets</b> None specific although this saving will pressure further budgets which are already considered small.		30				Low	Medium	SS2
		<b>Service Implication</b>									
		<b>Staffing Implications</b>	None								
		<b>Business Plan implications</b>	None								
		<b>Impact on other departments</b>	None								
		<b>Equalities Implications</b>	None								
		<b>ABG</b>		120							
		<b>Non ABG</b>		687							
		<b>Total Children, Schools and Families Department Savings for 2011-2015</b>		807	0	0					

**PANEL: CHILDREN & YOUNG PEOPLE PHASE 3 SAVINGS: 2011-2015**

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
Education C&YP	CSF36	<b>Description Service Implication</b>	57	57				Medium	Medium	SS2
		Merton's LgFL Annual Revenue Contribution Saving will be achieved through reduction in Merton's match funding contribution currently funding MLE consultants in schools - we will seek to achieve higher 'buy back' commitments from schools in order to retain service.								
		<b>Staffing Implications</b>								
		1 possible redundancy if schools do not buy back								
		<b>Business Plan implications Impact on other departments Equalities Implications</b>								
Cross Cutting C&YP	CSF37	<b>Service Description</b>		84				High	High	SNS1
		<b>Service Implication</b>								
		Officers will minimise the impact on service delivery								
		<b>Staffing Implications</b>								
		Not known at this stage								
		<b>Business Plan implications Impact on other departments Equalities Implications</b>								
		<b>Total Children, Schools and Families Department Savings for 2011-2015</b>		141	0	0	0			

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

SP1 Property Reduction in Property related costs

**Panel**

C&YP

CC

HC&OP

SC

Children & Young People  
Corporate Capacity  
Healthier Communities & Older People  
Sustainable Communities



DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES PHASE 4 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
<b>Education</b>										
C&YP	CSF15	<p><b>Service Description</b></p> <p><u>School Standards and Quality</u>  <b>Reducing of financial support to Merton Music Foundation</b>                      Phased reduction in general fund support to MMF. The Foundation also receives £241,121 from LBM's Standards Fund allocation and achieves income from delivery of music tuition. The Foundation has been protected from savings over the last 3 years.                      Discussions have been held with the Foundation with a view to minimising impact on overall service delivery and maintaining the sustainability of the Foundation's activities.</p> <p><b>Service Implication</b></p> <p>None for the Council</p> <p><b>Staffing Implications</b></p> <p>None</p> <p><b>Business Plan implications</b></p> <p>None</p> <p><b>Impact on other departments</b></p> <p>None</p> <p><b>Equalities Implications</b></p> <p>Subject to discussion with the Foundation</p>	72	26	46	0	0	Low	Medium	SNS2
<b>Total Children, Schools and Families Department Savings for 2011-2015</b>				26	46	0	0			

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

DEPARTMENT: ENVIRONMENT AND REGENERATION PHASE 1 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)	
SC	ER01	<p><b>Service Area Description</b></p> <p><u>Development Control</u>                      i) Expansion of existing pre-application charging system to include charge for advice given to household development - e.g. extensions, dormer roofs etc-£10k                      ii) Merging of Building Control and Development Control Teams involving deletion of 1 Section manager, one deputy team leader and one surveyor post-£110k</p> <p><b>Service Implication</b>                      i) Provision of formalised detailed advice for household development will lead to an improved level of service. ii) Loss of expertise, skills and knowledge, reduction in enforcement of Building regulations.</p> <p><b>Staffing Implications</b>                      i) Increased number of formal meetings, requirement to produce formalised reports of same.ii) deletion of 2.5 posts.</p> <p><b>Business Plan implications Impact on other departments</b>                      i) Potential for increase in income. ii) Limited                      i) Requirement for staff from other teams, particularly Conservation/Urban design, to attend extra pre-application meetings.ii) Initial impact as a result of restructure</p> <p><b>Equalities Implications</b>                      None</p>	1,869	120	0	0	0	0	Medium	High	SI2 & SS1
SC	ER02	<p><b>Service Area Description</b></p> <p><u>Environmental Health, Trading Standards and Licensing</u>                      i) Dispende with budget and allocated for "bought in inspections" - £25k ii) Surrender unused financial allocations-£33k iii) Capitalisation of salary expenditure on Disabled Facility Grant and Empty Property Grant provision-£58k iv) Reconfiguration of structures within Licensing and Env.Health Housing £48k.</p> <p><b>Service Implication</b>                      i) Reduction in the number of high risk inspections required annually to meet this target iv) reduction in size of Licensing and EH housing teams.</p> <p><b>Staffing Implications</b>                      iv) Deletion of 1 FTE</p> <p><b>Business Plan implications</b>                      i) Potential failure to meet NI184 and national Food premises inspection targets; iv) Reduced levels of enforcement, delayed response to service requests and consideration of housing grant applications.</p> <p><b>Impact on other departments Equalities Implications</b>                      Some impact on other teams such as Development Control.                      None</p>	1,452	164	0	0	0	0	Low	Medium	SS1 & SNS1
SC	ER03	<p><b>Service Area Description</b></p> <p><u>Parking Services</u>                      Increase in various parking charges:                      i) Removal of 20 minute free parking £60,000 (5 min = 15k, 10 min = 30k, 15 min = 45k)                      ii) Mobile CCTV £87,000                      iii) Trade Permit £30,000                      iv) New Person set up charge £65,000                      v) Business Permits £108,000                      Once the initial work has been completed and implemented there is likely to be an increase in third party representations/complaints.</p> <p><b>Service Implication</b>                      Staff time dealing with the above.</p> <p><b>Staffing Implications</b>                      None</p> <p><b>Business Plan implications</b>                      None</p> <p><b>Impact on other departments Equalities Implications</b>                      None</p>	9,636	320	0	0	0	0	Medium	High	SI1

DEPARTMENT: ENVIRONMENT AND REGENERATION PHASE 1 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER04	Service Area Description	266	27	0	0	0	High	Low	S11 & SS2
		Service Implication								
		Staffing Implications Business Plan implications Impact on other departments Equalities Implications								
SC	ER05	Service Area Description	400	160	0	0	0	Low	Low	SP1
		Service Implication								
		Staffing Implications Business Plan implications Impact on other departments Equalities Implications								
SC	ER06	Service Area Description	131	15	15	15	0	Low	High	SNS2
		Service Implication								
		Staffing Implications Business Plan implications Impact on other departments Equalities Implications								
SC	ER07	Service Area Description	1,774	57	0	0	0	Low	High	SNS2
		Service Implication								
		Staffing Implications Business Plan implications Impact on other departments Equalities Implications								
SC	ER08	Service Area Description	479	70	0	0	0	Low	Medium	S11
		Service Implication								
		Staffing Implications Business Plan implications Impact on other departments Equalities Implications								

DEPARTMENT: ENVIRONMENT AND REGENERATION PHASE 1 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER09	<p><b>Service Area Description</b>  <b>Service Implication</b></p> <p><b>Staffing Implications</b>  <b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p>	1,083	35	0	0	0	Low	Medium	SI1
		<p><b>Greenspaces</b>                      Increased fees &amp; charges of 5% for pitch hire, services etc.                      Increased income from services, pitch hire, etc. bringing a consistent charging procedure. This places Merton just above the mid-point of London Boroughs; it is not considered that this will have an impact on demand.                      None                      None                      None                      None</p> <p><b>Property Management and Review</b>                      Invest to Save. Regearing leases within non operational estate.                      None                      None                      Increased income.                      None                      None.                      None.</p>								
SC	ER10	<p><b>Service Area Description</b>  <b>Service Implication</b></p> <p><b>Staffing Implications</b>  <b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p>	70	100	0	0	0	High	Low	SI2
		<p><b>Transport Planning</b>                      Three savings are presented from the Transport Planning function - 1. Reduction in Consultancy Budget 2. Deletion of four school crossing patrol posts and 3. Saving from Safety Education Team salaries budget through the use of external funds                      For - 1. Some loss, albeit limited, of ability to progress technical issues, key projects, surveys etc. It may also affect our ability to react to peak workloads such as public inquiries. 2. A number of schools within the borough have benefited from improvements to the local highway infrastructure within the vicinity of their sites to improve pedestrian crossing facilities and the general condition of the footways. In certain locations, this has reduced the need for a school crossing patrol officer, and any future decommissioning of sites will focus on those locations where highway safety issues have already been minimised. 3. There should be no immediate impact since we have managed to secure external funding for some of the Safety Education staff. However, there is no certainty as to how long this external funding will continue.                      For 2 only - the loss of 4 posts. However, 2 posts are currently vacant.                      None                      None                      None</p>								
SC	ER11	<p><b>Service Area Description</b>  <b>Service Implication</b></p>	180	47	0	0	0	Low	Medium	SS1 & SS2
		<p><b>Staffing Implications</b>  <b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p> <p><b>Service Area Description</b>  <b>Service Implication</b></p> <p><b>Staffing Implications</b>  <b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p>								
SC	ER12	<p><b>Service Area Description</b>  <b>Service Implication</b></p> <p><b>Staffing Implications</b>  <b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p>	400	10	0	0	0	Medium	Low	SS2
		<p><b>Spatial Planning</b>                      Replacing a vacant planning policy officer post with a short-term contract, reducing the length of the post by one quarter overall.                      The saving will affect the calibre of candidates attracted to the post. Planning policy officer already hard to fill (even in current economic climate). Need to ensure a good candidate is secured to help Core Strategy and Waste Plan examinations (due to end late summer 2011). If post unfilled will affect delivery of Core Strategy through examination.                      As set out in Service implications.                      It could harm business plan delivery targets on Core Strategy if unsuccessful recruitment.                      None                      None</p>								

DEPARTMENT: ENVIRONMENT AND REGENERATION PHASE 1 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)			
SC	ER13	<b>Service Area Description</b> Service Implication	<p><b>Physical Regeneration</b> Utilising external funding (from the remaining planning delivery grant) from a unfilled Urban Design Post to fund existing team members. This is not an ongoing revenue saving as its based on using a Government Grant - not available from 2010 onwards. Future needs will be considered as part of the transformation programme underway.</p> <p>None None None None</p> <p><b>Economic Development</b> Substitution of LABGI and/or S106 funding for existing Principal Economic Development Officer post The post will focus on delivering priorities within the Economic Development Strategy. Other functions of the current post can be absorbed by existing staff or commissioned as discrete pieces of work, some at sub-regional level. Reduction of one post funded from Revenue to be replaced by a fixed term contract post funded from other sources The new post will focus on delivering priorities within the Economic Development Strategy. None None</p> <p><b>Vestry Hall: Additional Income</b> Vestry Hall was granted the necessary planning consents in 2009/10 for additional uses that have increased income generation opportunities. None None None None None</p> <p><b>Traffic and Highways - Carriageway Patching</b> Reduction in available revenue budget to undertake carriageway patching. The need for carriageway patching is identified by regular safety inspections. This budget has been substantially decreased over the years and further reductions will lead to increased carriageway resurfacing scheme costs funded from Capital programmes. A reduction in this budget will also impact on the condition of Principal Roads and Non- Principal Roads and their National Indicators. We will continue to repair pot holes in accordance with agreed intervention criteria. Pot hole repairs are short term fixes compared to carriageway patching. Increased level of complaints. Increase work-load for Highway Safety Inspectors. Rapid deterioration of asset resulting in the need for substantial future investment in maintenance. Potential increase in insurance claims. Adversely impact vulnerable road users such as cyclists and motorcyclists.</p>	22	-22	0	0	0	Medium	Low	SG1		
		<b>Staffing Implications</b> Business Plan implications Impact on other departments Equalities Implications											
		<b>Service Area Description</b> Service Implication											
SC	ER14	<b>Service Area Description</b> Service Implication	<p><b>Economic Development</b> Substitution of LABGI and/or S106 funding for existing Principal Economic Development Officer post The post will focus on delivering priorities within the Economic Development Strategy. Other functions of the current post can be absorbed by existing staff or commissioned as discrete pieces of work, some at sub-regional level. Reduction of one post funded from Revenue to be replaced by a fixed term contract post funded from other sources The new post will focus on delivering priorities within the Economic Development Strategy. None None</p> <p><b>Vestry Hall: Additional Income</b> Vestry Hall was granted the necessary planning consents in 2009/10 for additional uses that have increased income generation opportunities. None None None None None</p> <p><b>Traffic and Highways - Carriageway Patching</b> Reduction in available revenue budget to undertake carriageway patching. The need for carriageway patching is identified by regular safety inspections. This budget has been substantially decreased over the years and further reductions will lead to increased carriageway resurfacing scheme costs funded from Capital programmes. A reduction in this budget will also impact on the condition of Principal Roads and Non- Principal Roads and their National Indicators. We will continue to repair pot holes in accordance with agreed intervention criteria. Pot hole repairs are short term fixes compared to carriageway patching. Increased level of complaints. Increase work-load for Highway Safety Inspectors. Rapid deterioration of asset resulting in the need for substantial future investment in maintenance. Potential increase in insurance claims. Adversely impact vulnerable road users such as cyclists and motorcyclists.</p>	40	0	0	0	0	Low	Low	SG1		
		<b>Staffing Implications</b> Business Plan implications Impact on other departments Equalities Implications											
		<b>Service Area Description</b> Service Implication											
SC	ER15	<b>Service Area Description</b> Service Implication	<p><b>Economic Development</b> Substitution of LABGI and/or S106 funding for existing Principal Economic Development Officer post The post will focus on delivering priorities within the Economic Development Strategy. Other functions of the current post can be absorbed by existing staff or commissioned as discrete pieces of work, some at sub-regional level. Reduction of one post funded from Revenue to be replaced by a fixed term contract post funded from other sources The new post will focus on delivering priorities within the Economic Development Strategy. None None</p> <p><b>Vestry Hall: Additional Income</b> Vestry Hall was granted the necessary planning consents in 2009/10 for additional uses that have increased income generation opportunities. None None None None None</p> <p><b>Traffic and Highways - Carriageway Patching</b> Reduction in available revenue budget to undertake carriageway patching. The need for carriageway patching is identified by regular safety inspections. This budget has been substantially decreased over the years and further reductions will lead to increased carriageway resurfacing scheme costs funded from Capital programmes. A reduction in this budget will also impact on the condition of Principal Roads and Non- Principal Roads and their National Indicators. We will continue to repair pot holes in accordance with agreed intervention criteria. Pot hole repairs are short term fixes compared to carriageway patching. Increased level of complaints. Increase work-load for Highway Safety Inspectors. Rapid deterioration of asset resulting in the need for substantial future investment in maintenance. Potential increase in insurance claims. Adversely impact vulnerable road users such as cyclists and motorcyclists.</p>	20	0	0	0	0	Medium	Low	SI2		
		<b>Staffing Implications</b> Business Plan implications Impact on other departments Equalities Implications											
		<b>Service Area Description</b> Service Implication											
SC	ER16	<b>Service Area Description</b> Service Implication	<p><b>Economic Development</b> Substitution of LABGI and/or S106 funding for existing Principal Economic Development Officer post The post will focus on delivering priorities within the Economic Development Strategy. Other functions of the current post can be absorbed by existing staff or commissioned as discrete pieces of work, some at sub-regional level. Reduction of one post funded from Revenue to be replaced by a fixed term contract post funded from other sources The new post will focus on delivering priorities within the Economic Development Strategy. None None</p> <p><b>Vestry Hall: Additional Income</b> Vestry Hall was granted the necessary planning consents in 2009/10 for additional uses that have increased income generation opportunities. None None None None None</p> <p><b>Traffic and Highways - Carriageway Patching</b> Reduction in available revenue budget to undertake carriageway patching. The need for carriageway patching is identified by regular safety inspections. This budget has been substantially decreased over the years and further reductions will lead to increased carriageway resurfacing scheme costs funded from Capital programmes. A reduction in this budget will also impact on the condition of Principal Roads and Non- Principal Roads and their National Indicators. We will continue to repair pot holes in accordance with agreed intervention criteria. Pot hole repairs are short term fixes compared to carriageway patching. Increased level of complaints. Increase work-load for Highway Safety Inspectors. Rapid deterioration of asset resulting in the need for substantial future investment in maintenance. Potential increase in insurance claims. Adversely impact vulnerable road users such as cyclists and motorcyclists.</p>	157	0	0	0	0	Medium	High	SNS2		
		<b>Staffing Implications</b> Business Plan implications Impact on other departments Equalities Implications											
		<b>Service Area Description</b> Service Implication											

DEPARTMENT: ENVIRONMENT AND REGENERATION PHASE 1 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER17	<p><b>Service Area Description</b>  <b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments Equalities Implications</b></p>	263	113	0	0	0	Medium	High	SNS2
		<p><b>Traffic and Highways - Footway Maintenance</b>                      Reduction in overall revenue budget available for footway maintenance.                      A proportion of non urgent works identified from regular Highway Safety Inspections will not be undertaken. This will mean that these areas will be left to deteriorate until they become a safety issue or repair work is undertaken as part of a larger scheme funded from the capital programme. This reduction in budget will also increase pressure on the existing reactive repair budget.                      The Council may receive increased level of complaints about the condition of footways in the borough. Highway Safety Inspectors workload will increase proportionately.                      Footway condition will deteriorate and the whole life costings of the asset will increase, requiring substantial future investment to bring redress the decline.                      May result in increased insurance claims.                      May have an adverse impact on vulnerable road users, particularly the disabled and those with impaired visibility.</p>								
SC	ER18	<p><b>Service Area Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments Equalities Implications</b></p>	1,087	75	0	0	0	Medium	Medium	SS1
		<p><b>Traffic and Highways</b>                      Review of the Traffic and Highway Structure with the deletion of one Highway Safety Inspector and two technical support officers (Admin)                      Should be minimal - savings through efficiencies                      Loss of 3 FTE                      None                      None                      None</p>								
SC	ER19	<p><b>Service Area Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments Equalities Implications</b></p>	826	40	0	0	0	Medium	Medium	SNS2
		<p><b>Traffic and Highways - Walk Sheets</b>                      Restrict Highway Safety Inspections response to 2hrs and 20 days only. Non replacement of posts/bollards                      Defects are currently graded on the basis of urgency: emergency works are repaired within 2 hours, less urgent works are repaired within 24 hrs, 7 days or 28 days. The quicker the response time required the higher the premium with respect to rates. This proposal would remove the interim response times and the council will only respond to repairing defects that are urgent within 2 hrs or defects that are non urgent and can be repaired within 20 days. Reduced ability to replace damaged posts / bollards.                      Increased level of customer complaints                      Increased whole life costings of the asset.                      Increased in insurance claims.                      Could impact on vulnerable road users, such as the elderly, visually impaired and wheelchair users.</p>								

DEPARTMENT: ENVIRONMENT AND REGENERATION PHASE 1 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER20	<p><b>Service Area Description</b></p> <p><u>Traffic and Highways</u> Removal of Anti-Skid budget and a reduction in budget available for maintenance of carriageway markings (white and yellow lines) across the Borough (13K). Removal of Hanging Baskets budget (13K). Reduction in overall Street Lighting Contract budget (8K). Removal of outstanding Traffic signal Budget (6K). Reduction in equipment purchase budget (6K). Reduction in Misc Hired Services Budget (5k)</p> <p><b>Service Implication</b></p> <p>A reduction in carriageway markings maintenance budget will result in a decline in road markings condition and non-compliance to the Traffic Signs and General Directions 2002. Reduced maintenance will also lead to an decrease in customer satisfaction and an increase in level of complaints. The Council will no longer provide hanging baskets. A Reduction in routine maintenance and non urgent Street Lighting repairs. Transport for London operate and maintain traffic signals across London. Equipment purchase budget reduction will be absorbed by the service.</p> <p><b>Staffing Implications</b></p> <p>The budget reduction will lead to an increase in customer complaints. The Council will not be able to undertake a planned cyclical routine maintenance programme and only deliver a reactive and emergency service. The Council may seek to provide hanging baskets through Parks and Leisure Services.</p> <p><b>Impact on other departments</b></p> <p>Equalities Implications</p> <p>Potential increase in insurance claims. None</p>	598	51	0	0	0	Low	Medium	SNS2
SC	ER21	<p><b>Service Area Description</b></p> <p><u>Refuse/Recycling Collection - Commercial</u> Increase charges 1,460 customers. 0910 income outturn £1.256M. Collection resource: 2 x RCVs Refuse bins + 1 x RCV Recycling + 1 small RCV Refuse bags. Implications for town centre bags/bins and Enforcement team. LATS issues. Estimated additional income if fees &amp; charges increased to bring in additional income as per 10/11 = £80K. A further report will be brought forward in November/December with identified opportunities for growing the business, increasing our customer base and delivering higher levels of return from this service. On average this represents an approximate increase in charges of 7%.</p> <p><b>Staffing Implications</b></p> <p>Business Plan implications Impact on other departments Equalities Implications</p> <p>None Minimal None None</p>	-1,421	80	0	0	0	Low	Low	SI1

DEPARTMENT: ENVIRONMENT AND REGENERATION PHASE 1 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER22	<p><b>Service Area Description</b> <b>Service Implication</b></p> <p><b>Street Cleansing</b> Service Efficiencies and Reductions 1. Reduced weekend working. Saturday reduction of 2 staff out of existing 21. Sunday &amp; Bank Holiday reduction of 5 staff out of existing 21; plus reducing hours of 10 operatives from 7 hours to 5 hours (Service efficiency). 2. 10 combined teams of 1+2 manual &amp; deep cleansing, saving 9 staff. (deletion of litter picking on the same day following waste collections. Tidy Britain Group observed that 50% of litter in Merton is derived from waste collection method. Also deletion of the one response team). Area based teams will continue to focus on streets needing cleaning as and when required. This has improved cleanliness standards allowing this saving to be deliverable. Potential risk of reduction in National Indicators (at present) &amp; Residents Survey performance and a rise in complaints. 3 staff reduced in 2010-11 budget setting exercise. 3. Purchase of 6 vehicles that are currently on hire (saving is net of capital financing costs). The proposals contained herein are scalable or could be disaggregated if felt appropriate. Loss of 9 FTEs and reduced weekend &amp; Bank Holiday working Sustainable Communities - (2) reduction in our ability to enhance our street scene, with emphasis on continuing to improve our core cleansing and residents satisfaction None None</p> <p><b>Staffing Implications</b> <b>Business Plan implications</b></p> <p><b>Impact on other departments</b> <b>Equalities Implications</b></p>	2,768	285	0	0	0	Medium	Medium	SS1
SC	ER23	<p><b>Service Area Description</b> <b>Service Implication</b></p> <p><b>Waste Transfer Station, Amenity Way</b> Service efficiency Take opportunity resulting from Sutton joining SLWP Contract 3 from Sep 09, for Merton to direct deliver dry recyclables to Beddington Lane. Implications for Merton from loss of option of transfer facility for any waste: current disposal contract; winter gritting shared use of plant; and possibly SLWP Phase B. Change to contract involved and actual costs yet to be negotiated with contractor. Linked with Contract 1 not signed yet. £110K of costs taken out in 2010/11 budget setting process. It should be noted that this level of saving remains dependent upon negotiations with the current contractor. 4 staff (excluding Depot Manager post) None None Staff. TUPE may apply.</p> <p><b>Staffing Implications</b> <b>Business Plan implications</b> <b>Impact on other departments</b> <b>Equalities Implications</b></p>	235	96	0	0	0	High	Low	SS1 & SP1



DEPARTMENT: ENVIRONMENT AND REGENERATION PHASE 1 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER24	<p><b>Service Area Description</b>  <b>Service Implication</b></p> <p><u>Garden Waste Collection</u>                      Service reduction                      41,800 bookings over last year. There are possible charging options but Sutton tried introducing a chargeable collection during 0809 and ended up collecting only 5% of previous tonnage. Any proposal to introduce a chargeable service would ensure that all costs of collection and treatment are recovered through the charging mechanism, realising a net saving of £227K. 1,300 tonnes collected in 0910 in addition to 2,430 tonnes collected via HRRCs. Worst case is that residents would instead put collected tonnage out for landfill collection increased tonnage for H2H crews, rather than home compost or transport it to HRRCs. 2.7 small RCVs currently used for collection. This proposal would be complemented by the promotion and subsidised provision of home compost bins. Garden waste that can be effectively managed at home will reduce the carbon impact of transport and centralised treatment and will not incur additional treatment costs.                      5 Waste staff + 2 Contact Centre staff.                      1,300 tonnes = 1.2% of the 33.6% recycling/composting 0910 outturn.                      Minimal                      Implications for residents without access to a vehicle, including disabled and elderly residents. Neighbours, relatives and voluntary organisations could be encouraged to assist.</p> <p><b>Staffing Implications</b>  <b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p>	227	227	0	0	0	Low	High	SS2
SC	ER25	<p><b>Service Area Description</b>  <b>Service Implication</b></p> <p><u>Community Waste Partnerships</u>                      Service reduction                      No Merton recycling/waste minimisation direct education input into borough schools, tailored to the local environment. Negative longer term impact on environment and street scene. Previously tried unsuccessfully to transfer to Education budget. Plan is to move to supporting schools in presenting waste issues themselves with support from the Community Engagement team.                      Loss of 1 FTE                      Longer term environmental impact                      Increased direct Education input needs consideration                      Minimal</p> <p><b>Staffing Implications</b>  <b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p> <p><b>Service Area Description</b>  <b>Service Implication</b></p> <p><u>Enforcement &amp; Inspection</u>                      Service reduction                      Reduce team of 1 Manager and 5 Officers, by 1 Officer. This is not a statutory service but there could be a negative impact on environment and street scene. The proposal would however be to concentrate most resources on identified hot spot areas within the Borough rather than the current method of operating on a geographical basis.                      Loss of 1 FTE                      Limited impact on performance, environment and street scene                      Minimal                      Minimal</p>	497	47	0	0	0	Low	Medium	SS2
SC	ER26	<p><b>Service Area Description</b>  <b>Service Implication</b></p> <p><u>Enforcement &amp; Inspection</u>                      Service reduction                      Reduce team of 1 Manager and 5 Officers, by 1 Officer. This is not a statutory service but there could be a negative impact on environment and street scene. The proposal would however be to concentrate most resources on identified hot spot areas within the Borough rather than the current method of operating on a geographical basis.                      Loss of 1 FTE                      Limited impact on performance, environment and street scene                      Minimal                      Minimal</p> <p><b>Staffing Implications</b>  <b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p>	278	36	0	0	0	Low	Medium	SS2

DEPARTMENT: ENVIRONMENT AND REGENERATION PHASE 1 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER27	<p><b>Service Area Description</b></p> <p><b>Service Implication</b></p> <p><b>Household Reuse &amp; Recycling Centres</b> Close 36 Weir Road HRRC (currently operates Fri-Mon inclusive at present)</p> <p>The annual management fee for Weir Road is £175K. Facility is open Friday to Monday and only accepts recyclables. This is in addition to £400K for Garth Road. 14 year contract from Sept 2008, with break option in 2015. Proposal would affect SLWP contract and variation to contract would need negotiating. Weir Road handled 1,230 tonnes in 1011, compared with 10,720 tonnes at Garth Road. Weir Road therefore handles some 10% of waste stream. The majority of London boroughs operate a single site. Internal transfer of £60K 'rental' per annum to E&amp;R Estates also involved. However, closure of the site will create opportunity for disposal or revenue generating capacity. Alternative options would include the partial closure of the site: closing the site on Mondays and/or Fridays could realise £35 - £80K savings. It should be noted that these levels of savings remain dependent on contract negotiations with the current contractor.</p> <p>Run by contractor Possible impact on overall recycling/composting rates if waste not diverted to Garth Road. Minimal Minimal</p>	175	175	0	0	0	Medium	High	SP1
SC	ER28	<p><b>Staffing Implications</b></p> <p><b>Business Plan Implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p> <p><b>Service Area</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan Implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p> <p><b>Total</b></p>	504	105	0	0	0	Low	Medium	SS2
			<b>2,694</b>	<b>-7</b>	<b>15</b>	<b>0</b>				

Panel

C&YP  
CC  
HC&OP  
SC

Children & Young People  
Corporate Capacity  
Healthier Communities & Older People  
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: ENVIRONMENT AND REGENERATION PHASE 2 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)		
SC	ER29	<p><b>Service Area Description</b></p> <p><b>Parking Services</b> Increase in various parking charges and changes to enforcement policy and practice in respect of observation times. i) reduction of existing 5 minute observation to 2 mins <b>£19k</b>. ii) WTC <b>£60k</b> iii) Increase on street pay, and display tariffs by 10% <b>£193k</b> iv) review of existing tariff charging structures <b>£138k</b>.</p> <p>Once the initial work has been completed and implemented there is likely to be an increase in third party representations/complaints.</p> <p>None</p> <p>The changes proposed with the heading "review of existing tariff charging structures" are subject to full consultation which can take up to six months. This is taken into account in the estimate.</p> <p>The implementation of some of the proposals will require input from Traffic &amp; Highways which will place demands on that team's resources.</p> <p>None</p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	9,636	410	0	0	0	0	Medium	High	SI1	
SC	ER30	<p><b>Service Area Description</b></p> <p><b>Building Control</b> Commercialise Building Control by offering service to other Councils/Stakeholders</p> <p>The proposal is to look at offering the Council's Building Control services as a provider for other local authorities. To a certain extent this has already started to evolve with a DS service provided by the London Borough of Merton to the London Borough of Sutton. However, it is felt that there is scope to expand this service and provide to other neighbouring local authorities whilst putting it on a more commercial footing.</p> <p>Another aspect of the proposal is to increase the market share from 85% upwards. This will involve a more aggressive marketing campaign and promotion of Building Control services offered.</p> <p>Implementation will avoid the loss of an FTE that would otherwise occur as a result of the efficiency saving (ER01) previously agreed.</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	958	80	0	0	0	0	0	Medium	Medium	SI2
SC	ER31	<p><b>Service Area Description</b></p> <p><b>Greenspaces</b> Parks grounds service operational restructure including a reduction in staffing establishment, realignment of duties and reduction in the use of agency staff and overtime. Recovery of all costs on lettings.</p> <p>Reduction of parks service and quality standards across the board. Operational shift to mobile working. Less staff presence in parks as a whole. Refocus of time and quality investments in 25 or so key parks and open spaces. Numerous open space sites un maintained or maintained to minimal standards unless community or friends groups adopt them. (Note: excludes parks locking up service costs already agreed)</p> <p>Net loss of 3.8 FTEs together with a reduction in overtime payments and the use of agency staff.</p> <p>None</p> <p>None</p> <p>None</p> <p>No specific implications</p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	1,700	350	0	0	0	0	0	High	High	SS2

DEPARTMENT: ENVIRONMENT AND REGENERATION PHASE 2 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER32	<p><b>Service Area Description</b> Service Implication</p> <p><b>Staffing Implications</b> Business Plan implications Impact on other departments Equalities Implications</p>	275	80	0	0	0	Medium	Medium	SS1
		<p><b>Greenspaces</b> Cemeteries service restructure Loss of 1 supervisor and 2 grounds operative posts. Reconfigure operations as a single service shared across the borough's 3 main cemeteries, rather than the current 2 separate services. Loss of 3 FTEs. None None No specific implications</p>								
SC	ER33	<p><b>Service Area Description</b> Service Implication</p> <p><b>Staffing Implications</b></p>	1,239	150	0	0	0	Medium	Medium	SS1
		<p><b>Spatial Planning, Transport Planning and Physical Regeneration</b> From transformation of three teams into 1 Transformation of the Spatial Planning, Physical Regeneration and Transport Planning teams into one team. Savings achieved through the reduction of L3 Managers from 3 to one (£100,000 saving). Additional £50,000 to be found through efficiency savings with joining the teams together and natural wastage through staff who may apply for voluntary severance as part of the transformation. Full details to be determined through transformation process. Transformation process to change the way of working of the three teams and drive out savings. Savings will also come from reduction in use of agency staff, reduction in use of fixed term contracts and smarter use of income. May be a reduction in FTEs as a result of the transformation - full scope to be determined.</p> <p>The timing and priorities for project delivery will have to be revised to fit in with reduced resources The level of support to other depts will have to be reconsidered and possibly reduced to account for reduced resources. None anticipated</p>								
SC	ER34	<p><b>Business Plan implications</b> Impact on other departments</p> <p><b>Equalities Implications</b></p> <p><b>Service Area Description</b> Service Implication</p> <p><b>Staffing Implications</b> Business Plan implications Impact on other departments Equalities Implications</p>	5,022	250	0	0	0	Medium	Low	SNS1
		<p><b>Waste Disposal</b> Savings in Landfill Costs Relates primarily to residual waste for first 6 months of 2010/11 being 2.7% down compared with the same period for 2009/10. Deliverability risk includes landfill and haulage contract indices rates being higher than expected; and/or a resumption in waste growth resulting from a mix of additional housing, population increase and economic growth. Also some risk from the agreed (8 November Cabinet) stopping of green waste collection direct from households. None As above Minimal None</p>								

DEPARTMENT: ENVIRONMENT AND REGENERATION PHASE 2 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)	
SC	ER35	<p><b>Service Area Description</b>  <b>Service Implication</b></p> <p><b>Commercial Waste</b>                      Increase in volume from marketing of service. Additional income from proposed growth in commercial waste collection service along the lines of Hammersmith &amp; Fulham business plan. £80K additional income already agreed at 8 November 2010 Cabinet (ER21). In addition there is a forecast income deficit of £94K on the 2010/11 budget to be recovered. Total targeted additional income therefore £284K, representing 20% growth. Deliverability risk relates to business growth from existing 1,460 customer base in current economic climate and degree of increased business to be achieved to bring in full-year revenue effect. Assumes medium term that South London Waste Partnership will secure a non-landfill solution for residual waste and Merton will not longer be shackled by statutory Landfill Allowance Trading Scheme additional costs.</p> <p><b>Staffing Implications</b>                      1 additional sales officer + 1 additional sales support officer, making 2 of each in total, along Hammersmith &amp; Fulham model, to be met from reprioritising existing resources.                      As above                      Minimal                      None</p> <p><b>Business Plan implications</b>                      Impact on other departments                      Equalities Implications</p> <p><b>Service Area Description</b>  <b>Service Implication</b></p> <p><b>Traffic and Highways Services</b>                      Staffing Reductions</p> <p>Merger of RASWA Manager and Network Coordinator posts. Reduction of Autocad Engineer post from 1 to 0.5. Deletion of the Network, Inspection and Third Party Works Manager's post. Existing functions will be absorbed by the rest of the service and, with regards to the merger of the RASWA Manager post, some of the functions such as the weekly roadworks bulleting and attendance at Area Forums will no longer be provided and there will be less emphasis on dealing with third party planned events such as gas works etc.                      Loss of 2.5 FTE.                      None                      None                      None</p>	1,421	110	0	0	0	0	Medium	Low	SI2
SC	ER36	<p><b>Staffing Implications</b>                      Business Plan implications                      Impact on other departments                      Equalities Implications</p> <p><b>Service Area Description</b>  <b>Service Implication</b></p> <p><b>Staffing Implications</b>                      Business Plan implications                      Impact on other departments                      Equalities Implications</p>	1,951	100	0	0	0	Medium	High	SS2	
<b>Total</b>				<b>1,530</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	

Panel

C&YP  
 CC  
 HC&OP  
 SC

Children & Young People  
 Corporate Capacity  
 Healthier Communities & Older People  
 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  
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 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  
 SPROF Reduction in Property related costs

DEPARTMENT: ENVIRONMENT AND REGENERATION PHASE 3 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)	
SC	ER33a	<b>Service Area Description</b>	<p><u>Spatial Planning, Transport Planning and Physical Regeneration</u> From transformation of three teams into One (Note: Additional saving to £150k already agreed - ER33) Transformation of the Spatial Planning, Physical Regeneration and Transport Planning teams into one team. Reduction of L3 / L4 managers to be determined through transformation process. Transformation process to change the way of working of the three teams and drive out savings. Savings will come from reduction in use of agency staff, reduction in use of fixed term contracts and smarter use of income. Reduction in FTEs as a result will be through voluntary redundancy. The timing and priorities for project delivery will have to be revised to fit in with reduced resources The level of support to other depts will have to be reconsidered and possibly reduced to account for reduced resources. None anticipated</p>	100					Medium	Medium	SS1
		<b>Service Implication</b>									
		<b>Staffing Implications</b>									
		<b>Business Plan implications</b>									
		<b>Impact on other departments</b>									
		<b>Equalities Implications</b>									
SC	ER34a	<b>Service Area Description</b>	<p><u>Waste Disposal</u> Savings in Landfill Costs (Note: Additional saving to £250k already agreed - ER34)  Relates primarily to residual waste for first 6 months of 2010/11 being 2.7% down compared with the same period for 2009/10. Deliverability risk includes landfill and haulage contract indices rates being higher than expected; and/or a resumption in waste growth resulting from a mix of additional housing, population increase and economic growth. Also some risk from the agreed (8 November Cabinet) stopping of green waste collection direct from households. None As above Minimal None</p>	100	0	0	0	Medium	Low	SNS1	
		<b>Service Implication</b>									
		<b>Staffing Implications</b>									
		<b>Business Plan implications</b>									
		<b>Impact on other departments</b>									
		<b>Equalities Implications</b>									
SC	ER37	<b>Service Area Description</b>	<p><u>Parking Services</u> Additional enforcement in Bus Lanes - various  Once the initial work has been completed and implemented there is likely to be an increase in third party complaints as we introduce enforcement to locations that are not currently enforced Due to an increase in PCNs issued there will be a need to assess if the current level of resources are sufficient to cope with the increase in representations  There will be a requirement to consult in part and estimates of savings are based upon not achieving a full year effect The implementation of one of the proposals will require input from the Traffic and Highways section which will place demands on that team's resources None</p>	130	110			High	High	S12	
		<b>Service Implication</b>									
		<b>Staffing Implications</b>									
		<b>Business Plan implications</b>									
		<b>Impact on other departments</b>									
		<b>Equalities Implications</b>									
<b>Total</b>			<b>330</b>	<b>110</b>	<b>0</b>	<b>0</b>				<b>0</b>	

DEPARTMENT: ENVIRONMENT AND REGENERATION PHASE 3 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER38	<p><b>Physical Regeneration</b></p> <p>Reduction in supplies and services budgets (funded through ABG in 2010-11).</p> <p>ABG currently funding LDF Evidence Base Research work and project support officer to deliver Merton's Climate Change Capital Projects</p> <p>Project support work currently funded by ABG will end with loss of funding. Function subsumed within Future Merton transformation.</p> <p>Call on Climate Change Capital Funding for staff to deliver projects.</p> <p>Spatial Planning Policy (LDF Research) Facilities (Climate Change / Carbon Saving projects)</p> <p>None</p>	67	22				Low	Low	SNS2
<b>Total</b>				<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>			

Panel

C&YP  
CC  
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SC

Children & Young People  
Corporate Capacity  
Healthier Communities & Older People  
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: ENVIRONMENT AND REGENERATION PHASE 4 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER39	<p><b>Service Area</b></p> <p><b>Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	2,002	120				Medium	High	SI1
<b>Total</b>				120	0	0	0			

**Panel**

- C&YP
- CC
- HC&OP
- SC

**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 PHASE 1: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC01	<b>Service Description</b>	40	10				Low	Low	SP1
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								
		<b>Business Plan implications Impact on other departments Equalities Implications</b>								
HC&OP	CC02	<b>Service Description</b>	41,585	638				High	High	SP1
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								
		<b>Business Plan implications Impact on other departments Equalities Implications</b>								

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PHASE 1: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
HC&OP	CC03	<p><b>Service Description</b>  <b>Service Implication</b></p> <p><b>Access &amp; Assessments and Commissioning</b>            Negotiate a single hourly rate for homecare            Benchmarking figures awaited to confirm whether the proposed hourly rate (£13.50) is sustainable. Based upon current approved providers average rate of £15.40 per hour for approved providers &amp; projected hours for 2010/11 &amp; a flat rate of £13.50 per hour through re-tendering. Could be higher if non-approved providers are considered.</p>	8,763	387				High	Low	SP1	
		<p><b>Staffing Implications</b></p> <p>None</p>									
		<p><b>Business Plan implications</b>            Impact on other departments            Equalities            Implications</p> <p>Contributes to efficiency savings</p> <p>None</p> <p>None</p>									
HC&OP	CC04	<p><b>Service Description</b>  <b>Service Implication</b></p> <p><b>Access &amp; Assessments and Commissioning</b>            Use Care Funding Calculator to reduce placement costs.            Review of existing high cost residential care packages to negotiate fair price and negotiation of fair price on all new residential care packages</p>	9,742	150				Medium	Low	SP1	
		<p><b>Staffing Implications</b></p> <p>Post of LD Placement Broker to be filled on a 2 year internal secondment basis</p>									
		<p><b>Business Plan implications</b>            Impact on other departments            Equalities            Implications</p> <p>In line with the aim of delivering cost effective, person centred services.            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 PHASE 1: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
HC&OP	CC05	<p><b>Service Description</b></p> <p><b>Service Implication</b></p> <p><b>Access &amp; Assessments and Commissioning</b>  <b>Employ Older People broker to reduce spot placement cost.</b></p> <p>The saving will include ensuring that absences from the home are paid at the reduced rate for hospitalisation &amp; providers are not charging for services which are included in the weekly fee &amp; agreement of cost/volume rates with larger spot providers, as well as re-negotiation of specific client packages &amp; using host authority rates (where lower than LBM). The target saving is £130k but as £30k is transferred from 2009/10 savings, it leaves £100k to contribute towards 2011/12.</p> <p><b>Staffing Implications</b></p> <p>An earmarked reserve was agreed from 2009/10 under-spend to fund a post for one year.</p> <p><b>Business Plan implications</b></p> <p>In line with the aim of delivering cost effective, person centred services &amp; efficiency savings.</p> <p><b>Impact on other departments</b></p> <p>None</p> <p><b>Equalities Implications</b></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>	18,318	100					Medium	Medium	SP1
HC&OP	CC06	<p><b>Service Description</b></p> <p><b>Service Implication</b></p> <p><b>Access &amp; Assessments and Commissioning</b>  <b>Reduction in Older People block contracts</b></p> <p>Review of existing contracts has taken place within commissioning. A further reduction ( 2 x nursing &amp; 1 x EMI), will equate to further reduction in block provision . To try &amp; reduce down the spot bed rate with CCHT (or look to spot purchase elsewhere). To work with Access &amp; Assessment.</p> <p><b>Staffing Implications</b></p> <p>None</p> <p><b>Business Plan implications</b></p> <p>Contributes to efficiency savings</p> <p><b>Impact on other departments</b></p> <p>None</p> <p><b>Equalities Implications</b></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>	4,379	100					Medium	Low	SP1

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PHASE 1: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC07	<b>Service Description</b>	<p><b>Access &amp; Assessments and Commissioning Moving equipment provision to the Transforming Community Equipment Service model.</b> Savings to be made based around signing up to a joint alliance with other W. London authorities. 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>	80				Medium	High	SP1
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								
HC&OP	CC08	<b>Service Description</b>	<p><b>Access &amp; Assessments and Commissioning Non-contractual Day Care provision</b> Look to establish non-contracted day care provision on formal contract, with re-negotiated rates. May have to transfer clients to other day centres if negotiations can not be reached. Look to fill voids in Council run day centres first. 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>	20				Medium	Medium	SP1
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PHASE 1: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC09	<b>Service Description</b> <b>Service Implication</b>	327	30	40			Low	Low	SP1
		<b>Staffing Implications</b>								
		<b>Business Plan implications</b> <b>Impact on other departments</b> <b>Equalities</b> <b>Implications</b>								
HC&OP	CC10	<b>Service Description</b> <b>Service Implication</b>	510	25				Low	Low	SI1
		<b>Staffing Implications</b>								
		<b>Business Plan implications</b> <b>Impact on other departments</b> <b>Equalities</b> <b>Implications</b>								

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PHASE 1: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC11	<p><b>Service Description</b>  <b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities</b>  <b>Implications</b></p>	776	240				High	High	SNS1
HC&OP	CC12	<p><b>Service Description</b>  <b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities</b>  <b>Implications</b></p>	4,958	126				Medium	Medium	SS1

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PHASE 1: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
HC&OP	CC13	<p><b>Service Description</b></p> <p>All sections  <b>Disability Related Expenditure- changes to Fairer Charging Policy introducing a standard disregard of £10 and setting a maximum attendance allowance of £47.80.</b>                      This change will mean most customers will be better off or the same. A minority will be worse off. Most customers should prefer the change as they will no longer have to submit receipts if their DRE's</p>	506	27				Low	High	SI1	
		<p><b>Service Implication</b></p> <p>None</p>									
		<p><b>Staffing Implications</b></p> <p>None</p> <p><b>Business Plan implications</b></p> <p>None</p> <p><b>Impact on other departments</b></p> <p>None</p> <p><b>Equalities Implications</b></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	CC14	<p><b>Section Description</b></p> <p><b>Changing the maximum homecare charge from £395.30 per week to having no maximum limit.</b>                      The system will be updated to ensure the full amount is invoiced rather than being capped at £395.30. The change will effect a small number of customers, and only those paying full cost for their services.</p>	280	58				Medium	High	SI1	
		<p><b>Service Implication</b></p> <p>None</p>									
		<p><b>Staffing Implications</b></p> <p>None</p> <p><b>Business Plan implications</b></p> <p>None</p> <p><b>Impact on other departments</b></p> <p>None</p> <p><b>Equalities Implications</b></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 PHASE 1: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC15	<p><b>Section Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan Implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	355	16				Medium	Low	SP1
		<p><b>Access &amp; Assessments and Commissioning</b></p> <p><b>Re-negotiate the hourly rate as allowed for under the Crossroads contract.</b></p> <p>Currently £14.21, aim to reduce down to new rate of £13.50 per hour. A saving of £0.71 per hour. Savings due the merger of provider (Merton Crossroads) with South Thames Crossroads.</p> <p>None</p> <p>Contributes to efficiency savings</p> <p>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	CC16	<p><b>Section Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan Implications</b></p> <p><b>Impact on other departments</b></p> <p><b>Equalities Implications</b></p>	53	3				Low	Low	SP1
		<p><b>Access &amp; Assessments and Commissioning</b></p> <p><b>Contract for LD Advocacy Service (including: DOLS &amp; IMCA)</b></p> <p>Savings to be made through merging 3 x contracts into 1x. This would give reduced overheads from provider due to only having one contract. Further savings to be gained through having the DOLS service on a spot basis. Reviewing the service &amp; re-letting it could contribute to further savings.</p> <p>None</p> <p>None</p> <p>Contributes to efficiency savings</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 &amp; HOUSING SAVINGS PHASE 1: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	
HC&OP	CC17	<b>Section Description</b>	259	12				Low	Low	SP1	
		<b>Service Implication</b>									Access & Assessments and Commissioning Provision of care at Autumn Close for LD clients (de-registering to a Supported Living Scheme)
		<b>Staffing Implications</b>									De-registering to a Supported Living Scheme -1/4 of the annual saving as 3/4 of it will be achieved in 2010/11 None
HC&OP	CC18	<b>Business Plan Implications</b>	355	48				Low	Low	SP1	
		<b>Impact on other departments</b>									Contributes to efficiency savings
		<b>Equalities Implications</b>									None
HC&OP	CC19	<b>Section Description</b>	222	22				Medium	Low	SP1	
		<b>Service Implication</b>									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.
		<b>Staffing Implications</b>									Access & Assessments and Commissioning Extra Care Housing Supported Housing Scheme Through reducing down night worker from 2:1 (as allowed under the contract) this will create an additional £22,000 savings pa. None
HC&OP	CC19	<b>Business Plan Implications</b>	222	22				Medium	Low	SP1	
		<b>Impact on other departments</b>									Contributes to efficiency savings
		<b>Equalities Implications</b>									None
HC&OP	CC19	<b>Section Description</b>	222	22				Medium	Low	SP1	
		<b>Service Implication</b>									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.
		<b>Staffing Implications</b>									Access & Assessments and Commissioning Extra Care Housing Supported Housing Scheme Through reducing down night worker from 2:1 (as allowed under the contract) this will create an additional £22,000 savings pa. None

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PHASE 1: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC20	<b>Service Description</b> <b>Service Implication</b>	486	5				Medium	Low	SP1
		<b>Staffing Implications</b>								
		<b>Business Plan implications</b> <b>Impact on other departments</b> <b>Equalities Implications</b>								
HC&OP	CC21	<b>Service Description</b> <b>Service Implication</b>	259	25				Low	Low	SNS1
		<b>Staffing Implications</b>								
		<b>Business Plan implications</b> <b>Impact on other departments</b> <b>Equalities Implications</b>								

## DEPARTMENT: COMMUNITY &amp; HOUSING SAVINGS PHASE 1: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC23	<b>Service Description</b> <b>Service Implication</b>	380	380				Low	Low	SNS2
		<b>Staffing Implications</b>								
		<b>Business Plan implications</b>								
		<b>Impact on other departments</b>								
		<b>Equalities Implications</b>								
SC	L101	<b>Libraries &amp; Heritage</b> <b>Revised Library opening hours</b>	1,194	118				Medium	Low	SS1
		<b>Service Description</b> <b>Service Implication</b>								
		<b>Staffing Implications</b>								
		<b>Business Plan implications</b>								
		<b>Impact on other departments</b>								
<b>Equalities Implications</b>										

## DEPARTMENT: COMMUNITY &amp; HOUSING SAVINGS PHASE 1: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
SC	HO01	<b>Service Description</b> <b>Service Implication</b>	1,142	41				Medium	Low	SS1
		<b>Staffing Implications</b>								
		<b>Business Plan implications</b> <b>Impact on other departments</b> <b>Equalities Implications</b>								
		<b>Housing</b> <b>Reduction of staff</b> Not filling vacancies require more input from in existing staff. This will need to be maintained in future. Staffing reduction of 2x 0.5fte vacant posts which equals 0.5fte housing options adviser and 0.5fte registrations and nominations coordinator None None None								
SC	HO02	<b>Service Description</b> <b>Service Implication</b> <b>Staffing Implications</b>	3	3				Low	Medium	SG2
		<b>Business Plan implications</b> <b>Impact on other departments</b> <b>Equalities Implications</b>								
		<b>Housing</b> <b>Deletion of voluntary grant to South London Somali community organisation</b> potential negative impact on maximising partnership opportunities of working with the voluntary sector None None None None								
		<b>Total Community &amp; Housing Department Savings for 2011-2015</b>								
				2,664	40	0				

DEPARTMENT: COMMUNITY & HOUSING PHASE 2 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC24	<b>Service Description</b>	3,467	96				Medium	Low	SP1
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								
		<b>Business Plan Implications</b>								
HC&OP	CC25	<b>Impact on other departments Equalities Implications</b>	3,467	100				Medium	Low	SP1
		<b>Service Description</b>								
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								

DEPARTMENT: COMMUNITY & HOUSING PHASE 2 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC27	<p><b>Service Description</b>  <b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p>	510	12				Medium	Low	SI1
		<p><b>Direct Provision</b>  <b>MASCOT charges</b>                      MASCOT is currently reviewing existing charges to individual and corporate customers to achieve a more flexible method of recovering costs. Staff are actively seeking additional contracts with partner organisations.                      None at present - if expansion is successful then increased staffing levels might follow if the budget allows.                      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	CC28	<p><b>Service Description</b>  <b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p>	347	20				High	Low	SP1
		<p><b>Access &amp; Assessments and Commissioning</b>  <b>Review of No Recourse to Public Fund cases.</b>                      Reduction in resource through further tightening of demand management and cost control.                      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>								
HC&OP	CC29	<p><b>Service Description</b>  <b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p>	2,427	200				Medium	Medium	SS1
		<p><b>Access &amp; Assessments</b>  <b>Reablement staffing restructure</b>                      The reductions will be across the Promoting Independence service but the aim is to restructure to absorb the loss and drop some non-essential functions. The core reablement service will continue to be able to respond to demand.                      There will be a reduction of 9/10 wte via compulsory redundancy in a range of roles and functions.                      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>								

DEPARTMENT: COMMUNITY & HOUSING PHASE 2 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC30	<b>Service Description</b>	2,427	100				High	Medium	SI1
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								
		<b>Business Plan implications Impact on other departments Equalities Implications</b>								
HC&OP	CC31	<b>Service Description</b>	4,958	150				Medium	High	SS1
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								
		<b>Business Plan implications Impact on other departments Equalities Implications</b>								
HC&OP	CC32	<b>Service Description</b>	5,208	100				High	Medium	P11
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								
		<b>Business Plan implications Impact on other departments Equalities Implications</b>								

DEPARTMENT: COMMUNITY & HOUSING PHASE 2 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC33	<p><b>Service Description</b>  <b>Service Implication</b>  <b>Staffing Implications</b>                      None  <b>Business Plan implications</b>                      Impact on other departments                      Equalities                      Implications</p> <p><b>All</b>  <b>Reduction in training opportunities</b>                      This could affect the amount of training and backfill we are able to offer, or reduced statutory training.                      Reduced ability to provide training to staff.</p> <p>None                      None                      No equalities impact on clients. Training protocol will need to ensure that there are no equalities implications on staff.</p> <p><b>Access &amp; Assessments and Commissioning</b>  <b>Discontinue the advocacy service contract.</b>                      None. Advocacy support being remodelled to be delivered via user led/peer support/voluntary groups. Linked with CC16.                      None                      None                      None                      None                      None</p>	234	50				Low	Medium	SNS2
HC&OP	CC34	<p><b>Service Description</b>  <b>Service Implication</b>  <b>Staffing Implications</b>                      None  <b>Business Plan implications</b>                      Impact on other departments                      Equalities                      Implications</p> <p><b>Commissioning</b>  <b>Target the discretionary use of Freedom Passes for mentally ill people.</b>                      The proposal is to end issuing of Freedom Passes on a universal basis but to retain some funding to support people who require this as part of their agreed care programme. The phasing of this will depend on how quickly Freedom Passes are renewed.                      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>	53	38	12			Low	High	SP1
HC&OP	CC35	<p><b>Service Description</b>  <b>Service Implication</b>  <b>Staffing Implications</b>                      None  <b>Business Plan implications</b>                      Impact on other departments                      Equalities                      Implications</p> <p><b>Commissioning</b>  <b>Target the discretionary use of Freedom Passes for mentally ill people.</b>                      The proposal is to end issuing of Freedom Passes on a universal basis but to retain some funding to support people who require this as part of their agreed care programme. The phasing of this will depend on how quickly Freedom Passes are renewed.                      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>	140		70			Low	High	SNS2



DEPARTMENT: COMMUNITY & HOUSING PHASE 2 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC36	<b>Service Description</b>	<p><b>All sections</b>                      Increase fees to clients by 2%                      This is a net figure taking into account the reduction in income following revised government guidance to not charge for reablement services.                      None.                      None.                      None.                      Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which increase their contribution towards service delivery have an equality implication in that they affect people in this category.</p>	204				Low	Medium	SI1
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								
		<b>Business Plan implications Impact on other departments Equalities Implications</b>								
HC&OP	CC37	<b>Service Description</b>	<p><b>All sections</b>                      Charging for both carers where two carers are required to support a client at the same time.                      Currently when someone has two carers at the same time, they will only be charged for one. The proposal is to charge for both carers. This change will effect 20 customers, who will see the amount they are paying increase, either up to their assessed maximum charge, or to the total cost of services if they are paying the full cost.                      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>	41				Low	High	SI1
		<b>Service Implication</b>								
		<b>Staffing Implications</b>								
		<b>Business Plan implications Impact on other departments Equalities Implications</b>								

DEPARTMENT: COMMUNITY & HOUSING PHASE 2 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
SC	LI03	<p><b>Service Description</b>  <b>Service Implication</b>  <b>Staffing Implications</b>  <b>Business Plan implications</b>  <b>Impact on other departments</b>  <b>Equalities Implications</b></p> <p><b>Libraries &amp; Heritage</b>  <b>Libraries management reduction</b>                      A reduction in the libraries management team and a mini-reorganisation.                      Management restructure, review of management responsibilities, redistribution of tasks.                      Reduced capacity to undertake outreach to deliver improved performance targets. Customer satisfaction, new and active members likely to decrease,                      None                      None</p>	81	81				Low	High	SS2
<b>Total Community &amp; Housing Department Savings for 2011-2015</b>				<b>1,192</b>	<b>82</b>	<b>0</b>	<b>0</b>			

DEPARTMENT: COMMUNITY & HOUSING PHASE 3 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC22	<b>Service Description</b> <b>Service Implication</b>	124	18	6			Low	High	SNS2
		<b>Staffing Implications</b>								
		<b>Business Plan implications</b> <b>Impact on other departments</b> <b>Equalities Implications</b>								
HC&OP	CC26	<b>Service Description</b> <b>Service Implication</b>	1,763	390				Low	High	SP1
		<b>Staffing Implications</b>								
		<b>Business Plan implications</b> <b>Impact on other departments</b> <b>Equalities Implications</b>								

DEPARTMENT: COMMUNITY & HOUSING PHASE 3 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC38	<p><b>Service Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications impact on other departments Equalities Implications</b></p>	<p><b>All sections</b></p> <p><b>Increase fees to clients</b></p> <p>This increases the income target set in CC36 from £204 to £304 based on latest available income projections.</p> <p>None.</p> <p>None.</p> <p>None</p> <p>Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which increase their contribution towards service delivery have an equality implication in that they affect people in this category.</p>	100				Low	Medium	S1
		<p><b>Access &amp; Assessments and Commissioning</b></p> <p><b>Propose an inflation increase of 0% on all providers.</b></p> <p>This increases the saving set in CC02 from £638 to £738 by reducing the the contingency for cases where a 0% inflation could be enforced due to contractual arrangements.</p> <p>None</p> <p>Contributes to efficiency savings</p> <p>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	CC39	<p><b>Service Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications impact on other departments Equalities Implications</b></p>								

DEPARTMENT: COMMUNITY & HOUSING PHASE 3 SAVINGS: 2011-2015

Panel	Ref	Description of Saving	Baseline Budget 10/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CC40	<p><b>Service Description</b> Service Implication</p> <p><b>Staffing Implications</b></p> <p><b>Business Plan implications</b> Impact on other departments Equalities Implications</p>	645	60				Medium	Low	SI2
		<p><b>Access &amp; Assessments</b> <b>Use of Telecare</b> Increased use of telecare will benefit Access and Assessment as more people can be supported to live at home with less home care and less recourse to residential care. The saving is based on an increase of 20 clients using telecare with an estimated saving per client of £3k.</p> <p>None</p> <p>None</p> <p>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>								
SC	HO03	<p><b>Service Description</b></p> <p><b>Service Implication</b></p> <p><b>Staffing Implications</b></p> <p><b>Business Plan Implications</b> Impact on other departments Equalities Implications</p>	403	35				low	low	SG1
		<p><b>Housing</b> Efficiency savings from homelessness grant 2011/12( assumption is made here that existing grant levels will be maintained) Potential impact on the delivery of homelessness prevention activities, balanced against preserving staffing levels to deliver housing reform agenda</p> <p>None</p> <p>none</p> <p>None</p> <p>None</p>								
<b>Total Community &amp; Housing Department Savings for 2011-2015</b>				703	6	0	0			

COUNCIL 2nd March 2011

## SUMMARY OF GROWTH BY DEPARTMENT

<b>GROWTH</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Chief Executive's }				
Corporate Services }	430	0	0	0
Children, Schools and Families	1,100	0	0	0
Environment & Regeneration	1,721	89	0	0
Community and Housing	101	0	0	0
<b>TOTAL</b>	<b>3,352</b>	<b>89</b>	<b>0</b>	<b>0</b>

**COUNCIL 2nd March 2011**

**SUMMARY OF GROWTH BY PANEL**

<b>GROWTH</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Corporate Capacity	430	0	0	0
Children and Young People	1,100	0	0	0
Sustainable Communities	1,942	89	0	0
Healthier Communities & Older People	174	0	0	0
<b>TOTAL</b>	<b>3,646</b>	<b>89</b>	<b>0</b>	<b>0</b>

## GROWTH ANALYSIS - All Panels

COUNCIL 2nd March 2011		2011/12	2012/13	2013/14	2014/15
		£000	£000	£000	£000
<b>G11</b>	Income: Decrease due to fall in demand for service	1,500	0	0	0
<b>G12</b>	Income: Decrease due to reduction/deletion of service	221	89	0	0
<b>GS1</b>	Staffing: increase in level of service	260	0	0	0
<b>GS2</b>	Staffing: New service	0	0	0	0
<b>GNS1</b>	Non - Staffing: increase in level of service	73	0	0	0
<b>GNS2</b>	Non - Staffing: New service	0	0	0	0
<b>GP1</b>	Addition to Procurement / Third Party arrangements	1,298	0	0	0
<b>GPROP</b>	Increase in Property Related costs	0	0	0	0
<b>TOTAL</b>		<b>3,352</b>	<b>89</b>	<b>0</b>	<b>0</b>



**PANEL: CORPORATE CAPACITY GROWTH: 2011-2015**

Panel	Ref	Description of Growth					2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Type of Growth (see key)
CC	CSG1	<b>Decision Package/Service Description</b>	<u>Housing Benefits - Corporate Item</u>					180			GP1
		<b>Service Implication</b>	Rent charges at Hall Place, used to accommodate homeless people, are being increased from £223 to £300 per week, and Merton will not be able to reclaim this increased cost as part of the Housing Benefit subsidy grant.								
		<b>Staffing Implications</b>	Merton has a statutory obligation to house homeless people, and currently has exclusive use of Home Place for housing the homeless. Merton has been unable to identify any alternative suitable and cheaper accommodation.								
		<b>Business Plan implications</b>	None								
		<b>Impact on other departments</b>	None								
CC	CSG2	<b>Decision Package/Service Description</b>	<u>Carbon Trading Scheme</u>					250			GP1
		<b>Service Implication</b>	Growth funding to cover the requirements of the governments CRC - EES (Carbon Reduction Commitment - Energy Efficiency Scheme) which in effect is a green tax based on the level of carbon emissions generated by the councils operations.								
		<b>Staffing Implications</b>	None								
		<b>Business Plan implications</b>	None								
		<b>Impact on other departments</b>	None								
		<b>Total Corporate Capacity Growth for 2011-2015</b>					430	0	0	0	0

## PANEL: CHILDREN AND YOUNG PEOPLE GROWTH: 2011-2015

Panel	Ref	Description of growth	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Type of Growth (see key)	
C&YP	CSF 1	<p><b>Description - Service Implication -</b>  <b>Children's Social Care Staffing</b>            Volume pressures in children's social care have increased both nationally and in Merton following the Baby P Case. Officers have constantly reviewed service provision to reduce expenditure in child placement provision. The growth listed below is required to improve Merton's pay rates in comparison with neighbouring boroughs as Merton has struggled to appoint to key posts within the organisation.            i) Targeted Regrading of Specific Posts</p> <p><b>Business Plan implications</b>            Impact on other departments  <b>Staffing Implications - Equalities Implications -</b></p>	208					GS1
C&YP	CSF 2	<p><b>Description -</b>  <b>Children's Social Care Placements</b>            Volume pressures in children's social care have increased both nationally and in Merton following the Baby P Case. Officers have constantly reviewed service provision to reduce expenditure in child placement provision. The growth listed below is required to right size the budget against current levels of demand. Officers will continually review provision to accommodate demographic growth within 2011-12.            i) Additional Independent Fostering (7 Places @ £40,000pa)            ii) Secure Accommodation (1 Places @ £120,000pa and 1 Place @ £180,000pa)            iii) Southwark Judgement (6 Places @ £16,000pa)            iv) Court Ordered Care (6 Places @ £10,000pa)            v) In House Foster Carers Improvement to Reward Scheme (60 Foster Carers @ £2,600)</p> <p><b>Business Plan implications</b>            Impact on other departments  <b>Staffing Implications -</b></p>	280 300 96 60 156					GP1 GP1 GP1 GS1 GNS1
<b>Total Children, Schools and Families Growth for 2011-2015</b>			<b>1100</b>	<b>0</b>	<b>0</b>	<b>0</b>		

PANEL: SUSTAINABLE COMMUNITIES PHASE 1 GROWTH: 2011-2015

		Description of Growth	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £002	Type of Growth (see key)
SC	ERG1	<p><b>Parking - visitor Permits</b></p> <p>Reduction in the cost of half day visitor parking permits from £2.50 to £1.50 in 2011-12 and to £1 in 2012-13. The 2011-12 estimated figure is based upon the number of half day visitor permits (35,080) purchased in 2009 2010 remaining constant (35,080 x £1 reduction). The additional growth in 2012/13 includes the effect of the further reduction on sales of full day permits.</p> <p>Minimal None Reduction in income recovery. None None</p>	35	89			G12
	ERG2	<p><b>Refuse Collection - Bulky waste Collection</b></p> <p>The removal of charges for Household bulky waste collection No longer charge for bulky waste collection. Demand expected to increase Increase of 3 FTEs Expectation of reduced fly-tipping. None Service now expected to be more attractive to lower-income groups.</p>	186				G12 & GS2

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

**PANEL: SUSTAINABLE COMMUNITIES PHASE 2 GROWTH: 2011-2015**

		Description of Growth	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £002	Type of Growth (see key)
SC	ERG3	<p><b>Rebasing E&amp;R Income budgets</b></p> <p>To address the fundamental shortfall in income budgets (particularly within Parking, Building Control and Development Control) which is estimated to be £1.5m in 2010-11</p> <p>To ensure that budgeted income is achievable</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	1,500				G11
		<b>Total Department Growth for 2011-2015</b>	<b>1,721</b>	<b>0</b>	<b>0</b>	<b>0</b>	

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

PANEL: HEALTHIER COMMUNITIES AND OLDER PEOPLE PHASE 1 GROWTH: 2011-2015

Panel	Ref	Description of Growth	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Type of Growth (see key)
HC&OP	CCG01	<b>All Services</b>	1,482	2,133	TBA	TBA	GP1
		<b>Demographic Growth in Placements:</b>	390	508	TBA	TBA	
		LD	-259	-845	TBA	TBA	
		PD	179	261	TBA	TBA	
		OP	145	283	TBA	TBA	
		MH	-416	-433	TBA	TBA	
		No recourse to public funds	-1,240	0	0	0	
		Unallocated placement budgets	-281	-1,907	0	0	
		MTFS growth agreed for 2009/10 in 08/09	0	0	0	0	
		MTFS growth agreed for 2009/10 in 09/10	0	0	0	0	
		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.					
		<b>Service Implication</b>					
		<b>Staffing Implications</b>					
		<b>Business Plan implications</b>					
		<b>Impact on other departments</b>					
		<b>Equalities Implications</b>					
		This is required to provide critical and substantial services to vulnerable adults.					
		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.					

PANEL: HEALTHIER COMMUNITIES AND OLDER PEOPLE PHASE 1 GROWTH: 2011-2015

Panel	Ref	Description of Growth	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Type of Growth (see key)
HC&OP	CCG02	<p><b>Service Description</b></p> <p>All Services Inflation above 1.5%</p> <p>LD PD OP MH</p> <p>No recourse to public funds MTFS contractual above Inflation adjustment 08/09 MTFS contractual above Inflation adjustment 09/10</p> <p>This relates to the increase in inflation above the corporate allocation.</p> <p>None</p> <p>This is required to provide critical and substantial services to vulnerable adults.</p> <p>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 effect people in this category.</p> <p><b>Access &amp; Assessments and Commissioning</b></p> <p>Review the contribution towards ICES pool The joint equipment pool with the PCT is overspending as the pool has not taken account of demographic increases in recent years.</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	70 23 95 16 3 -804 597 0	215 66 282 49 11 0 -623 0	TBA TBA TBA TBA TBA 0	TBA TBA TBA TBA TBA 0	GP1
		<p><b>Service Implication</b></p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	73				
HC&OP	CCG03	<p><b>Decision Package/Service Description</b></p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>					

**PANEL: HEALTHIER COMMUNITIES AND OLDER PEOPLE PHASE 1 GROWTH: 2011-2015**

Panel	Ref	Description of Growth	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	Type of Growth (see key)
HC&OP	CCG04	<b>Service Description</b> Concessionary Fares Increase in TfL settlement for 2011/12 None None None None None None <b>Business Plan implications</b> Impact on other departments Equalities Implications	28				GP1
<b>Total Community &amp; Housing Department Growth for 2011-2015</b>			<b>101</b>	<b>0</b>	<b>0</b>	<b>0</b>	

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

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12 (CS1)

**Outline of proposed savings/growth:** Reduction of £66,000 in the Preventing Violent Extremism Area Based Grant -----  
**Summary information**

Merton's original 2010/11 ABGPVE allocation was £246,000 and has been reduced by the Government by £66,000. The fund is aimed at strengthening community cohesion and reducing the threat of terrorism by supporting vulnerable sections of the community to become better integrated and therefore less vulnerable violent extremism.

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

The reduction in funds will have an impact on our ability to fund projects to engage with sections of the population most at risk within the borough particularly young males and females from minority ethnic groups.

**What actions, to address any negative impact have been identified?**

Supporting community cohesion work in Primary and Secondary schools. Also continued partnership working and targeting resources on group identified as being vulnerable to violent extremism-----

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Some of the remaining budget will be used to target service improvements for young males and females from minority ethnic groups.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead.

**Completed by:** Head of Service: Ben Harris

**Date** 29 October 2010

**Authorised by:** Director

**Date** -----

**Date** -----



Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
<b>Men</b>			✓	Cronem Report on PVE	Spend funds on projects to support better integration.	Using Community Tension Monitoring and working in partnership with other agencies to gather information and develop activities to deliver positive outcomes.
<b>Women</b>			✓	Cronem Report on PVE	Spend funds on projects to support better integration	Ditto
<b>Boys</b>			✓	Cronem report and evidence from Merton's Youth Service	Fund projects that engage young boys in youth services activities	Ditto
<b>Girls</b>			✓	Cronem report, information from Merton's Youth Service	Fund projects that engage young girls in youth services activities	Ditto
<b>People of different age groups</b>			✓	Cronem Report on PVE	Do more intergenerational work – look for bids to support this from the remaining grants fund	Ditto
<b>Disabled people</b>		✓				
<b>People of any ethnic group including both settled and newly arrived communities</b>			✓	Cronem report on PVE	Use remaining funds on projects to support better integration especially of newly arrived migrants.	Using Community Tension Monitoring and working in partnership with other agencies to gather information and develop activities to deliver positive outcomes.
<b>People of different faiths</b>			✓	Cronem report on PVE	Encourage more Inter Faith activities through the inter faith forum.	Ditto
<b>Lesbian Gay Bisexual Transgender (LGBT) people</b>		✓				
<b>Vulnerable people e.g. looked after children, or low income households</b>		✓				
<b>People living in particular wards or neighbourhoods</b>			✓	Cronem report and information from Community Tension Monitoring meetings.	Undertake community mapping to get a better understanding of the issues in particular wards using some of the remaining.	Using Community Tension Monitoring and working in partnership with other agencies to gather information and develop activities to deliver positive outcomes.



### **Initial Equality Impact Assessment for the Restructure of Support Services**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Business Case for the Restructure of Support Services (CS2)

#### **Outline of proposed savings/growth:**

Reduction in the cost of support services by restructuring to bring together support services currently managed in the Chief Executive's and Corporate Services Departments, and consolidating some support services from other departments.

Savings of £2.2 million per annum to contribute to the total required from CE and CS departments for 2011/12 budget process, to be achieved by reduction in staffing numbers.

Restructure implementation to be managed fully in accordance with the council's policy "Framework for Managing Organisational Change and the Redeployment Procedure" (1 November 2007). An equalities impact assessment in relation to staffing has been produced as part of this and is appended to the Business Case.

**Summary information**

**How does the proposal for savings/growth impact on Merton’s responsibility to promote equality of opportunity and community cohesion:**

Support services are primarily inward facing in that they serve internal clients: members, managers and staff across the authority.

Within the Resources Division Policy and Strategy Team as proposed under the restructure, the Diversity and Community Cohesion Manager Post will no longer manage the third sector co-ordinator and will be re-designated Equalities and Community Cohesion Officer. This post will continue to carry out the other duties of the current Diversity and Community Cohesion Manager Post. This post will be the designated deputy post for the Head of Policy and Strategy. This post will continue to undertake work around equality in service delivery and community cohesion.

However, reductions in other posts within this team will mean that the following community cohesion events will not longer be able to be directly supported – the community will need to run these events:

- Lesbian, Gay, Bisexual and Transgender Group History Month
- Holocaust Memorial Day
- Peace Week
- International Day of Persons with Disabilities

Job descriptions for all new posts include a requirement for compliance with council policies and procedures, including in relation to equalities and community cohesion.

**What actions, to address any negative impact have been identified?**

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

The reduction in direct support for community cohesion events represents the continuation of change to the relationship with these community groups, such that the level of direct assistance from council staff is reduced, and assistance is given to them so that they can take on more direct responsibility. Discussions will continue to encourage and support community representatives in taking on this responsibility.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

The proposal is to go ahead

**Completed by: Head of Service:** -----**Date** -----

**Authorised by: Director** :----Caroline Holland-----**Date** -21/10/10----

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		✓				
Women		✓				
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people			✓ marginal impact as a result of no direct support for International Day of Persons with Disabilities		Work with the Disabled Go Forum on how they can take responsibility for the event	Groups responsible will keep records of attendance and impact
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths			✓ marginal impact on people of Jewish faith as a result of no direct support for Holocaust Memorial Day (HMD)		Members of the Interfaith Group may wish to take on the planning of HMD Already working with relevant groups on how they can take responsibility for the event	Groups responsible will keep records of attendance and impact

APPENDIX 8(a)

<p><b>Lesbian Gay Bisexual Transgender (LGBT) people</b></p>			<p>✓ marginal impact as a result of Lesbian, Gay, Bisexual and Transgender Group History Month</p>		<p>Already working with the LGBT Forum on how they can take responsibility for the event</p>	<p>Groups responsible will keep records of attendance and impact</p>
<p><b>Vulnerable people e.g. looked after children, or low income households</b></p>		<p>✓</p>				
<p><b>People living in particular wards or neighbourhoods</b></p>		<p>✓</p>				

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Customer Services Review (CS3)

**Outline of proposed savings/growth:** - Staffing reductions within the following areas:- Debt Recovery – 3 posts, Housing Benefits 3 posts, Student Support 1 post, Community Engagement 1 post, Registrars 1.19 posts Cash Office 0.5 posts, Translation 1 post, Care Connect 2.37 posts.

### **Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Debt Recovery - No impact

Housing benefits – there will be no impact on the equality of opportunity and community cohesion from these changes. The same access to service will be provided as currently.

Student Support – The administration of this function is passing to another body.

Community Engagement – The delivery of services such as Community Forums will change. However, the core values of equality of opportunity and community cohesion will be embedded and pursued within the new delivery mechanisms.

Registrars, - No impact

Cash Office – No impact

Translation – This service will still be offered as before, there has however been a reduction in demand and the adjustment of resources and a move towards generic working reflects this.

Care Connect – This is an information service and the key information portals will be moved to the Council Web site. Support for indirect non statutory activities provided by this section will diminish and statutory activities will be undertaken elsewhere in the Council.

**What actions, to address any negative impact have been identified?**

The changes have been made within the following criteria: High- the protection of income generation sources, 2 - the protection of direct customer services to people who may be vulnerable – e.g. Housing Benefits, Translation, 3 - other services, non statutory or loss making.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Where a negative impact has been identified, an alternative albeit different access route has been identified.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Yes - Community Forums operated differently and less frequently, Care Connect Services to be operated via Merton's web site, the Link and other departments.

**Completed by: Head of Service:** -----**Date** -----

**Authorised by: Director** :-----**Date** -----



APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		✓				
Women		✓				
Boys		✓				
Girls		✓				
People of different age groups		✓		Housing Benefit surveys have not revealed that any particular grouping is disproportionately represented in the administration of these services.		
Disabled people		✓		As above		
People of any ethnic group including both settled and newly arrived communities		✓		As above		Merton's performance indicators for Housing Benefits and other services.
People of different faiths		✓		As above		Residents survey results
Lesbian Gay Bisexual Transgender (LGBT) people		✓		As above		
Vulnerable people e.g. looked after children, or low income households		✓		As above		
People living in particular wards or neighbourhoods		✓		Some services are disproportionately used by people in some wards. This will not change.		



**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CHAS (CS4)

**Outline of proposed savings/growth:**  
Growth of the Business £700k

**Summary information**

It is anticipated that CHAS will sustain a growth rate to sustain this income. CHAS only applies to registered companies and private business and is a sales orientated activity.

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

It does not impact on this proposal which is a country wide trade customers initiative and not aimed at individuals or groups. It sells a service to the trade.

**What actions, to address any negative impact have been identified?**

None N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go Ahead

**Completed by: Head of Service:** Chris Johnson **Date** 3<sup>rd</sup> February 2011

**Authorised by: Director** :-----**Date**-----

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		✓				
Women		✓				
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Merton's Medium Term Financial Strategy (CS5 to CS8)

**Outline of proposed savings/growth:** - (i) HR savings of £100,000 full year savings to be delivered for year 2011/12 from contract re-procurement and reorganisation of staffing structures (ii) Temporary agency workers re-procurement - £150,000 savings for full year 2011/12

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

- (i) The proposals do not have an immediate impact on equalities issues – approximately 30% of the savings will be achieved through the re-procurement of occupational health and employee assistance programmes. The remainder of the savings will be achieved by staffing reductions – the detail of those reductions in terms of equalities impact has, at this stage, not been finalised as we are at an early period of consultation.
- (ii) The proposals approved by Cabinet will see the contract for the supply of temporary agency workers pass from Hays to Manpower from December 2010. There are no immediate equalities issues as the temporary agency workers concerned will TUPE transfer from Hays to Manpower

**What actions, to address any negative impact have been identified?** Not applicable

**What actions will be taken to mitigate and reduce the negative impact that has been identified?** Not applicable

**Is the proposal to go ahead/be amended (give details) or abandoned?**

The proposal will go ahead

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** C&YP CSF 1, CSF 2, CSF 3, CSF 4

**Outline of proposed savings:** Cease central LA co-ordination of Health Schools Programme; Extended Services in schools; school travel plans.

#### **Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Removal of central co-ordination but no direct impact as responsibility for continuing specific programmes transferred to schools

**What actions, to address any negative impact have been identified?**

Responsibility for continuing programmes moved to schools.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

None needed re service delivery.  
Staffing implications to be considered through use of managing organisational change policy.

**Is the proposal to go ahead/be amended (give details) or abandoned?**      Go ahead

Completed by: **Head of Service:** -----

Jan Martin

Date -----

22/10/10

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

Yvette Stanley

22/10/10

Authorised by: Director

: .....Date





**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**CSF5**

**Report and Budget Title:** -----  
Decommissioning of Early Intervention and Prevention services for children, young people and families

**Outline of proposed savings/growth:** -----

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Risk of reducing supportive services to children, young people and families from specific equalities groups

**What actions, to address any negative impact have been identified?**

Analysis of referrals to and take up of services will be undertaken by Children's Trust partnership decommissioning group prior to decommissioning decisions being taken. One of the established criteria for decommissioning will be to minimise negative impact on specific equalities groups, although some reduction in service is inevitable from this savings proposal.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

See above. CSF is currently undertaking major review of preventive services commissioned externally and provided by in-house services. Although thresholds for accessing services will inevitably rise as a result of this savings proposal and anticipated loss of further grant income, sharper targeting of remaining preventive services will mitigate impact on equalities groups.

**Is the proposal to go ahead/be amended (give details) or abandoned?** Go ahead

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**Completed by: Head of Service:** -----Paul Ballatt-----**Date** -20/10/10----

**Authorised by: Director** :-----Yvette Stanley-----**Date** --  
21/10/10-----

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys						
Girls						
People of different age groups						
Disabled people						
People of any ethnic group including both settled and newly arrived communities						
People of different faiths						
Lesbian Gay Bisexual Transgender (LGBT) people						
Vulnerable people e.g. looked after children, or low income households			Yes	Analysis of users of commissioned EIP services	Sharper targeting of residual EIP services	Part of routine SLA monitoring/contract compliance
People living in particular wards or neighbourhoods						

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 6

**Outline of proposed savings:** Cease one post from the current child and adolescent mental health provision for looked after children and care leavers for in year savings of £20k and an additional £20 k savings in 2011-12.

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Central Government are based grant funding has ceased so a vacant post in this service has been identified for deletion to save 40k.

**What actions, to address any negative impact have been identified?**

The remaining Camhs team for looked after children will be reconfigured to continue to provide a service to care leavers.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

As above.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

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**Completed by: Head of Service:** ----- **Date** -----

**Authorised by: Director** : ----- **Date** -----

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 7

**Outline of proposed savings:** Cease some funding for administrative support to the Child Death Overview Panel

#### **Summary information**

#### **How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Central Government funding area based grant has ended, so £5k of the current provision for administrative support to the Child Death overview Panel will cease. This Panel is shared with Sutton and meets requirements to examine all child deaths across the two boroughs. In 2011-12 an additional £5k will be saved from the same budget.

#### **What actions, to address any negative impact have been identified?**

It is considered that the remaining financial support available to the CDOP would be sufficient for effective administration of the Panel to continue.

#### **What actions will be taken to mitigate and reduce the negative impact that has been identified?**

No negative impact identified.

#### **Is the proposal to go ahead/be amended (give details) or abandoned?**

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

Completed by: Head of Service :-----Date-----  
 Authorised by: Director :-----Date-----





**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 8

**Outline of proposed savings:** Reduction of investment in Connexions service

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Reduction in contract for provision of careers advice and guidance service for young people

**What actions, to address any negative impact have been identified?**

Retain targeted work that focuses on the most vulnerable.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Contract negotiations with commissioned provider re their new staffing model and retaining central staff targeted at need

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

-----  
**Completed by: Head of Service:** **Melissa Caslake** **Date** **22/10/10**  
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Authorised by: Director : Yvette Stanley : 22/10/10 : Date

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys			✓		Taken into consideration in the proposal – only a young people service	Contract monitoring
Girls			✓		Taken into consideration in the proposal – only a young people service	Contract monitoring
People of different age groups			✓		Taken into consideration in the proposal– only a young people service	Contract monitoring
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				



**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 9

**Outline of proposed savings:** Reduction of positive activities for young people

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Central Government funding reduced by 25% for provision of positive activities for young people including those vulnerable to poorer outcomes. Will impact on Merton's capacity to commission positive activities.

**What actions, to address any negative impact have been identified?**

More work will need to be accommodated by targeted youth staff.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Work reallocated within targeted youth team.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

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Completed by: Head of Service: ----- Melissa Caslake ----- 22/10/10  
Date -----  
Authorised by: Director :----- Yvette Stanley ----- 22/10/10  
Date -----

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls			✓		2 girls schools have no targeted youth worker Restructure of adolescent team to replace current structure in 2011	Adolescent targeted service review.
People of different age groups			✓		Young people based service targeting need – less service available	Adolescent targeted service review.
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				





**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 10 and 11

**Outline of proposed savings:** Reduction in commissioned substance misuse and teenage pregnancy services

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Reduction in services to young people vulnerable to poorer outcomes

**What actions, to address any negative impact have been identified?**

New more targeted model in new service for commissioned substance misuse. Restructure of Teenage pregnancy support team in PCT to cover TP and substance misuse.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Team more targeted at need.

**Is the proposal to go ahead/be amended (give details) or abandoned?**      Go ahead

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**Completed by: Head of Service:** **Melissa Caslake**      **Date** **22/10/10**  
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Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys	✓					
Girls	✓					
People of different age groups			✓		Young people based service targeting need – less service available	Contract monitoring
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

Yvette Stanley

Authorised by: Director

:-----Date

22/10/10



**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**CSF 12**

**Report and Budget Title:** -----  
Savings from LSC Transfer Budget

**Outline of proposed savings/growth:** -----

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

No impact

**What actions, to address any negative impact have been identified?**

None required

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

None required

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

Paul Ballatt

20/10/10

**Completed by: Head of Service:** -----

**Date** -----

**Authorised by: Director** :-----

**Date** -----

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys						
Girls						
People of different age groups						
Disabled people						
People of any ethnic group including both settled and newly arrived communities						
People of different faiths						
Lesbian Gay Bisexual Transgender (LGBT) people						
Vulnerable people e.g. looked after children, or low income households						
People living in particular wards or neighbourhoods						

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.  
CSF 13

**Report and Budget Title:** -----  
Restructure of R+I Team in CSF and deletion of management post

**Outline of proposed savings/growth:** -----

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

No Impact

**What actions, to address any negative impact have been identified?**

No actions required

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

No actions required

Staffing implications to be considered through use of managing organisational change policy

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

Paul Ballatt

20/10/10

**Completed by: Head of Service:** ----- **Date** -----

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys						
Girls						
People of different age groups						
Disabled people						
People of any ethnic group including both settled and newly arrived communities						
People of different faiths						
Lesbian Gay Bisexual Transgender (LGBT) people						
Vulnerable people e.g. looked after children, or low income households						
People living in particular wards or neighbourhoods						

Authorised by: Director

:-----Date-----



**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**CSF 14**

**Report and Budget Title:** -----

Deletion of post in School Admissions Team

**Outline of proposed savings/growth:** -----

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

No impact

**What actions, to address any negative impact have been identified?**

No actions required

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

No actions required

Staffing implications to be considered through use of managing organisational change policy

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

**Completed by: Head of Service:** -----

Paul Ballatt

**Date** -----

20/10/10

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys						
Girls						
People of different age groups						
Disabled people						
People of any ethnic group including both settled and newly arrived communities						
People of different faiths						
Lesbian Gay Bisexual Transgender (LGBT) people						
Vulnerable people e.g. looked after children, or low income households						
People living in particular wards or neighbourhoods						

Authorised by: Director

Date

### Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 15

**Outline of proposed savings:** Cease funding for Playing for Success Initiative

#### Summary information

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Central Government funding ending March 2011, so current provision for additional support for nominated pupils at 2 Playing for Success Centres will cease.

**What actions, to address any negative impact have been identified?**

Discussions with 2 Centres to consider use of Council assets.  
Staffing implications to be considered through use of management of change policy.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Not yet known.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

Completed by: Head of Service: -----

Jan Martin

Date -----

22/10/10

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

Yvette Stanley

22/10/10

Authorised by: Director

:-----Date-----



### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 16, 21 and 22

**Outline of proposed savings:** Cease the Family Support Co-ordinators function in Children's Social Care Service and associated administrative support. Reduce day care budget.

#### **Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

These savings come from ceasing two family support co-ordinator posts; one full time administrative post that supports the function and reducing daycare procurement budget. Posts currently identify and broker child minding, day care and after school places for children in need, that is open to the social care service.

**What actions, to address any negative impact have been identified?**

Discussions with the Early Years service have started with a view to this function being done within early years as an alternative provision. There should be no impact on children currently placed with day care services and support for the most vulnerable will continue but be monitored and arranged through early years services.

Staffing implications will be considered through use of managing organisational change policy

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**  
See above

**Is the proposal to go ahead/be amended (give details) or abandoned?**      Go ahead

-----  
**Completed by: Head of Service:** ----- **Melissa Caslake** ----- **22/10/10** -----  
**Authorised by: Director** :----- **Yvette Stanley** ----- **22/10/10** -----  
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Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				



**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 17

**Outline of proposed savings:** Staffing reduction in Education Welfare Team

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Less support for schools to improve attendance and reduce persistent absence.

**What actions, to address any negative impact have been identified?**

Work re- allocated within existing team

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Work re-allocated within existing team  
Staffing implications to be considered through use of managing organisational change policy

**Is the proposal to go ahead/be amended (give details) or abandoned?**

-----  
**Melissa Caslake**

**22/10/10**

**Completed by: Head of Service: -----Date -----**

Authorised by: Director : Yvette Stanley : 22/10/10 : Date

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups			✓		Young people based service targeting need – less service available	Attendance in monitored daily in schools and annually in the school attendance report. This is reviewed through quarterly monitoring reports.
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				



### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 18

**Outline of proposed savings:** Restructure Youth Service

#### **Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Less youth work will be commissioned from the voluntary sector, less funding available for project work and a reduction in accreditation by young people

**What actions, to address any negative impact have been identified?**

Decommissioning process will involve vol. sector and young people to ensure user involvement in decommissioning. Decommissioning may affect groups supporting targeted young people, as that is what is currently commissioned – however criteria for decommissioning will look at overall impact. Accreditation work will be managed by centre managers. Families will be expected to pay for events – or fund raising by young people – less expensive activities planned.

Staffing implications will be considered through use of managing organisational change policy

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Fair decommissioning process involving users.

**Is the proposal to go ahead/be amended (give details) or abandoned?** Go ahead

-----  
Completed by: Head of Service: **Melissa Caslake** 22/10/10  
Authorised by: Director: **Yvette Stanley** 22/10/10  
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APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys			✓		Young people based service targeting need – less service available	Young residents survey Participation data
Girls			✓		Young people based service targeting need – less service available	Young residents survey Participation data
People of different age groups			✓		Young people based service targeting need – less service available	Young residents survey Participation data
Disabled people			✓		Potential for decommissioning – fair process set up with young people	
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people			✓		Potential for decommissioning - -- fair process set up with young people	
Vulnerable people e.g. looked after children, or low income households			✓		Low income households affected by charging – off set by fund raising collectively by young people or running less expensive activities	
People living in particular wards or neighbourhoods			✓		Potential for decommissioning — fair process set up with young people	





**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** C&YP CSF 19, Early Years Reduction of Training Grant

**Outline of proposed savings:** Reduce free training offer to EYFS in schools and settings.

**Summary information**

**How does the proposal for savings impact on Merton's responsibility to promote equality of opportunity and community cohesion:**  
None.

**What actions, to address any negative impact have been identified?**

None needed

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

None needed.

**Is the proposal to go ahead/be amended (give details) or abandoned?**      Go ahead

22/10/10

**Completed by: Head of Service:** -----Date -----

Jan Martin

Yvette Stanley

22/10/10

**Authorised by: Director** :-----Date -----

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

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CSF20

**Report and Budget Title:** -----

**Reduce Staffing supporting young people's participation**

**Outline of proposed savings/growth:** -----

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Reduction of one post promoting the participation of young people in local decision-making

**What actions, to address any negative impact have been identified?**

Overall work of the team will be reorganised and reallocated with focus on ensuring ongoing engagement of young people from specific equalities groups eg young people looked after; yp with disabilities

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

See above  
Staffing implications to be considered through use of managing organisational change policy

**Is the proposal to go ahead/be amended (give details) or abandoned?**    Go ahead

Completed by: Head of Service: -----Paul Ballatt-----Date -20/10/10----

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Authorised by: Director :-----Yvette Stanley-----Date -  
21/10/10-----

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys			Yes		Sharper targeting of residual participation services	Via participation steering group
Girls			Yes		Sharper targeting of residual participation services	Via participation steering group
People of different age groups						
Disabled people						
People of any ethnic group including both settled and newly arrived communities			Yes		Sharper targeting of residual participation services	Via participation steering group
People of different faiths						
Lesbian Gay Bisexual Transgender (LGBT) people			Yes		Sharper targeting of residual participation services	Via participation steering group
Vulnerable people e.g. looked after children, or low income households			Yes		Sharper targeting of residual participation services	Via participation steering group
People living in particular wards or neighbourhoods						



### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 23

**Outline of proposed savings:** Reduce Section 17 budgets for children in need open to the children's social care service.

#### **Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

The Section 17 budget will reduce by 15k in 2011-12. This money will be taken from all the social care teams in small amounts and will therefore reduce their capacity to use the budget to purchase items for needy families such as white goods or baby items, or to enable for example care leavers to access activities that are financially costly.

**What actions, to address any negative impact have been identified?**

We will develop stronger knowledge of alternative providers for example voluntary sector agencies providing second hand goods, and assist families to apply for crisis loans from the benefits agency.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Policy to be developed regarding when it would be reasonable for family or parent expenses to be funded and when it is not reasonable for example further work done with courts to avoid children's social care being asked to supervise family contacts due to family conflict at our expense when we do not have parental responsibility for the children.

**Is the proposal to go ahead/be amended (give details) or abandoned?** Go ahead

-----  
Completed by: Head of Service: **Melissa Caslake** 22/10/10  
Date -----  
Authorised by: Director **Yvette Stanley** 22/10/10  
Date -----



Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

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**Report and Budget Title:** Primary /Secondary Strategy Central Co-ordination C&YP CSF 24

**Outline of proposed savings:** Team restructure through loss of Government Grant

**Summary information:**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

The central team providing support to schools will be significantly reduced due to grant fall out and therefore there will be a reduction in service. However the remaining service will be targeted at areas of greatest need and will not impact on community cohesion.

**What actions, to address any negative impact have been identified?**

**Schools are already aware of potential equality opportunities issues identified in their data and have plans in place to address them**  
 School to school support is being developed and most of the interventions needed to ensure equality of opportunity will be offered through the local school and SWLSEP networks. LA officers will continue with desk top monitoring of schools' data

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Should any issues come to light which have equality or community cohesion implications the SSQ manager will ensure appropriate challenge to the school leadership is provided and if necessary the brokering of support.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

This proposal has to continue as there is no further funding for this service

Jan Martin

06/12/10

**Completed by: Head of Service:** ----- **Date** -----

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Authorised by: Director :-----Yvette Stanley-----Date -06/12/10-----  
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Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		y				
Women		y				
Boys		y				
Girls		y				
People of different age groups		y				
Disabled people		y				
People of any ethnic group including both settled and newly arrived communities			y		The proposal cannot be amended	There will be a particular focus from LA officers on the attainment and progress of these groups
People of different faiths		y				
Lesbian Gay Bisexual Transgender (LGBT) people		y				
Vulnerable people e.g. looked after children, or low income households			y		The proposal cannot be amended	There will be a particular focus from LA officers on the attainment and progress of these groups
People living in particular wards or neighbourhoods			y		The proposal cannot be amended	There will be a particular focus from LA officers on the attainment and progress of groups in some areas of deprivation



**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

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**Report and Budget Title:** Special Educational Needs C&YP CSF 25

**Outline of proposed savings:** Service Efficiencies and rationalisation of budgets

**Summary information:**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

No impact is expected as the training offer is being developed jointly with Sutton to increase access to wider range of training and courses and reduce delivery costs.  
The demand for the service indicates that further income generation is achievable.

**What actions, to address any negative impact have been identified?**

NA

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Training and income generation activities are monitored and evaluated as part of current quality assurance processes.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

Jan Martin

**Completed by: Head of Service:**

20.11.10

Date

Yvette Stanley

06/12/10

Date

**Authorised by: Director**

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		y				
Women		y				
Boys		y				
Girls		y				
People of different age groups		y				
Disabled people		y				
People of any ethnic group including both settled and newly arrived communities		y				
People of different faiths		y				
Lesbian Gay Bisexual Transgender (LGBT) people		y				
Vulnerable people e.g. looked after children, or low income households		y				
People living in particular wards or neighbourhoods		y				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

CSF 26  
**Report and Budget Title:** ----- Reduce Budget for SEN Transport

**Outline of proposed savings/growth:** -----

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

The council is required through regulation to provide transport to enable children with SEN to attend school. This inherently supports and promotes their equality of opportunity. In order to achieve the savings proposed, a review will be completed of the policy Merton has in place relating to a child's eligibility for access to transport and their need for escorting.

**What actions, to address any negative impact have been identified?**

Officers need to engage parent groups at an early stage of review of policy framework and ensure that implementation of policy in individual cases does not disadvantage children with SEN or impact negatively on their safety when travelling to and from school.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Two parent/user groups – Kids First and Mencap – have agreed to be part of policy review group. Consideration will be given to re-investing some potential savings in an independent travel training scheme for individual young people. New models of providing escorts – including through volunteering – will be explored.



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**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

**Paul Ballatt**

**2/12/10**

**Completed by: Head of Service:** -----

**Date** -----

**Yvette Stanley**

**07/12/10**

**Authorised by: Director** :-----

**Date** -----

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys			√	Client information	Impact of proposal to be mitigated through eg independent travel training	Management review – SEN Service Manager
Girls			√	Client information	Impact of proposal to be mitigated through eg independent travel training	Management review – SEN Service Manager
People of different age groups						
Disabled people			√	Client information	Impact of proposal to be mitigated through eg independent travel training	Management review – SEN Service Manager
People of any ethnic group including both settled and newly arrived communities						
People of different faiths						
Lesbian Gay Bisexual Transgender (LGBT) people						
Vulnerable people e.g. looked after children, or low income households						
People living in particular wards or neighbourhoods						



**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

CSF 27 and 36

**Report and Budget Title:** -----

Reduction in council's annual revenue funding of London Grid for Learning (LGfL)

**Outline of proposed savings/growth:** -----

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

LgFL provides a regional ICT platform for schools to use in delivering the educational curriculum to children and young people. The proposed saving will be achieved through reducing the council's match funding of government grant and establishing buyback arrangement with schools for the LA support and consultancy provided. No specific impact on the council's responsibility to promote equality of opportunity is anticipated.

**What actions, to address any negative impact have been identified?**

None necessary.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

None necessary

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

Completed by: Head of Service: **Paul Ballatt** ..... Date **2/12/10** .....

Authorised by: Director : **Yvette Stanley** ..... Date **7/12/10** .....

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups						
Disabled people						
People of any ethnic group including both settled and newly arrived communities						
People of different faiths						
Lesbian Gay Bisexual Transgender (LGBT) people						
Vulnerable people e.g. looked after children, or low income households						
People living in particular wards or neighbourhoods						

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

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**Report and Budget Title:** Integrated Service C&YP CSF 28

**Outline of proposed savings:** Service Efficiencies and Review of Brightwell

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

There is a review of the provision at Brightwell currently underway and proposals are shortly to be considered by CSF DMT. It is expected that the revised offer to families will be more inclusive and wider ranging than the current provision at Brightwell. There will further consultation on the proposals with families, family groups and voluntary sector partners. The action plan which will be developed once the proposals are agreed will address EQIA issues and changes will be introduced gradually.

**What actions, to address any negative impact have been identified?**

It is possible that there could be a negative impact for a few families if the residential offer is different but every effort will be made to work with those families to ensure some respite provision and other services.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

The new offer will be closely monitored and the views of service users sought very regularly

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

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**Completed by: Head of Service:** Jan Martin **7/12/10** **Date** -----  
**Authorised by: Director** Yvette Stanley **7/12/10** **Date** -----

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		y				
Women		y				
Boys		y				
Girls		y				
People of different age groups		y				
Disabled people			y	The service is only used by families with disabled children	We will work with each family individually to develop an appropriate package of support	All services will be kept under regular review and the views of parents and young people sought
People of any ethnic group including both settled and newly arrived communities		y				
People of different faiths		y				
Lesbian Gay Bisexual Transgender (LGBT) people		y				
Vulnerable people e.g. looked after children, or low income households		y				
People living in particular wards or neighbourhoods		y				



### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 29

**Outline of proposed savings:** Restructure of the Strategy and Development unit within children's social care.

#### **Summary information**

#### **How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

This restructure will take out 3 full time posts that currently undertake quality assurance work of the reviewing and conferencing team, work associated with training and development of the Common Assessment Framework and Merton's Child and Well-being Model, and an associated business support post. The quality assurance work will be picked up through increased expectations of current social care managers including the recently created training manager post. Some Caf work will continue and we are currently in discussion with NHS Sutton and Merton about how to take forward CAF work across the Children's Trust. It is therefore the case that Merton Children's Social Care will continue to promote the use of the well-being model to ensure that vulnerable children are identified and services provided but it is likely that more of this work and its awareness raising will be done across the Children's Trust in partnership with Children's Social Care.

#### **What actions, to address any negative impact have been identified?**

As above. We are also seeking to start work with Sutton and other boroughs to see if we can develop closer alignment of the use of the CAF in conjunction with NHS Sutton and Merton.

#### **What actions will be taken to mitigate and reduce the negative impact that has been identified?**

As above. Work is underway to mitigate the impacts of these proposed savings and ensure that Merton's Child Well-being Model continues to be used to identify and provide services to children across the borough. A new Quality Assurance Framework is underway in social care which will include being embedded and rolled out across the existing management structure.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

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**Completed by: Head of Service:** Melissa Caslake **Date** 7/12/10  
**Authorised by: Director** : Yvette Stanley **Date** 7/12/10  
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Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 30 and 31

**Outline of proposed savings:** Delete 1.5 FTE posts at Assistant Team Manager level in Children's Social Care.

#### **Summary information**

#### **How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

This proposal to delete 1.5 FTE management posts in children's social care will delete one post in the Fostering Team and one half post in the Family Support Team. This will result in some reduced management capacity within children's social care.

#### **What actions, to address any negative impact have been identified?**

The Fostering Team has recently been Leaned which has identified some new ways of working to reduce waste. The Access to Resources Team will take on two fostering social workers to undertake assessments of prospective foster carers and this function will be managed and supervised within the ART. This will therefore reduce the need for management capacity within the existing Fostering Team and the post was vacant due to a retirement.

The Family Support Team has also made savings proposals to reduce its Family Support Co-ordinator posts and transfer the function to the Early Years Service. This means that less management capacity is required within the Family Support Team as a whole. The current postholder is acting as Team Manager and therefore will continue to occupy a management post in the service reducing the negative impact of the change.

#### **What actions will be taken to mitigate and reduce the negative impact that has been identified?**

As above.

Is the proposal to go ahead/be amended (give details) or abandoned?

Go ahead

7/12/10

Melissa Caslake

Completed by: Head of Service:

Date

Yvette Stanley

7/12/10

Authorised by: Director

Date

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 32

**Outline of proposed savings:** Delete 1 FTE Contact Supervisor post in children's social care.

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

This proposal will delete one FTE out of a current team of 6 contact supervisors. Work has been done to identify why Merton has been required to deliver high rates of supervised contact for its children in care. We are obliged to deliver contact when ordered through court proceedings and the levels are set within court orders. However there are significant numbers of contacts taking place outside the court arena.

**What actions, to address any negative impact have been identified?**

We have identified a good practice guide for social workers to use when preparing care plans for court to assist them in arguing the case for less intensive levels of supervised contact where appropriate. We are also identifying the use of foster carers to supervise contact as part of their commitment to fostering, and using family members wherever possible to reduce the need for social care supervision.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

As above.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

Completed by: Head of Service: **Melissa Caslake** 7/12/10 Date  
**Yvette Stanley** 7/12/10 Date  
Authorised by: Director :-----Date



Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 33

**Outline of proposed savings:** Youth Justice

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Reduced funding will increase case loads of case workers dealing with offenders and through the recontracting of Intensive Supervision and Surveillance Programme ISSP we will look to reduce costs. Risk of increased reoffending and custody placements, as ISSP is a prevention of custody programme.

**What actions, to address any negative impact have been identified?**

Work reallocated to team, reviewing cases going to ISSP and preventing court "up tarring" young offenders

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

1. Setting up a high risk panel process with police and probation.
2. Employing a higher level case manager to oversee quality and risk.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

-----  
Completed by: Head of Service: **Melissa Caslake** **7/12/10**  
Date -----  
Authorised by: Director **Yvette Stanley** **7/12/10**  
Date -----

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men			✓	Young offenders are disproportionately male	Actions 1+2 above	Youth crime board and exec monitoring
Women		✓				
Boys			✓	Young offenders are disproportionately male	Actions 1+2 above	Youth crime board and exec monitoring
Girls		✓				
People of different age groups			✓	Young people based service targeting need – less service available	Actions 1+2 above	Youth crime board and exec monitoring
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households			✓	Young people based service targeting young offenders a vulnerable group – less service available	Actions 1+2 above	Youth crime board and exec monitoring
People living in particular wards or neighbourhoods		✓				



**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 34 -----  
Access to Resources Savings in Placement Costs

**Outline of proposed savings/growth:** -----

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

CSF plans to establish an Access to Resources Team from April 2011 which will be responsible for the procurement of independent sector care and educational placements for looked after children and children with SEN. Evidence from other LAs implementing this model shows that savings from improved and more robust procurement can be achieved as well as improved quality assurance of placements provided. The model thus has the potential to impact positively on outcomes for these key equalities groups.

**What actions, to address any negative impact have been identified?**

No specific negative impact anticipated

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

None necessary

Is the proposal to go ahead/be amended (give details) or abandoned?

Go ahead

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Completed by: Head of Service: **Paul Ballatt** ..... Date ..... **2/12/10**

Authorised by: Director : **Yvette Stanley** ..... Date ..... **7/12/10**

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups						
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities						
People of different faiths						
Lesbian Gay Bisexual Transgender (LGBT) people						
Vulnerable people e.g. looked after children, or low income households						
People living in particular wards or neighbourhoods						



**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** ----- CSF 35 -----  
Reviewing of Supplies and Training Budgets

**Outline of proposed savings/growth:** -----

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

No specific impact identified

**What actions, to address any negative impact have been identified?**

None necessary

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

None necessary

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

Completed by: Head of Service: **Paul Ballatt** ..... Date **2/12/10** .....

Authorised by: Director **Yvette Stanley** ..... Date **7/12/10** .....

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		√				
Women		√				
Boys						
Girls						
People of different age groups						
Disabled people						
People of any ethnic group including both settled and newly arrived communities						
People of different faiths						
Lesbian Gay Bisexual Transgender (LGBT) people						
Vulnerable people e.g. looked after children, or low income households						
People living in particular wards or neighbourhoods						

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Budget 2011-12 CSF grant fallout (CSF 37)

**Outline of issue:** The DfE have radically changed the grant regime for education, schools and wider children's services: reducing the number of grants overall; mainstreaming a number into revenue support Grant (RSG) or dedicated schools Grant (DSG); merging a number of (reduced) grants into a new Early Intervention Grant which is not ring-fenced but includes the funding for a range of statutory children/education functions.

In year savings on ABG with a full year effect of c900k were proposed as part of the budget process. A further c3.2m (estimate) of funding fallout is now anticipated and 1m of grant is still to be announced. Some of these grant losses/reductions were anticipated due to their being fixed term, however the wide range of changes mean that officers are now having to review all grant related spend to bring activity in line with the significantly lower levels of resources now anticipated.

### **Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

CSF grants are used to underpin statutory functions and to provide a broad range of services to children, schools and families. Many have been specifically designed to improve outcomes for vulnerable groups. Where appropriate resources are targeted to the most vulnerable young people and this supports our work to ensure equalities and social cohesion issues are addressed.

**What actions, to address any negative impact have been identified?**

The reduced levels of resources available will continue to be carefully targeted and funding will still provide support for disabled children, children and families at risk of statutory social care intervention, young people at risk of entry into the Criminal Justice system and children looked after by the authority.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

As well as ensuring resources are appropriately targeted, we will also ensure that through our Transformation programme and effective commissioning and procurement of services we get the very best value from the resources available. This includes work across the Children's Trust partnership and with Schools to make best use of our collective resources in the borough.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

-----  
**Completed by: Head of Service:** Paul Ballatt **Date** 04/01/11  
**Authorised by: Director** Yvette Stanley **Date** 04/01/2011  
-----

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton’s Corporate Equality Scheme sets out the Council’s approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** C&YP CSF 38 (previously referred to as CSF 15)

**Outline of proposed savings:** Reducing of financial subsidy to Merton Music Foundation

**Summary information**

**How does the proposal for savings/growth impact on Merton’s responsibility to promote equality of opportunity and community cohesion:**

MMF provides music tuition to children and young people in Merton including those from identified equalities group. They are funded from a combination of LA and Government grant and fee income from schools and parents. The saving may result in a reduced offer or increased charging. Discussions are on-going with MMF as the best way to achieve this saving without impacting on equalities groups.

**What actions, to address any negative impact have been identified?**

Discussions with MMF about possible future business plan which would include ensuring impact mitigation on those at most risk.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

See above – discussions are on-going.

**Is the proposal to go ahead/be amended (give details) or abandoned?** Go ahead

Jan Martin

22/10/10

**Completed by: Head of Service:** ----- **Date** -----

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households			✓	Less affluent families		
People living in particular wards or neighbourhoods			✓	Less affluent households in some areas		

Yvette Stanley

22/10/10

Authorised by: Director

:-----Date-----





**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ER01 Development Control**

**Outline of proposed savings/growth:**

- i) Expansion of existing pre-application charging system to include charge for advice given to household development - e.g. extensions, dormer roofs etc-£10K ii) Merging of Building Control and Development Control Teams involving deletion of 1 Section manager, one deputy team leader and one surveyor post-£110k

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

None

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be Considered at 8<sup>th</sup> Nov Cabinet

**Completed by: Head of Service:** -----John F. Hill-----**Date** 28/10/2010

**Authorised by: Director**-----**Date** November 2010

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** **ER02** Environmental Health, Trading Standards and Licensing

**Outline of proposed savings/growth:**

- i) Dispende with budget and allocated for "bought in inspections" - £25k
- ii) Surrender unused financial allocations-£33k
- iii) Capitalisation of salary expenditure on Disabled Facility Grant and Empty Property Grant provision-£58k
- iv) Reconfiguration of structures within Licensing and Env.Health Housing £48k.

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:** N/A

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?** To be Considered at 8<sup>th</sup> Nov Cabinet

**Completed by:** Head of Service: John F. Hill

**Authorised by:** Director :

**Date** ---Nov 2010-----  
28/10/2010-

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

### Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

#### Report and Budget Title: **ER03 Parking Services**

#### Outline of proposed savings/growth:

Increase in various parking charges:

- i) Removal of 20 minute free parking £60,000 (5 min = 15k, 10 min = 30k, 15 min = 45k) ii) Mobile CCTV £87,000, iii) Trade Permit £30,000
- iv) New Person set up charge £65,000
- v) Business Permits £108,000

#### Summary information

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

N/A

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?** To be Considered at 8<sup>th</sup> Nov Cabinet

**Completed by:** Head of Service: John F. Hill

**Authorised by:** Director

**Date** 28/10/2010-  
**-Date** ----NOV 2010-----

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** ER04 Business Performance

**Outline of proposed savings/growth:**

- Replacement of one full time with a part-time post for - Principal Development Officer (current working as a part-time post).
- Charging for naming and numbering of new developments

**Summary information**

- Reduced central capacity to take forward Equalities (the council will be working towards attaining Equalities Framework 3, which will increase workload), workforce development, risk and health and safety and other projects; this will be offset by increased reliance on service managers to lead on these functions.
- There is not a significant risk arising from charging for naming and numbering of new developments.

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

*Replacement of one full time with a part-time post:*

- The impact is on the time that can be spent on addressing and promoting equalities.

**What actions, to address any negative impact have been identified?**

*Replacement of one full time with a part-time post*

- Prioritising work, embedding equalities into project management and re-assigning other aspects of work to other areas of the council.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

As above

**Is the proposal to go ahead/be amended (give details) or abandoned?** To be considered at 8<sup>th</sup> NOV Cabinet

**Completed by: Head of Service:** -----Date -----Nov 2010

**Authorised by: Director** :-----Date -----Nov 2010



Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** -ER05 Leisure Centres

**Outline of proposed savings/growth:** Reduction in contract payment

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

No service reduction, therefore no impact

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at 8<sup>th</sup> Nov Cabinet

**Completed by: Head of Service:** -----Date ---Nov 2010

**Authorised by: Director** :-----Date ---Nov 2010

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ER06**

A phased reduction in the grant to Deen City Farm

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

The savings will undoubtedly impact upon the services delivered at the farm and therefore adversely affect children, young people, families and perhaps disabled people more than most community sectors as these are some of the key users groups

**What actions, to address any negative impact have been identified?**

The proposed grant reduction has been phased to reduce the impacts.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Actions to mitigate or reduce any impacts are primarily the responsibility of the farm's management and executive. This service is not delivered directly by LBM.

**Is the proposal to go ahead/be amended (give details) or abandoned? Considered at Cabinet 8<sup>th</sup> Nov**

**Completed by: Head of Service:** .....**Date** -----Nov 2010  
**Authorised by: Director** .....**Date** -----Nov 2010

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys			X	Intuition based upon a broad understanding of the user profile	The proposed grant reduction has been phased over several years to enable the farm to progressively acclimatise to the reduction	Not an LBM responsibility as the farm is not directly managed by the authority
Girls			X	Intuition based upon a broad understanding of the user profile	The proposed grant reduction has been phased over several years to enable the farm to progressively acclimatise to the reduction	Not an LBM responsibility as the farm is not directly managed by the authority
People of different age groups			X	Intuition based upon a broad understanding of the user profile	The proposed grant reduction has been phased over several years to enable the farm to progressively acclimatise to the reduction	Not an LBM responsibility as the farm is not directly managed by the authority
Disabled people			X	Intuition based upon a broad understanding of the user profile	The proposed grant reduction has been phased over several years to enable the farm to progressively acclimatise to the reduction	Not an LBM responsibility as the farm is not directly managed by the authority
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

#### **Report and Budget Title: ER07**

**Delete evening parks locking up service across Borough**

#### **Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

No specific impacts. The saving will impact both positively (in terms of access) and negatively (in terms of ASB) across all communities, especially park users and neighbours.

**What actions, to address any negative impact have been identified?**

Liaison with the local police and Safer Neighbourhoods Team.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Unknown at present.

**Is the proposal to go ahead/be amended (give details) or abandoned? To be considered at 8<sup>th</sup> Nov Cabinet**

**Completed by: Head of Service:** ..... **Date** ..... Nov 2010  
**Authorised by: Director** ..... **Date** ..... Nov 2010

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups	X		X	Intuition	N/A	Complaints procedures
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ER08**

**Increase in cemeteries burial fees of 20%**

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

No specific equalities impacts. Impacts will apply across the board.

**What actions, to address any negative impact have been identified?**

None

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

None

**Is the proposal to go ahead/be amended (give details) or abandoned?** To be considered at 8<sup>th</sup> Nov Cabinet

**Completed by: Head of Service:** ..... **Date** -- Nov 2010  
**Authorised by: Director** : ..... **Date** ---Nov 2010-



Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ER09**

Increased fees & charges of 5% from pitch hire, services, etc.

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

No specific impacts. Impacts will apply across all user groups.

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?** To be considered at Cabinet 8<sup>th</sup> November

**Completed by: Head of Service:** ..... **Date** ----Nov 2010  
**Authorised by: Director** : ..... **Date** ----Nov 2010

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ER10 Property Management and Review**

**Outline of proposed savings/growth:** Regearing leases within non-operational estate

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

It does not.

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To go ahead – in progress

**Completed by: Head of Service:** -----**Date** -----Nov 2010-----  
**Authorised by: Director** :-----**Date** -----Nov 2010-----

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men	N/A	N/A	N/A			
Women	N/A	N/A	N/A			
Boys	N/A	N/A	N/A			
Girls	N/A	N/A	N/A			
People of different age groups	N/A	N/A	N/A			
Disabled people	N/A	N/A	N/A			
People of any ethnic group including both settled and newly arrived communities	N/A	N/A	N/A			
People of different faiths	N/A	N/A	N/A			
Lesbian Gay Bisexual Transgender (LGBT) people	N/A	N/A	N/A			
Vulnerable people e.g. looked after children, or low income households	N/A	N/A	N/A			
People living in particular wards or neighbourhoods	N/A	N/A	N/A			

## Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12

**Report and Budget Title:** -SC Savings – Transport Planning

**Outline of proposed savings/growth: ER11** Deletion of 4 School Crossing Patrol Officer posts, Savings from salary/ budget. Details below concern the former proposal, the latter savings have no equalities impact.

### Summary information

**How does the proposal for savings/growth impact on Merton’s responsibility to promote equality of opportunity and community cohesion:**

It is proposed to delete two vacant school crossing patrol posts from the structure, and remove 2 of the existing school crossing patrol posts. The school crossing patrol posts that will be removed will be those where highway safety issues have already been minimised – to this end, each of the sites will be subject to a detailed safety assessment if the savings are accepted. However, there may still be perceived road safety issues relating to this, which may have an impact, particularly for more vulnerable road users.

**What actions, to address any negative impact have been identified?**

No actions have been undertaken to date. However, as stated, the removal will be focus on those locations where road safety issues have already been minimised. To this end, each of the sites will be subject to a detailed safety assessment if the savings are accepted

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

The existing school crossing patrol sites will undergo a detailed safety assessment if the savings are accepted – this will help determine which are the most appropriate sites for officer removal. Minor highway improvements may be undertaken to enhance safety, but this will need to be balanced against the cost saving.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Considered by Cabinet 8<sup>th</sup> November?

**Completed by: Head of Service:** -----Date -----Nov 2010-----

**Authorised by: Director** :-----Date -----Nov 2010-----

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men			X	None to date	Retain officer / physical road safety improvements	Safety assessments will be undertaken following officer removal
Women			X	None to date	Retain officer / physical road safety improvements	Safety assessments will be undertaken following officer removal
Boys			X	None to date	Retain officer / physical road safety improvements	Safety assessments will be undertaken following officer removal
Girls			X	None to date	Retain officer / physical road safety improvements	Safety assessments will be undertaken following officer removal
People of different age groups			X	None to date	Retain officer / physical road safety improvements	Safety assessments will be undertaken following officer removal
Disabled people			X	None to date	Retain officer / physical road safety improvements	Safety assessments will be undertaken following officer removal
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ER12,13** Sustainable Communities savings (08 Nov Cabinet) – Spatial Planning / Physical Regeneration

**Outline of proposed savings/:** --Spatial Planning (Replacing a vacant planning policy officer post with a short-term contract, reducing the length of the post by one quarter overall) Physical Regeneration (

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

It doesn't – the post are filled to continue service delivery in the short term. In the long term the posts will be part of the Future Merton transformation

**What actions, to address any negative impact have been identified?**

N/A

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**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A-----

**Is the proposal to go ahead/be amended (give details) or abandoned?** To be considered at Cabinet 8<sup>th</sup> NOV

**Completed by: Head of Service:** -----**Date** -----Nov 2010

**Authorised by: Director** :-----**Date** -----Nov 2010



Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ----ER14 ER15** Economic Development and Vestry Hall (Additional Income)-----

**Outline of proposed savings/growth: --Alternative funding of employees/ increased income generation-----**

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

No impact

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at Cabinet 8<sup>th</sup> NOV

**Completed by: Head of Service: -----Date -----Nov 2010**

**Authorised by: Director :-----Date -----Nov 2010**

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

**Report and Budget Title: -ER16 – ER20** Traffic and Highways

**Outline of proposed savings/growth:** -Reduction in Carriageway Patching 157kReduction in overall revenue budget available for footway maintenance by £113K, Review of the Traffic and Highway Structure with the deletion of one Highway Safety Inspector and two technical support officers (Admin) generating savings of £75k, Restrict Highway Safety Inspections response to 2hrs and 20 days only. Non replacement of posts/bollards generating savings of £40K, Removal of Anti-Skid budget and a reduction in budget available for maintenance of carriageway markings (white and yellow lines) across the Borough (13K). Removal of Hanging Baskets budget (13k). Reduction in overall Street Lighting Contract budget (8K). Removal of outstanding Traffic signal Budget (6K). Reduction in equipment purchase budget (6K). Reduction in Misc Hired Services Budget (5k)

**Summary information**

**How does the proposal for savings/growth impact on Merton’s responsibility to promote equality of opportunity and community cohesion:**

May have an adverse impact on vulnerable road users, particularly the disabled and those with impaired visibility.

**What actions, to address any negative impact have been identified?**

Adverse impact could be mitigated by undertaking maintenance work as part of Capital funded schemes.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

**Is the proposal to go ahead/be amended (give details) or abandoned? The proposals will be reported at Cabinet on 8<sup>th</sup> November 2010**

**Completed by: Head of Service:** -----**Date** -----Nov 2010  
**Authorised by: Director** :-----**Date** -----Nov 2010-

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups			X			We will monitor the impact in terms of complaints/accidents and review as required
Disabled people			X			We will monitor the impact in terms of complaints/accidents and review as required
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

### Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** ER21 Commercial Waste

**Outline of proposed savings/growth:** 1,460 customers. 0910 income outturn £1.256M. Collection resource: 2 x RCVs Refuse bins + 1 x RCV Recycling + 1 small RCV Refuse bags. Implications for town centre bags/bins and Enforcement team. Lats issues. Estimated additional income if fees & charges increased to bring in additional income as per 10/11 = £80K. A further report will be brought forward in November/December with identified opportunities for growing the business, increasing our customer base and delivering higher levels of return from this service. On average this represents an approximate increase in charges of 7%.

### Summary information

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

There is no impact.

**What actions, to address any negative impact have been identified?** None

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Presented at Cabinet 8<sup>th</sup> November

**Completed by: Head of Service:** Cormac Stokes-----Date -----Nov 2010-----

**Authorised by: Director :**-----Date -----Nov 2010-----

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

## Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12

**Report and Budget Title:** ER22 Street Cleaning

Outline of proposed savings/growth: 1. Reduced weekend working. Saturday reduction of 2 staff out of existing 21. Sunday & Bank Holiday reduction of 5 staff out of existing 21; plus reducing hours of 10 operatives from 7 hours to 5 hours (Service efficiency). 2. 10 combined teams of 1+2 manual & deep cleansing, saving 9 staff. (deletion of litter picking on the same day following waste collections, Tidy Britain Group observed that 50% of litter in Merton is derived from waste collection method. Also deletion of the one response team). Area based teams will continue to focus on streets needing cleaning as and when required. This has improved cleanliness standards allowing this saving to be deliverable. Potential risk of reduction in National Indicators (at present) & Residents Survey performance and a rise in complaints. 3 staff reduced in 2010-11 budget setting exercise. 3. Purchase of 6 vehicles that are currently on hire (saving is net of capital financing costs). The proposals contained herein are scalable or could be disaggregated if felt appropriate.

### Summary information

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

There will be an impact on areas where existing service is not meeting demands.

**What actions, to address any negative impact have been identified?**

We have prepared an alternative service delivery strategy.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

The proposed new strategy will make better use of scarce resources.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Suggested saving at Leaders Strategy Group meeting, agreed to go to cabinet 8th November 2010.

**Completed by: Head of Service: Cormac Stokes**

**Authorised by: Director**

**Date** -----Nov 2010

**Date** -----Nov 2010



Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X	/			

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: Environment & Regeneration, Savings 2011-15, ER23** Waste Services, Waste Transfer Station, Amenity Way

**Outline of proposed savings/growth:** Direct deliver dry recyclables to contractor on Beddington Lane, i.e. Loss of waste transfer facility. Results in loss of 4 staff, excluding Depot Manager post.

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

There is no impact.

**What actions, to address any negative impact have been identified?**

None

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

None

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Presented at Cabinet 8th November 2010.

**Completed by: Head of Service: Cormac Stokes**

**Authorised by: Director : Chris Lee**

**Date: November 2010**

**Date: November 2010**

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

## Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12

**Report and Budget Title:** Environment & Regeneration, Savings 2011-15, ER24 Waste Services, Garden Waste Collection

**Outline of proposed savings/growth:** Service reduction.

### Summary information

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

The removal of this service for residents will impact upon all residents who produce garden waste. Home composting can be encouraged, however, there will be a significant number of residents who will put their garden waste out for landfill collection and some who will drive to the Household Reuse & recycling Centre off Garth Road (Proposal to close Weir Road) to dispose of their garden waste. There will be a negative impact on the promotion of equality of opportunity for those who do not have access to a vehicle, disabled and elderly residents. However, there could be a positive promotion for community cohesion if neighbours, relatives and voluntary organisations are encouraged to assist those for whom there is a negative impact.

**What actions, to address any negative impact have been identified?**

Promotion of community cohesion between neighbours, relatives and voluntary organisations to assist each other with garden waste management.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Encouragement of home composting, through discounted rates for residents to purchase a home composter and through organising home composting workshops and/or community networking facilitation.

**Is the proposal to go ahead/be amended (give details) or abandoned?** Considered at Cabinet 8th November 2010.

**Completed by:** Head of Service: Cormac Stokes  
**Authorised by:** Director : Chris Lee

**Date:** November 2010  
**Date:** November 2010

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men			X	Data analysis of users	Alternative mgt. Of waste produced	Weight data analysis of rubbish. Data analysis of home composter uptake
Women			X	Data analysis of users	Alternative mgt. Of waste produced	Weight data analysis of rubbish. Data analysis of home composter uptake
Boys		X				
Girls		X				
People of different age groups			X	Service specification	Encouragement of community cohesion	Consultation with community groups and residents
Disabled people			X	Service specification	Encouragement of community cohesion	Consultation with community groups and residents
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

**Report and Budget Title:** Environment & Regeneration, Savings 2011-15, ER25 Waste Services, Waste Education in schools

**Outline of proposed savings/growth:** Service reduction.

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

The removal of this service for schools will have minimal impact upon school children in the borough. Waste education can continue within the schools' curriculum, using the national sustainable framework, for which waste education is an element.

There will be a negative impact on the children if waste education is not supported by the schools. However, there could be a positive impact for community cohesion (schools partnering local community organisations) if the schools' local community, relatives, and voluntary organisations are encouraged to take part in the waste education and other elements of the national sustainable framework.

**What actions, to address any negative impact have been identified?**

Cascade the current waste education programme to the borough's schools through the support of the LEA.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Encourage the LEA to support the waste education programme. Encourage schools to form partnerships with local community organisations to take part in waste education and other elements of the national sustainable framework.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at Cabinet 8th November 2010.

**Completed by:** Head of Service: Cormac Stokes  
**Authorised by:** Director : Chris Lee

**Date:** November 2010  
**Date:** November 2010

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		x				
Women		x				
Boys			X	Data collation of feedback from schools	Encourage the LEA and borough schools to support the Waste Education Programme	Analysis of regular feedback from schools
Girls			X	Data collation of feedback from schools	Encourage the LEA and borough schools to support the Waste Education Programme	Analysis of regular feedback from schools
People of different age groups						
Disabled people						
People of any ethnic group including both settled and newly arrived communities		x				
People of different faiths		x				
Lesbian Gay Bisexual Transgender (LGBT) people		x				
Vulnerable people e.g. looked after children, or low income households		x				
People living in particular wards or neighbourhoods		x				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: Environment & Regeneration, Savings 2011-15, ER26 Waste Services, Waste Enforcement & Inspection**

**Outline of proposed savings/growth:** Reduction of one staff.

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

This team consists of one manager and five officers who operate on a geographical basis across the borough. If the team is reduced by one officer and the methodology changed to one of targeting identified hot spot areas within the borough there will be minimal impact upon the equality of opportunity and community cohesion.

**What actions, to address any negative impact have been identified?**

Change the currently operating methodology of the team's day to day activities to ensure minimal impact.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Minimal impact.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at Cabinet 8th November 2010.

**Completed by: Head of Service: Cormac Stokes**

**Authorised by: Director : Chris Lee**

**Date: November 2010**

**Date: November 2010**



APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

**Report and Budget Title: Environment & Regeneration, Savings 2011-15, ER27** Waste Services, Household Reuse & Recycling Centres (HRRC)

**Outline of proposed savings/growth:** Closure of 36 Weir Road HRRC

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

The removal of this service for residents will impact upon an estimated 10% of residents who utilise our HRRCs (10% of waste generated at our HRRCs comes from Weir Road). These residents will either place this waste out for collection on their normal waste collection day or to drive to the SW corner of the borough to tip their waste at Garth Road or utilise the Bulky Household Waste Service. Some residents may try to dispose of their recyclables at LB Wandsworth HRRC or even fly tip.

**What actions, to address any negative impact have been identified?**

Promotion of, the now free, Bulky Household Waste Collection Service to residents in the north and north east of the borough.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Communicate with residents who are potentially affected by the closure of Weir Road HRRC, offering alternative disposal methods.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Considered at Cabinet 8th November 2010.

**Completed by: Head of Service: Cormac Stokes**  
**Authorised by: Director : Chris Lee**

**Date: November 2010**  
**Date: November 2010**

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men			X	Data analysis of users	Negotiate with contractor to open the HRRC for less time than currently open	Weight data analysis of BHW, fly tips & kerbside collections.
Women			X	Data analysis of users	Negotiate with contractor to open the HRRC for less time than currently open	Weight data analysis of BHW, fly tips & kerbside collections.
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** -----**ER28**-----Safer Merton Budget Savings

**Outline of proposed savings/growth:** -----Loss of posts-

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Yes less resource in order to consult and deliver

**What actions, to address any negative impact have been identified?**

amendment of other roles within the team

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

amendment of other roles within the team

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at 8<sup>th</sup> Nov Cabinet

**Completed by: Head of Service:** -----Annalise Elliott-----

**Authorised by: Director**

**Date** -----05/11/10

**Date** -----Nov 2010

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X		Less service and less consultation	N/A	Through normal performance measures
Women		X		Less service and less consultation	N/A	Through normal performance measures
Boys		X		Less service and less consultation	N/A	Through normal performance measures
Girls		X		Less service and less consultation	N/A	Through normal performance measures
People of different age groups		X		Less service and less consultation	N/A	Through normal performance measures
Disabled people		X		Less service and less consultation	N/A	Through normal performance measures
People of any ethnic group including both settled and newly arrived communities		X		Less service and less consultation	N/A	Through normal performance measures
People of different faiths		X		Less service and less consultation	N/A	Through normal performance measures
Lesbian Gay Bisexual Transgender (LGBT) people		X		Less service and less consultation	N/A	Through normal performance measures
Vulnerable people e.g. looked after children, or low income households		X		Less service and less consultation	N/A	Through normal performance measures
People living in particular wards or neighbourhoods		X		Less service and less consultation	N/A	Through normal performance measures

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ER29**

**Outline of proposed savings/growth:** ---Increase in various Parking Charges and changes to enforcement policy and practice in respect of observation times

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

N/A

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at 13<sup>th</sup> Dec Cabinet

**Completed by: Head of Service John F. Hill Date 30/11/2010**

**Authorised by: Director : Date Nov 2010**

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** ER30 Building Control Commercialisation

**Outline of proposed savings/growth:** Commercialise Building Control by offering services to other Council's/Stakeholders

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

N/A

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at the 13<sup>th</sup> December Cabinet

**Completed by: Head of Service:** John F. Hill  
**Authorised by: Director**

**Date** 30/11/2010  
**Date** Dec 2010



Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ER31**

**Outline of proposed savings/growth:** Parks operational restructure

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Loss of 3.8 FTEs

**What actions, to address any negative impact have been identified?**

Full consultation will take place with staff and unions

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

As above

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at the 13<sup>th</sup> Dec Cabinet

**Completed by: Head of Service:  
Authorised by: Director**

**Nov 2010  
Nov 2010**

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ER32**

**Outline of proposed savings/growth:** Cemeteries Service restructure

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Loss of 3 FTEs

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

2 of the posts are currently vacant

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at Cabinet 13<sup>th</sup> Dec

**Completed by: Head of Service  
Authorised by: Director**

**Date Nov 2010  
Date Dec 2010**

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

### Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** ER33 Sustainable Communities savings– Future Merton

**Outline of proposed savings/:** --Transforming the Spatial Planning, Physical Regeneration and Transport Planning teams into one team (Future Merton), proposed saving of £150,000

#### Summary information

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Reductions in resources will mean a new level of service to customers commensurate with the resource allocation, though this will not impact disproportionately on any one group

**What actions, to address any negative impact have been identified?**

Use of accurate project planning and reporting to anticipate demands and manage expectations of service delivery. Use of alternative sources of income to supplement performance where appropriate

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

See above

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at Cabinet 13<sup>th</sup> Dec

**Completed by: Head of Service:**

**Authorised by: Director :**

**Date** Nov 2010

**Date** Dec 2010

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: Environment & Regeneration, Savings 2011-15, Waste Services, Waste Disposal**

**Outline of proposed savings/growth: ER34** Savings in Landfill Costs

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

There will be neither a positive nor a negative impact upon Merton's responsibility to promote equality of opportunity and community cohesion.

**What actions, to address any negative impact have been identified?** N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?** N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at 13<sup>th</sup> Dec Cabinet

**Completed by: Head of Service: Cormac Stokes**  
**Authorised by: Director : Chris Lee**

**Date November 2010**  
**Date: November 2010**



Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

### Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ER33a** Sustainable Communities savings– Future Merton

**Outline of proposed savings/:** --Transforming the Spatial Planning, Physical Regeneration and Transport Planning teams into one team (Future Merton), proposed saving of £100,000 (In addition to £150k agreed at 13<sup>th</sup> Dec Cabinet)

#### Summary information

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Reductions in resources will mean a new level of service to customers commensurate with the resource allocation, though this will not impact disproportionately on any one group

**What actions, to address any negative impact have been identified?**

Use of accurate project planning and reporting to anticipate demands and manage expectations of service delivery. Use of alternative sources of income to supplement performance where appropriate

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

See above

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at Cabinet 17<sup>th</sup> Jan

**Completed by: Head of Service:**

**Authorised by: Director :**

**Date Dec 2010**

**Date Jan 2011**

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: Environment & Regeneration, Savings 2011-15, Waste Services, Waste Disposal**

**Outline of proposed savings/growth: ER34a** Savings in Landfill Costs

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

There will be neither a positive nor a negative impact upon Merton's responsibility to promote equality of opportunity and community cohesion.

**What actions, to address any negative impact have been identified?** N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?** N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?**

**Completed by: Head of Service: Cormac Stokes**  
**Authorised by: Director : Chris Lee**

**Date December 2010**  
**Date: December 2010**

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/15**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** **ER35** Waste Services, Commercial Waste

**Outline of proposed savings/growth:** Increase in volume of commercial waste business through marketing of service.

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

There will be neither a positive nor a negative impact upon Merton's responsibility to promote equality of opportunity and community cohesion.

**What actions, to address any negative impact have been identified?** N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?** N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at Cabinet 13<sup>th</sup> Dec

**Completed by: Head of Service:** Cormac Stokes  
**Authorised by: Director** : Chris Lee

**Date:** November 2010  
**Date:** November 2010

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ER36** Staffing reductions within Highways and Traffic Services

**Outline of proposed savings/growth:** -- Merger of RASWA Manager and Network Coordinator posts. Reduction of Autocad Engineer post from 1 to 0.5. Deletion of one other manager's post.

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

It is not expected to have an effect

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at the 13<sup>th</sup> December Cabinet meeting

**Completed by: Head of Service: Date**  
**Authorised by: Director Date**

Nov 2010  
 Nov 2010



Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

### Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

#### Report and Budget Title: **ER37 Bus Lanes**

**Outline of proposed savings/growth:** Additional enforcement in Bus Lanes - various

#### Summary information

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**  
N/A

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?** To be Considered at 17<sup>th</sup> January Cabinet

**Completed by:** Head of Service: John F. Hill  
**Authorised by:** Director

**Date** Dec 2010  
**-Date** Jan 2011

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ER38** Physical Regeneration budget reduction

**Outline of proposed savings/:** --Reduction in supplies and services budgets (funded through ABG in 2010-11).

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Reductions in resources will mean a new level of service to customers commensurate with the resource allocation, though this will not impact disproportionately on any one group

**What actions, to address any negative impact have been identified?**

Use of accurate project planning and reporting to anticipate demands and manage expectations of service delivery. Use of alternative sources of income to supplement performance where appropriate

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

See above

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be considered at Cabinet 17<sup>th</sup> Jan

**Completed by: Head of Service:**

**Authorised by: Director :**

**Date Dec 2010**

**Date Jan 2011**

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ER39 Parking Services**

**Outline of proposed savings/growth:**

Review of existing tariffs for all Council Managed Car Parks

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**  
N/A

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?** To be Considered at 8<sup>th</sup> Nov Cabinet

**Completed by: Head of Service: John F. Hill**

**Authorised by: Director**

**Date 28/10/2010-  
-Date ----NOV 2010-----**

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Adult Social Care: Amendments to Fairer Charging Policy (CC13, CC14)

**Outline of proposed savings/growth:** Projected £85k additional income from introducing a standard disregard of £10, setting a maximum attendance allowance of £47.80 and changing the maximum homecare charge from £395.30 per week to having no maximum limit.

#### **Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Whilst older people are the highest user group of services, there is no evidence that the introduction in charges will disadvantage these individuals more than any other service user group. The consultation process undertaken as part of determining the changes has enabled service users and carers to express their views. Full details of the potential impact are included in the appendices to the Fairer Contributions Policy report, which is going to Cabinet in December.

**What actions, to address any negative impact have been identified?**

There are safeguards within the charging system as set out in Merton's Fairer Contributions Policy that protects people on low incomes. The Council ensures that benefits advice is provided to all users at the time of the comprehensive financial assessment in order to maximise service users' benefits. This is backed up by communication support such as interpretation in community languages or British Sign Language if required.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

As above.



**Is the proposal to go ahead/be amended (give details) or abandoned?**

The proposal is subject to Cabinet approval.

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**Completed by: Head of Service:** ----Hilary Di Salvo on behalf of Helen Cook-----**Date** --27<sup>th</sup> October 2010--

**Authorised by: Director** :-----**Date** -----

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		✓				
Women		✓				
Boys		✓				
Girls		✓				
People of different age groups		✓	✓	Local research as set out in appendices 4 and 5 of the report going to Cabinet.		<p>The policy will be reviewed annually whilst we are in the early stages subject to feasibility.</p> <p>Performance information we will aim to keep includes;</p> <ul style="list-style-type: none"> <li>• Customer numbers and service levels</li> <li>• Customers refusing/cutting down on services as a result of charging</li> <li>• Customers asking for charges to be reviewed</li> <li>• Levels and reasons for arrears</li> <li>• Levels of customer incomes, in particular the take up of different benefits</li> <li>• Cost of collection as a percentage of income</li> </ul>

APPENDIX 8(a)

Disabled people		√	√	As above	As above
People of any ethnic group including both settled and newly arrived communities		√			
People of different faiths		√			
Lesbian Gay Bisexual Transgender (LGBT) people		√			
Vulnerable people e.g. looked after children, or low income households		√			
People living in particular wards or neighbourhoods		√			

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Adult Social Care: Commissioning savings (CC01, CC02, CC03, CC04, CC05, CC06, CC07, CC08, CC09, CC14, CC15, CC16, CC17, CC18, CC19, CC20, CC23)

#### **Outline of proposed savings/growth:**

The savings proposed relate to achieving value for money on commissioned services in adult social care and re-shaping the provider market to deliver the personalisation agenda.

#### **Summary information**

#### **How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

The proposed savings do not impact on Merton's responsibilities as access and eligibility to these services will not be affected. The services will continue to operate with improved efficiencies.

#### **What actions, to address any negative impact have been identified?**

All commissioned services are subject to the regular contract monitoring process which will highlight any negative impact or trends so that they can be addressed.

#### **What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Improvement action plans are built in within the contract monitoring processes to deal with and reduce any negative impacts when identified.

#### **Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		✓		Contract monitoring data including usage data, Care Funding Calculator Tool, Joint Strategic Needs Assessment, Commissioning strategy consultation, consultations on service specifications with users and providers, census, carer and user surveys.	Improvement action plans are built in within the contract monitoring processes to deal with and reduce any negative impacts when identified.	All commissioned services are subject to the regular contract monitoring process which will highlight any negative impact or trends so that they can be addressed.
Women		✓				
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

Completed by: Head of Service: Rahat Ahmed-Man

Date 27.10.10

Authorised by: Director :-----Date -----

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Adult Social Care: Direct Provision savings (CC10, CC11, CC12, CC21)

**Outline of proposed savings/growth:** --These savings relate to generating income via Mascot Telecare, staffing in Direct Provision services, and use of Merton transport.

With Mascot some customers will find an increase to their service charges.

Staffing will affect some managerial and administrative functions, with front line staff posts being retained.

Reductions in transport services will mean some customers having longer journey times or seeking alternative modes of travel.

### **Summary information**

#### **How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Maximising revenue via Mascot is seen in the context of fairer charging, whereby customers are treated equally and pay true costs which are set in a transparent way. Customers who are assessed as being exempt from payment or pay reduced charges will continue as at present. Staff reductions are part of the process to reduce council spending, and as noted effort has been made to focus on managerial and admin staff to preserve 'hands on' staff.

Customers receive transport support in a number of ways and people will be increasingly encouraged to use alternative provision.

#### **What actions, to address any negative impact have been identified?**

As noted, customers who are eligible will be financially assessed and charged only what they can afford. We are not aiming to reduce the range of services available to customers or to reduce the number of customers accessing services. Customers who require specialist transport to attend a day service will continue to have this provided.

#### **What actions will be taken to mitigate and reduce the negative impact that has been identified?**

As noted, customers eligible for services will be financially assessed to ensure they pay what they can afford. Reductions in staffing should not impact on front line delivery of services, although some day service sessions might be reduced in terms of variety available. All Community Care customers are able to take up a personal budget which should enable them to have more control of the choice of services.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

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**Completed by: Head of Service:** -----Andy Ottaway-Searle-----**Date** --  
26/10/2010-----

**Authorised by: Director** :-----**Date** -----

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		x		Services are not aimed specifically at gender		
Women		x		As above		
Boys	N/A					
Girls	N/A					
People of different age groups		x		Services are accessed by people of all ages; our specialist older people's service is not affected		
Disabled people			possibly	Services to disabled people will be affected by transport reductions and some lessening of choice in day services.	Support to individuals to access personal budgets, and/or alternative modes of transport.	Via customer reviews, user and carers group meetings
People of any ethnic group including both settled and newly arrived communities		x				
People of different faiths		x				
Lesbian Gay Bisexual Transgender (LGBT) people		x				
Vulnerable people e.g. looked after children, or low income households		x				
People living in particular wards or neighbourhoods		x		Services are borough wide		





### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Adult Social Care: Commissioning savings (CC22, CC26, CC38, CC39, CC40)

#### **Outline of proposed savings/growth:**

The savings proposed relate to achieving value for money on commissioned services in adult social care and re-shaping the provider market to deliver the personalisation agenda.

#### **Summary information**

##### **How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

The proposed savings do not impact on Merton's responsibilities as access and eligibility to these services will not be affected. The services will continue to operate with improved efficiencies.

##### **What actions, to address any negative impact have been identified?**

All commissioned services are subject to the regular contract monitoring and customer feedback processes which will highlight any negative impact or trends so that they can be addressed.

##### **What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Improvement action plans are built in within the commissioning and contract monitoring processes to deal with and reduce any negative impacts when identified. Groups using Taylor Road have been assisted in identifying alternative venues.

Is the proposal to go ahead/be amended (give details) or abandoned?

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Completed by: Head of Service: Rahat Ahmed-Man

Date 7.1.11

Authorised by: Director :-----Date -----

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		✓		Contract monitoring data including usage data, Care Funding Calculator Tool, Joint Strategic Needs Assessment, Commissioning strategy consultation, consultations on service specifications with users and providers, census, carer and user surveys.	Improvement action plans are built in within the contract monitoring processes to deal with and reduce any negative impacts when identified.	All commissioned services are subject to the regular contract and customer feedback monitoring processes which will highlight any negative impact or trends so that they can be addressed.
Women		✓				
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Housing savings (HO03)

**Outline of proposed savings/growth:** -Savings: Package being proposed is a reduction of 2011/12 homelessness grant

#### **Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Current proposals includes a reduction of 2011/12 homelessness grant. This will not impact upon the services ability to promote equalities and community cohesion through homelessness prevention and housing advice activities and users will be able to access existing housing advice and homelessness services

**What actions, to address any negative impact have been identified?**

For the proposals currently being put forward there are no negative impacts.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

NA at this stage

**Is the proposal to go ahead/be amended (give details) or abandoned?**

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Completed by: Head of Service: -----Steve Langley-----Date 7/01/11-----  
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Authorised by: Director :-----Date -----

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X		Housing Register, Housing and Homelessness Strategies.		
Women		X		Housing Register, Housing and Homelessness Strategies		
Boys		X		Housing Register, Housing and Homelessness Strategies		
Girls		X		Housing Register, Housing and Homelessness Strategies		
People of different age groups		X		Housing Register, Housing and Homelessness Strategies		
Disabled people		X		Housing Register, Housing and Homelessness Strategies		
People of any ethnic group including both settled and newly arrived communities		X		Housing Register, Housing and Homelessness Strategies		

People of different faiths		X		Housing Register, Housing and Homelessness Strategies		
Lesbian Gay Bisexual Transgender (LGBT) people		X		Housing Register, Housing and Homelessness Strategies		
Vulnerable people e.g. looked after children, or low income households		X		Housing Register, Housing and Homelessness Strategies		
People living in particular wards or neighbourhoods		x				



### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Housing savings (HO01, HO02)

**Outline of proposed savings/growth:** -Savings: Package being proposed is a reduction of staff which includes 2 0.5fte vacant posts and the cessation of a South London Somali Community Association grant.

#### **Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

---Current proposals includes a reduction of staffing levels but following the reconfiguration of the Housing Needs and Enabling Service in March 2010 and a focus upon homeless preventions, housing options and housing choice current services continue to promote equalities and community cohesion . The type of support offered by the South London Somali Community Association grant is no longer a critical success factor for homelessness prevention and housing advice activities and users will be able to access other housing advice services both from the voluntary and statutory sectors

**What actions, to address any negative impact have been identified?**

For the proposals currently being put forward there are no negative impacts .

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

NA at this stage

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Completed by: Head of Service: -----Steve Langley-----Date 26/10/10-----  
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Authorised by: Director :-----Date -----

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X		Housing Register , Housing and Homelessness Strategies.		
Women		X		Same as above		
Boys		X		Same as above		
Girls		X		Same as above		
People of different age groups		X		Same as above		
Disabled people		X		Same as above		
People of any ethnic group including both settled and newly arrived communities		X		Same as above		
People of different faiths		X		Same as above		
Lesbian Gay Bisexual Transgender (LGBT) people		X		Same as above		
Vulnerable people e.g. looked after children, or low income households		X		Same as above		
People living in particular wards or neighbourhoods		x		Same as above		

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Adult Social Care: Commissioning savings (CC24, CC25, CC27, CC28, CC29, CC30, CC31, CC33, CC34, CC35)

#### **Outline of proposed savings/growth:**

The savings proposed relate to achieving value for money on commissioned services in adult social care and re-shaping the provider market to deliver the personalisation agenda.

#### **Summary information**

##### **How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

The proposed savings do not impact on Merton's responsibilities as access and eligibility to these services will not be affected. The services will continue to operate with improved efficiencies.

##### **What actions, to address any negative impact have been identified?**

All commissioned services are subject to the regular contract monitoring process which will highlight any negative impact or trends so that they can be addressed.

##### **What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Improvement action plans are built in within the contract monitoring processes to deal with and reduce any negative impacts when identified.

Is the proposal to go ahead/be amended (give details) or abandoned?

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Completed by: Head of Service: Rahat Ahmed-Man

Date 23.11.10

Authorised by: Director :-----Date -----

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		✓		Contract monitoring data including usage data, Care Funding Calculator Tool, Joint Strategic Needs Assessment, Commissioning strategy consultation, consultations on service specifications with users and providers, census, carer and user surveys.	Improvement action plans are built in within the contract monitoring processes to deal with and reduce any negative impacts when identified.	All commissioned services are subject to the regular contract monitoring process which will highlight any negative impact or trends so that they can be addressed.
Women		✓				
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Adult Social Care: Amendments to Charges (CC36, CC37)

**Outline of proposed savings/growth:** Projected £204k additional income from increasing charges by 2%; projected additional £41k income from charging for both carers where two carers are required to support a customer at the same time.

#### **Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Whilst older people are the highest user group of services, there is no evidence that the introduction in charges will disadvantage these individuals more than any other service user group.

**What actions, to address any negative impact have been identified?**

There are safeguards within the charging system as set out in Merton's Fairer Contributions Policy that protects people on low incomes. The Council ensures that benefits advice is provided to all users at the time of the comprehensive financial assessment in order to maximise service users' benefits. This is backed up by communication support such as interpretation in community languages or British Sign Language if required.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

As above.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

The proposal is subject to Cabinet approval.

**Completed by: Head of Service:** ----Hilary Di Salvo on behalf of Helen Cook

**Date** --30<sup>th</sup> November 2010

**Authorised by: Director** :

**Date**



APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		✓				
Women		✓				
Boys		✓				
Girls		✓				
People of different age groups		✓	✓	Local research as set out in appendices 4 and 5 of the report going to Cabinet.		The policy will be reviewed annually whilst we are in the early stages subject to feasibility. Performance information we will aim to keep includes; <ul style="list-style-type: none"> <li>• Customer numbers and service levels</li> <li>• Customers refusing/ cutting down on services as a result of charging</li> <li>• Customers asking for charges to be reviewed</li> <li>• Levels and reasons for arrears</li> <li>• Levels of customer incomes, in particular the take up of different benefits</li> </ul> Cost of collection as a percentage of income As above
Disabled people		✓	✓	As above		
People of any ethnic group including both settled and newly arrived communities		✓				
Londoners						
Londoners who arrived in London after October 2010						

People of different faiths							✓			
Lesbian Gay Bisexual Transgender (LGBT) people							✓			
Vulnerable people e.g. looked after children, or low income households							✓			
People living in particular wards or neighbourhoods							✓			

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Adult Social Care: Direct Provision savings (CC32)

**Outline of proposed savings/growth:** These savings are additional amounts and will widen the earlier staff restructure in Direct Provision.

#### **Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Staff reductions are part of the process to reduce council spending, and effort has been made to focus on managerial and admin staff, preserving 'hands on' staff posts.

**What actions, to address any negative impact have been identified?**

We are not aiming to reduce the range of services available to customers or to reduce the number of customers accessing services.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Reductions in staffing should not impact on front line delivery of services, although some day service sessions might be reduced in terms of variety available. All Community Care customers are able to take up a personal budget which should enable them to have more control of the choice of services.

**Is the proposal to go ahead/be amended (give details) or abandoned?**

**Completed by: Head of Service: -Andy Ottaway-Searle**

**Date 23/11/2010**

**Authorised by: Director**

**:-----Date -----**

APPENDIX 8(a)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		x		Services are not gender specific		
Women		x		As above		
Boys	N/A					
Girls	N/A					
People of different age groups		x		Services are accessed by people of all ages; our specialist day service is not affected		
Disabled people			Potentially	Services to disabled people will be affected by transport reductions and some lessening of choice in day services	Support to individuals to access personal budgets, and/or alternative modes of transport	Via customer reviews, user and carer group meetings
People of any ethnic group including both settled and newly arrived communities		x				
People of different faiths		x				
Lesbian Gay Bisexual Transgender (LGBT) people		x				
Vulnerable people e.g. looked after children, or low income households		x				
People living in particular wards or neighbourhoods		x		Services are borough wide		



### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Libraries and Heritage

**Outline of proposed savings/growth: LI01 - Revised opening hours, restructure of staff front line;** increased work with partner agencies and volunteers, security guard presence at specified times – identified gross saving of £141k. –Against this growth has been identified of £23k delivering a net saving at present of £118k

#### **Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Current package includes a reduction in staffing but increase in partner agencies and volunteers supporting our primary services. These services are those that address children's activities, skills for life activities, health awareness etc, that target individual groups or groups at risk. As such, they continue to promote equalities and community cohesion and do not subtract from current services, may possibly add to them.

**What actions, to address any negative impact have been identified?**

-For the proposal currently being taken forward there are no negative impacts, indeed the proposal aims to maintain if not improve equalities.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/a at this stage

**Is the proposal to go ahead/be amended (give details) or abandoned?**

-The current proposal is being actioned now

**Completed by: Head of Service:** Ingrid Lackajis-

**Authorised by: Director** :

**Date** 30/11/10

**Date**



Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men						
Women						
Boys						
Girls						
People of different age groups						
Disabled people						
People of any ethnic group including both settled and newly arrived communities						
People of different faiths						
Lesbian Gay Bisexual Transgender (LGBT) people						
Vulnerable people e.g. looked after children, or low income households						
People living in particular wards or neighbourhoods						

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Libraries and Heritage

**Outline of proposed savings/growth:** L103- Restructure of the libraries management team: enabled by a post becoming vacant in April 2011, the responsibilities of the senior management team are to be reviewed and redefined, resulting in a reduction in some areas of activity. The target saving is £81k, but as job descriptions are still not evaluated the final costings are not available at this stage.

#### **Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

The current team undertakes activities that go wider than just the library service, participating in Merton Partnership activities, and actively inputting to membership drives and marketing campaigns to increase the service's reach into the community. The proposal will see a reduced capacity and therefore will not be able to play a part in supporting Healthier Citizens Thematic Partnership and will be reducing its outreach work and campaigns.

While this will impact on the service's overall performance indicators, it may not show any obvious impact on equalities.

**What actions, to address any negative impact have been identified?**

Current activity is in place to increase partnership working – particularly for skills for life (which supports people with literacy or numeracy needs wishing to improve their life chances) and volunteer support (which will help support children's activities thus addressing a target group, and people in need of IT skills). Volunteers will be welcomed to deliver a wide range of activities some of which will target minority groups.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

As above

**Is the proposal to go ahead/be amended (give details) or abandoned?**

To be agreed still by Cabinet

**Completed by: Head of Service:** Ingrid Lackajis

**Date** 30 Nov 2010

**Authorised by: Director** :

**-Date**

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		✓				
Women		✓				
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities			slight			
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Housing Benefits (Hall Place) Growth Item (CSG1)

**Outline of proposed savings/growth:** Increase in Housing Benefit subsidy provisions to cater for increased rent charges for temporary accommodation for homeless claimants

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

There would be a positive impact on vulnerable people, as accommodation would still be available to homeless persons.

**What actions, to address any negative impact have been identified?**

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

**Is the proposal to go ahead/be amended (give details) or abandoned?**

The proposal is to go ahead

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Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		✓				
Women		✓				
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households	✓					
People living in particular wards or neighbourhoods		✓				

Completed by: Head of Service: ..... Date .....

Authorised by: Director : ..... Date .....



**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Carbon Trading Scheme (CSG2)

**Outline of proposed savings/growth:** Payments required for participation in mandatory CRCEES

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

The required additional expenditure will reduce that available to support other front line initiatives – that may negatively impact the community

**What actions, to address any negative impact have been identified?**

None

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

None

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

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Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men			✓	None	Cannot – mandatory scheme	Will not be
Women			✓			
Boys			✓			
Girls			✓			
People of different age groups			✓			
Disabled people			✓			
People of any ethnic group including both settled and newly arrived communities			✓			
People of different faiths			✓			
Lesbian Gay Bisexual Transgender (LGBT) people			✓			
Vulnerable people e.g. looked after children, or low income households			✓			
People living in particular wards or neighbourhoods			✓			

Completed by: Head of Service: ..... Date .....

Authorised by: Director : ..... Date .....

### **Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** CSF 1 and 2

**Outline of proposed growth:** Proposed growth in Children's Social Care is composed of £200k on staffing budgets and £900k on placements. The purpose of this £200k growth is to maintain and improve further levels of permanent staff in children's social care through ongoing retention strategy to ensure no further staffing overspend and minimal use of agency staff (use of agency staff has reduced in 2010-11 from over 40% to under 25%) and to improve overall service efficiency and quality. The purpose of the £900k growth is to cover the cost of current placements for children in care going forward without future overspend accepting that numbers of children in care have risen from historic levels in Merton and are expected to remain within the 130 to 140 range for 2011-12. Merton remains the lowest level of looked after children per 10 000 of its statistical neighbours retaining its position as an early intervention low cost high value children's social care service. This additional placement growth also includes secure accommodation and the impact of the Southwark Judgement on Merton's ability to set its own levels of children in care. We also intend to increase spend on measures to support families to continue caring for their children including more respite fostering provision and increased use of kinship placements. These measures are considerably more cost effective to keep children safe than use of full time care placements.

### **Summary information**

**How does the proposal for growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

The proposal for growth will improve Merton's ability to promote equal opportunities by enabling more children to remain at home or within their extended families, and by increasing the use of in house foster placements closer to home for our most vulnerable children. Merton has a range of diverse foster placements to offer and it is expected that this will continue.

**What actions, to address any negative impact have been identified?**

No negative impact identified.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

No negative impact therefore identified.

Is the proposal to go ahead/be amended (give details) or abandoned?

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Completed by: Head of Service: -----Melissa Caslake-----Date -----

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Authorised by: Director : -----Date -----

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		/				
Women		/				
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households	/					
People living in particular wards or neighbourhoods		✓				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ERG1 & ERG3**

**Outline of proposed savings/growth:** Reduction in the cost of half day visitor permits. Re-basing of Income Budgets.

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

N/A

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Agreed at 13<sup>th</sup> Dec/ 17<sup>th</sup> Jan Cabinet

**Completed by: Head of Service: -----John F. Hill**      **Date -30/11/2010**

**Authorised by: Director**      **Date Dec 2010**

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton’s Corporate Equality Scheme sets out the Council’s approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title: ERG2**

**Outline of proposed savings/growth:** Removal of the charge for bulky waste collection.

**Summary information**

**How does the proposal for savings/growth impact on Merton’s responsibility to promote equality of opportunity and community cohesion:**

The new free bulky waste collection introduced on 1 November 2010 provides a free quarterly collection for residents providing they have a clear council tax account. This is consistent with the Council social inclusion and charging policy since those residents who are at a financial disadvantage are able to benefit from Council Tax benefit and avail themselves of the free service. This will help ensure that no individual or group, including vulnerable residents are excluded from our service for any reason, and particularly because of low incomes. We anticipate that it will also help to improve the physical environment of the borough by reducing fly tipping. Only residents who are in Council tax arrears are excluded.

**What actions, to address any negative impact have been identified?**

N/A

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

N/A

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Agreed at 13<sup>th</sup> Dec Cabinet

**Completed by: Head of Service:** Cormac Stokes **Date –Dec 2010**

**Authorised by: Director:** **Date Dec 2010**

APPENDIX 8(b)

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men	X			Service data indicates Bulky collection requests for Nov. 2010 increased by 70% from the previous 2 months.		
Women	X			Service data indicates Bulky collection requests for Nov. 2010 increased by 70% from the previous 2 months.		
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people	X			Service data indicates Bulky collection requests for Nov. 2010 increased by 70% from the previous 2 months. There is no detail on disabled residents.		
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households	X			Service data indicates Bulky collection requests for Nov. 2010 increased by 70% from the previous 2 months. . There is no detail on vulnerable residents.		
People living in particular wards or neighbourhoods		X				



**Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12**

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

**Report and Budget Title:** Adult Social Care CCG01 to CCG04

**Outline of proposed savings/growth:** This relates to the demographic and above inflation growth items for client placement expenditure as well as concessionary fares increase as a result of the TfL settlement and an equipment adjustment reflecting increased demography.

**Summary information**

**How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:**

Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures that increase service therefore have an equality implication in that they affect people in this category.

**What actions, to address any negative impact have been identified?**

The growth items aims to address demographic growth and keep services at a current level rather than increasing it therefore no negative impact is expected.

**What actions will be taken to mitigate and reduce the negative impact that has been identified?**

Not applicable

**Is the proposal to go ahead/be amended (give details) or abandoned?**

Go ahead

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		✓				
Women		✓				
Boys		✓				
Girls		✓				
People of different age groups		✓				
Disabled people		✓				
People of any ethnic group including both settled and newly arrived communities		✓				
People of different faiths		✓				
Lesbian Gay Bisexual Transgender (LGBT) people		✓				
Vulnerable people e.g. looked after children, or low income households		✓				
People living in particular wards or neighbourhoods		✓				

Completed by: Head of Service: Helen Cook

Date 02 February 2011

Authorised by: Director :Simon Williams

Date 02 February 2011

## SUMMARY OF GOVERNMENT GRANTS 2011/12 and 2012/13

<u>Grant</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
<b>Formula Grant + Rolled-in Grants</b>			
Original Formula Grant	67.733		
Academies	0.000		
Adult Social Care Workforce	0.436		
Adult Social Services	0.000		
AIDS Support	0.240		
Animal Health & Welfare Enforcement	0.000		
Basic Command Units	0.000		
Carers	0.857		
Child & Adolescent Mental Health	0.448		
Child Death Review Processes	0.034		
Concessionary Fares	0.729		
Crime Fighting Fund	0.000		
CYP Grant - element relating to LSC Staff			
Transfer being rolled into FG	0.000		
Detrunking	0.000		
Economic Assessment Duty	0.065		
Handypersons (Housing Strategy for Older People)	0.000		
HIV/AIDS	0.000		
Housing Strategy for Older People	0.000		
Learning & Disability Development Fund	0.143		
Learning Disability Campus Closure Programme	0.294		
Local Involvement Networks	0.123		
LSC Staff Transfer	0.275		
Mental Capacity Act & Independent Mental Capacity	0.091		
Mental Health (revenue)	0.505		
Mobile Homes Act	0.000		
Personal Social Services	0.000		
Planning Inspectorate SUDS Appeal costs	0.000		
Preserved Rights	0.641		
Private Sewers	0.000		
Road Safety Grant	0.000		
Rule 2 Grants	0.000		
Rural Bus Subsidy	0.000		
Services for Children in Care (Care Matters White Paper)	0.189		
Social Care Reform	0.737		
Stroke Strategy	0.087		
Supporting People	3.385		
<b>Total Formula Grant</b>	<b>77.012</b>	<b>66.617</b>	<b>59.961</b>

## SUMMARY OF GOVERNMENT GRANTS 2011/12 and 2012/13

<u>Grant</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
<b>Core Revenue Grants</b>			
Preventing Homelessness - Basic Revenue	0.403	0.500	0.500
Housing Benefit and Council Tax Benefit Admin Subsidy	1.593	1.597	0.000
New Homes Bonus	0.000	2.042	0.000
Lead Local Flood Authority	0.000	0.127	0.189
Learning Disability and Health Reform Grant	0.000	6.653	6.810
NHS Support for Personal Social Services	0.000	2.052	1.962
Council Tax Freeze Grant	0.000	2.088	2.088
<b>Total Core Grants</b>	<b>1.996</b>	<b>15.059</b>	<b>11.549</b>
<b>Dedicated Schools Grant inc. rolled in grants</b>			
Original Dedicated Schools Grant	104.814		
1-2-1 Tuition	0.820		
Diploma Formula Grant	0.000		
DSG - Exceptional Circumstances Grant	0.000		
Ethnic Minority Achievement	1.002		
Extended Schools - Subsidy	0.462		
Extended Schools - Sustainability	0.533		
Flexibility of Free Entitlement for 3-4 year olds	1.446		
London Pay Addition Grant	0.547		
School Development Grant (Schools Element)	3.847		
School Lunch Grant	0.246		
School Standard Personalisation	4.770		
School Standards	0.000		
Targeted Support for Primary Strategy	0.807		
Targeted Support for Secondary Strategy	0.000		
<b>Total DSG</b>	<b>119.294</b>	<b>120.586</b>	<b>120.586</b>

## SUMMARY OF GOVERNMENT GRANTS 2011/12 and 2012/13

<u>Grant</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
<b>Early Intervention Grant</b>			
Child Trust Fund	0.002		
Children's Fund	0.389		
Children's Social Care Workforce	0.079		
Connexions	1.473		
Contact Point	0.077		
CYP Grant - remainder of grant, assumed to be rolled into EIG	0.467		
Foundation Learning	0.000		
January Guarantee	0.009		
Positive Activities for Young People	0.235		
Short Breaks (Aiming High for Disabled Children)	0.656		
Sure Start, Early Years & Childcare	6.041		
Targeted Mental Health in Schools Grant	0.158		
Teenage Pregnancy	0.109		
Think Family Grant	0.356		
Two Year Old Offer	0.278		
Young People's Substance Misuse	0.023		
Youth Opportunity Fund (not part of CYP grant)	0.115		
Youth Taskforce	0.000		
<b>Total EIG</b>	<b>10.467</b>	<b>7.600</b>	<b>8.069</b>
<b>Pupil Premium Grant</b>	<b>0.000</b>	<b>1.200</b>	<b>1.200</b>
<b>Ended Grants</b>			
Supporting People Admin	0.106	0.000	0.000
Local Child Poverty Duties	0.039	0.000	0.000
School Gates Employment	0.000	0.000	0.000
Working Neighbourhood Fund	0.000	0.000	0.000
Bus Challenge and Kickstart	0.000	0.000	0.000
Generations Together	0.000	0.000	0.000
Cohesion	0.000	0.000	0.000
Local Enterprise Growth Initiative	0.000	0.000	0.000
Preventing Violent Extremism	0.226	0.000	0.000
Stronger Safer Communities Fund	0.000	0.000	0.000
Growth Areas, Points & Eco Towns	0.000	0.000	0.000
Housing Market Renewal	0.000	0.000	0.000
Migration Impacts Fund	0.000	0.000	0.000
<b>Total Ended Grants</b>	<b>0.3714</b>	<b>0.000</b>	<b>0.000</b>

## SUMMARY OF GOVERNMENT GRANTS 2011/12 and 2012/13

<u>Grant</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
<b>Ended: Non-Frontline Education</b>			
14-19 Prospectus/CAP(Common Application Proce	0.011	0.000	0.000
Assessment for Learning	0.000	0.000	0.000
Choice Advisers	0.025	0.000	0.000
Designated Teacher Funding	0.008	0.000	0.000
Education Health Partnerships	0.043	0.000	0.000
Extended Schools - Start Up	0.244	0.000	0.000
Flexible 14 to 19 Partnerships Funding	0.035	0.000	0.000
General Duty on Sustainable Travel To School	0.012	0.000	0.000
Playing for Success	0.16	0.000	0.000
Primary National Strategy: Central Co-ordination	0.099	0.000	0.000
School Development Grant (LA Retained Element)	0.248	0.000	0.000
School Improvement Partners	0.056	0.000	0.000
School Intervention	0.037	0.000	0.000
School Travel Advisers	0.017	0.000	0.000
Secondary Behaviour and Attendance: Central Co	0.068	0.000	0.000
Secondary National Strategy: Central Co-ordinatio	0.122	0.000	0.000
<b>Total Ended: Non-Frontline Education</b>	<b>1.185</b>	<b>0.000</b>	<b>0.000</b>

## SUMMARY OF GOVERNMENT GRANTS 2011/12 and 2012/13

<u>Grant</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
<b>Unknown/Under Review</b>			
Access & Transport Co-ordinator Funding	0.000		
Aggregate Levy Sustainability Fund	0.000		
Aimhigher	0.000		
City Challenge	0.011		
Climate Change	0.023		
Coastal Change Pathfinders	0.000		
Community Call for Action/Overview Scrutiny Committee	0.002		
Community Safety Funnd (Replaces above 3 grants from 2011-12)	0.000		
Counter Terrorism	0.000		
Cycle Towns	0.000		
Cycle Training	0.000		
Environmental Damage Regulations	0.000		
Extended Rights for Free Travel	0.004		
Fair Play Pathfinders	0.000		
Familiarisation costs of new statutory guidance on social housing allocations	0.001		
Fire Control	0.000		
GLA General Grant - capital	0.000		
GLA General Grant - revenue	0.000		
Local Delivery Support Grant	0.000		
Music Services	0.243		
National Challenge	0.000		
Neighbourhood Policing Fund & CSOs	0.000		
NEXUS (Tyne & Wear Metro)	0.000		
NI160 Reduction	-0.004		
NI160 STATUS Survey	0.008		
PFI Grant	4.797		
Pitt Review Implementation – SWMPs	0.000		
Police Grant	0.000		
Pot Holes	0.000		
Smart Ticketing	0.000		
Stronger Safer Communities	0.216		
Targeted Improvement Grant	0.000		
Waste Management Pilots	0.000		
Young People's Substance Misuse Partnership	0.061		
<b>Total Unknown/Under Review</b>	<b>5.362</b>	<b>0.000</b>	<b>0.000</b>
<b>Youth Opps/Asylum Seeking Children ???</b>			
<b>Total All Grants</b>	<b>215.687</b>	<b>211.062</b>	<b>201.365</b>

APPENDIX 9

FORMULA GRANT including ROLLED IN GRANTS 2011-2013

	DEPT.	Provisional Settlement GF £m	2011/12 GF £m	Change 2011/12 £m	2012/13 GF £m	Change 2012/13 £m
<b>Formula Grant</b>		<b>67.733</b>	<b>58.788</b>	<b>-8.945</b>	<b>52.962</b>	<b>-5.826</b>
Adjustments				-0.435		-0.435
<u>Funding top-sliced:</u>						
Private Sewers		-0.076	-0.076	0.000	-0.076	0.000
Planning Inspectorate SUDs Appeals Costs		-0.005	-0.005	0.000	-0.005	0.000
Academies		-0.462	-0.462	0.000	-0.462	0.000
<b>Sub-total: Funding top-sliced</b>		<b>-0.543</b>	<b>-0.543</b>	<b>0.000</b>	<b>-0.543</b>	<b>0.000</b>
<b>Rolled-in Grants</b>						
Local Involvement Networks (LINKS)	CE/CS	0.123	0.106	-0.017	0.096	-0.011
<b>Sub-total: CS Grants</b>	<b>CE/CS</b>	<b>0.123</b>	<b>0.106</b>	<b>-0.017</b>	<b>0.096</b>	<b>-0.011</b>
Concessionary Fares	C&H	1.179	1.023	-0.156	0.922	-0.101
Mobile Homes Act	C&H	0.001	0.001	0.000	0.001	0.000
Mental Health	C&H	0.505	0.438	-0.067	0.395	-0.043
Learning & Disability Development Fund	C&H	0.143	0.124	-0.019	0.112	-0.012
Mental Capacity Act & Independent Mental Capacity	C&H	0.091	0.079	-0.012	0.071	-0.008
Carers Grant (C&H share)	C&H	0.686	0.595	-0.091	0.536	-0.059
Adult Social Care Workforce	C&H	0.436	0.378	-0.058	0.341	-0.037
Personal Social Services	C&H	0.960	0.833	-0.127	0.751	-0.083
Supporting People	C&H	3.385	2.938	-0.447	2.647	-0.291
Housing Strategy for Older People	C&H	0.070	0.061	-0.009	0.055	-0.006
AIDS Support	C&H	0.240	0.208	-0.032	0.188	-0.021
Preserved Rights	C&H	0.641	0.556	-0.085	0.501	-0.055
<b>Sub-total: C&amp;H Grants</b>		<b>8.337</b>	<b>7.234</b>	<b>-1.103</b>	<b>6.520</b>	<b>-0.716</b>
Child Death Review Processes	CSF	0.034	0.030	-0.004	0.026	-0.003
Carers Grant (CSF Share)	CSF	0.171	0.149	-0.022	0.134	-0.015
Child & Adolescent Mental Health	C&H	0.448	0.389	-0.059	0.351	-0.039
Services for Children in Care (Care Matters White Paper)	CSF	0.189	0.164	-0.025	0.148	-0.016
LSC Staff Transfer	CSF	0.279	0.242	-0.037	0.218	-0.024
<b>Sub-total: CSF Grants</b>		<b>1.121</b>	<b>0.974</b>	<b>-0.147</b>	<b>0.877</b>	<b>-0.096</b>
Economic Assessment Duty	E&R	0.065	0.056	-0.009	0.051	-0.006
<b>Sub-total: E&amp;R Grants</b>		<b>0.065</b>	<b>0.056</b>	<b>-0.009</b>	<b>0.051</b>	<b>-0.006</b>
<b>Sub-total: Rolled-in Grants</b>		<b>9.103</b>	<b>7.829</b>	<b>-1.274</b>	<b>7.001</b>	<b>-0.830</b>
<b>Formula Grant</b>		<b>76.836</b>	<b>66.617</b>	<b>-10.219</b>	<b>59.961</b>	<b>-6.656</b>
<b>Adjustments to 2011/12</b>			<b>-0.435</b>			<b>0.435</b>
			66.182		59.961	-6.221





# **MERTON COUNCIL**

## **2011/2012 ESTIMATES**

NB: The financial information included in this appendix is the latest available. Allocations of some budgets (e.g. overheads) will change but the overall budget requirement will remain the same.

**SUMMARY - SUBJECTIVE ANALYSIS**

**FULL TIME EQUIVALENTS**

Number of FTE Staff

2010/11	2011/12
2,298	2,156

**SUBJECTIVE ANALYSIS OF ESTIMATES**

	2010/11 Current Estimate @ 31/01/2011 £000	Inflation £000	Other Variations £000	2011/2012 Estimate £000
<b>Expenditure</b>				
Employees	93,191	510	(8,233)	85,470
Premises	6,937	127	(64)	6,999
Transport	11,681	440	(224)	11,898
Supplies and Services	140,379	600	(2,938)	138,039
Third Party Payments	86,609	2,232	(1,974)	86,868
Transfer Payments	101,477	589	1,474	103,541
Support Services	31,858	0	0	31,858
Depreciation and Impairment Losses	8,476	0	0	8,476
<b>GROSS EXPENDITURE</b>	<b>480,608</b>	<b>4,499</b>	<b>(11,959)</b>	<b>473,148</b>
<b>Income</b>				
Government Grants	(233,441)	0	(4,864)	(238,305)
Other Reimbursements and Contributions	(20,792)	0	6,728	(14,064)
Customer and Client Receipts	(46,007)	0	(951)	(46,958)
Interest	(97)	0	0	(97)
Recharges	(32,161)	0	0	(32,161)
Reserves	58	0	212	270
<b>GROSS INCOME</b>	<b>(332,441)</b>	<b>0</b>	<b>1,125</b>	<b>(331,316)</b>
<b>NET EXPENDITURE</b>	<b>148,167</b>	<b>4,499</b>	<b>(10,834)</b>	<b>141,833</b>
Corporate Provisions	19,487	1,487	(6,906)	14,068
<b>NET EXPENDITURE</b>	<b>167,655</b>	<b>5,987</b>	<b>(17,740)</b>	<b>155,903</b>
<b>Funded by:</b>				
Formula Grant	(67,733)	0	1,116	(66,617)
Council Tax	(81,905)	0	(252)	(82,157)
Collection Fund	(2,519)	0	454	(2,065)
PFI Grant	(4,797)	0	0	(4,797)
Area Based Grant	(10,443)	0	10,443	0
WPCCL Levy	(258)	(9)	0	(267)
	<b>(167,655)</b>	<b>(9)</b>	<b>11,761</b>	<b>(155,903)</b>
	<b>0</b>	<b>5,978</b>	<b>(5,978)</b>	<b>0</b>

Other Variations: Contingency/Other

Major Items: Corporate Provisions	£000	fte
Corporate borrowing and Investment	2,500	0.0
Pension Fund	(1,020)	0.0
Contingency	(2,696)	0.0
Centrally held provision for loss of income from P3/P4 t/f from E&R	200	0.0
Council Tax Freeze Grant	(2,060)	0.0
Use of Reserves	(824)	0.0
VAT savings (add back one-off saving)	1,050	0.0
Corporate Savings - to balance budget (2010/11 underspend)	(4,252)	0.0
ABG and Grants balances	291	0.0
Levies	(29)	0.0
Single Status	(66)	0.0
<b>TOTAL</b>	<b>(6,906)</b>	<b>0.0</b>

NB: The Other Variations column incorporates savings proposals of £15.157m and growth of £3.352m 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

## SUMMARY

## FULL TIME EQUIVALENTS

Number of FTE Staff

2010/11	2011/12
2,298	2,156

## SERVICE AREA ANALYSIS

## CHANGE BETWEEN YEARS

	2010/11 Current Estimate @ 31/01/2011 £000	Inflation £000	Other Variations £000	2011/2012 Estimate £000
Chief Executive's & Corporate Services	13,342	343	(3,803)	9,883
Education Services ]				
Children's Services ] CSF	41,393	931	(3,230)	39,094
Environment and Regeneration	31,635	716	(2,411)	29,940
Adult Social Care ]				
Cultural Services ] C&H	61,797	2,509	(1,390)	62,916
Housing General Fund ]				
<b>TOTAL NET SERVICE EXPENDITURE</b>	<b>148,167</b>	<b>4,499</b>	<b>(10,834)</b>	<b>141,833</b>
Corporate Provisions	19,487	1,487	(6,906)	14,068
<b>NET EXPENDITURE</b>	<b>167,655</b>	<b>5,987</b>	<b>(17,740)</b>	<b>155,903</b>
<b>Funded by:</b>				
Formula Grant	(67,733)	0	1,116	(66,617)
Council Tax	(81,905)	0	(252)	(82,157)
Collection Fund	(2,519)	0	454	(2,065)
PFI Grant	(4,797)	0	0	(4,797)
Area Based Grant	(10,443)	0	10,443	0
WPCC Levy	(258)	(9)	0	(267)
	<b>(167,655)</b>	<b>(9)</b>	<b>11,761</b>	<b>(155,903)</b>
	<b>(0)</b>	<b>5,978</b>	<b>(5,978)</b>	<b>0</b>

Other Variations: Contingency/Other

Major Items: Corporate Provisions	£000	fte
Corporate borrowing and Investment	2,500	0.0
Pension Fund	(1,020)	0.0
Contingency	(2,696)	0.0
Centrally held provision for loss of income from P3/P4 t/f from E&R	200	0.0
Council Tax Freeze Grant	(2,060)	0.0
Use of Reserves	(824)	0.0
VAT savings (add back one-off saving)	1,050	0.0
Corporate Savings - to balance budget (2010/11 underspend)	(4,252)	0.0
ABG and Grants balances	291	0.0
Levies	(29)	0.0
Single Status	(66)	0.0
<b>TOTAL</b>	<b>(6,906)</b>	<b>0</b>

NB: The Other Variations column incorporates savings proposals of £15.157m and growth of £3.352m 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

	2010/11 Estimate @ 31/01/2011 £000	Inflation £000	Other Variations £000	2011/2012 Estimate £000
<b>Expenditure</b>				
Cost of Borrowing including Minimum Revenue Provision	18,461	0	2,500	20,961
Capitalisation	(1,500)	0	0	(1,500)
Pension Fund	4,923	834	(1,020)	4,737
Centrally held provision for Utilities inflation including Leisure Centres	717	226	0	943
Centrally held provision for Pay Award and increments	0	428	0	428
Bad Debt Provision	500	0	0	500
Contingency	4,516	0	(2,696)	1,820
Single Status	628	0	(66)	562
Census	0	0	0	0
Centrally held provision for loss of income from P3/P4 t/f from E&R	0	0	200	200
London Pensions Fund - Provision for deficit contribution	132	0	0	132
Increase in costs of DR Recovery Centre	70	0	0	70
Corporate DRF	5	0	0	5
ABG and Grants balances	0	0	291	291
Levies:-				
Lee Valley	227	0	(7)	220
London Pensions Fund	283	0	(29)	254
Environment Agency	148	0	(2)	146
WPCC	258	0	9	267
<b>GROSS EXPENDITURE</b>	<b>29,368</b>	<b>1,487</b>	<b>(820)</b>	<b>30,035</b>
<b>Income</b>				
Investment Income	(354)	0	0	(354)
Asset Rentals: Depreciation & Impairment	(8,477)	0	0	(8,477)
VAT Savings	(1,050)	0	1,050	0
Council Tax Freeze Grant	0	0	(2,060)	(2,060)
Use of Reserves - VAT	0	0	(724)	(724)
Use of Reserves - Section 117	0	0	(100)	(100)
Corporate Savings - to balance budget (2010/11 underspend)	0	0	(4,252)	(4,252)
<b>GROSS INCOME</b>	<b>(9,881)</b>	<b>0</b>	<b>(6,086)</b>	<b>(15,967)</b>
<b>NET EXPENDITURE</b>	<b>19,487</b>	<b>1,487</b>	<b>(6,906)</b>	<b>14,068</b>



**2011/2012 ESTIMATES**

**CORPORATE SERVICES  
& CHIEF EXECUTIVE'S  
DEPARTMENT**

**SUMMARY: CORPORATE SERVICES & CHIEF EXECUTIVES  
DEPARTMENT**

**FULL TIME EQUIVALENTS**  
**Number of FTE Staff**  
**Number of FTE Sutton TUPE staff**

2010/11	2011/12
481	409
43.1	41.1
<b>524</b>	<b>450</b>

**SUBJECTIVE ANALYSIS OF ESTIMATES**

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/2012 Estimate £000
<b>Expenditure</b>				
Employees	22,922	32	(2,975)	19,980
Premises	2,260	45	(2)	2,303
Transport	185	3	(11)	177
Supplies and Services	13,509	240	(538)	13,211
Third Party Payments	1,332	22	(143)	1,212
Transfer Payments	92,164	0	430	92,594
Support Services	11,770	0	0	11,770
Depreciation and Impairment Losses	808	0	0	808
<b>GROSS EXPENDITURE</b>	<b>144,950</b>	<b>343</b>	<b>(3,239)</b>	<b>142,054</b>
<b>Income</b>				
Government Grants	(94,255)	0	0	(94,255)
Other Reimbursements and Contributions	(1,115)	0	35	(1,080)
Customer and Client Receipts	(8,812)	0	(836)	(9,648)
Recharges	(27,160)	0	0	(27,160)
Reserves	(265)	0	237	(28)
<b>GROSS INCOME</b>	<b>(131,608)</b>	<b>0</b>	<b>(564)</b>	<b>(132,172)</b>
<b>NET EXPENDITURE</b>	<b>13,342</b>	<b>343</b>	<b>(3,803)</b>	<b>9,883</b>

*N.B. At this stage, only the staffing budgets have been redistributed into the new Support Services structure format. The remaining budgets will be redistributed at the beginning of the new financial year.*

**SUMMARY: CORPORATE SERVICES & CHIEF EXECUTIVES  
DEPARTMENT**

**FULL TIME EQUIVALENTS**  
**Number of FTE Staff**  
**Number of FTE Sutton TUPE staff**

2010/11	2011/12
481	409
43.1	41.1
<b>524</b>	<b>450</b>

**SERVICE AREA ANALYSIS**

	CHANGE BETWEEN YEARS			2011/2012 Estimate £000
	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	
Customer Services	3,208	35	(1,039)	2,204
Infrastructure & Transactions	(1,021)	99	(911)	(1,833)
Business Improvement	1,447	13	(852)	609
Corporate Governance	2,911	38	(1,068)	1,881
Resources	1,281	111	(1,187)	205
HR	(140)	14	(109)	(235)
Corporate Items	5,656	33	1,363	7,052
<b>TOTAL EXPENDITURE</b>	<b>13,342</b>	<b>343</b>	<b>(3,803)</b>	<b>9,883</b>
Contingency / Other	0	0	0	0
Capital Financing Adjustment	0	0	0	0
Levies	0	0	0	0
<b>NET EXPENDITURE</b>	<b>13,342</b>	<b>343</b>	<b>(3,803)</b>	<b>9,883</b>

*N.B. At this stage, only the staffing budgets have been redistributed into the new Support Services structure format. The remaining budgets will be redistributed at the beginning of the new financial year.*

## CUSTOMER SERVICES

The Customer Services Division consists of , Merton Link (including the Cash Office, Translation Services and contact centre), Support Team, Local Taxation (including Business Rates, Baliff Team and Recovery Team), Benefits Administration, Registrars, Debt Recovery, Corporate Communications, the Web Team, Graphic Design, Consultation & Community Engagement, and CHAS.

### FULL TIME EQUIVALENTS Number of FTE Staff

2010/11	2011/12
173	160

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/2012 Estimate £000
<b>Expenditure</b>				
Employees	6,095	2	(486)	5,611
Premises	66	1	0	67
Transport	72	1	0	73
Supplies and Services	3,043	29	233	3,304
Third Party Payments	113	2	(17)	98
Transfer Payments	5	0	0	5
Support Services	3,874	0	0	3,874
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>13,267</b>	<b>35</b>	<b>(270)</b>	<b>13,033</b>
<b>Income</b>				
Government Grants	(1,815)	0	0	(1,815)
Other Reimbursements and Contributions	(994)	0	35	(959)
Customer and Client Receipts	(4,930)	0	(858)	(5,788)
Recharges	(2,266)	0	0	(2,266)
Reserves	(54)	0	54	0
<b>GROSS INCOME</b>	<b>(10,059)</b>	<b>0</b>	<b>(769)</b>	<b>(10,828)</b>
<b>NET EXPENDITURE</b>	<b>3,208</b>	<b>35</b>	<b>(1,039)</b>	<b>2,204</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(1,163)	-12.3
Previous years Savings	(190)	
Transfer between departments	225	
Technical adjustments	106	
Net variation in grants	(17)	
<b>TOTAL</b>	<b>(1,039)</b>	<b>-12.3</b>



## INFRASTRUCTURE & TRANSACTIONS

The Infrastructure & Transactions Division consists of Facilities Management, IT Service Delivery, Post & Print Room, CareFirst, Accounts Payable and Accounts Receivable.

### FULL TIME EQUIVALENTS Number of FTE Staff

2010/11	2011/12
105	84

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/2012 Estimate £000
<b>Expenditure</b>				
Employees	4,013	1	(1,014)	3,000
Premises	2,082	42	0	2,123
Transport	62	1	(10)	54
Supplies and Services	2,402	50	113	2,564
Third Party Payments	555	6	(96)	465
Transfer Payments	0	0	0	0
Support Services	719	0	0	719
Depreciation and Impairment Losses	746	0	0	746
<b>GROSS EXPENDITURE</b>	<b>10,579</b>	<b>99</b>	<b>(1,007)</b>	<b>9,671</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(2,132)	0	0	(2,132)
Recharges	(9,372)	0	0	(9,372)
Reserves	(96)	0	96	0
<b>GROSS INCOME</b>	<b>(11,599)</b>	<b>0</b>	<b>96</b>	<b>(11,503)</b>
<b>NET EXPENDITURE</b>	<b>(1,021)</b>	<b>99</b>	<b>(911)</b>	<b>(1,833)</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(948)	-20.1
Previous years savings	(43)	-1.0
Previous years growth	63	
Transfer between departments	18	
Technical adjustments	(1)	
<b>TOTAL</b>	<b>(911)</b>	<b>-21.1</b>

*N.B. At this stage, the 2010/11 savings proposals link with the figures contained within the Support Services Business Case, and will be updated when we review the Service Plans for the whole department and the restructure is finalised.*

## BUSINESS IMPROVEMENT

The Business Improvement Division consists of IT Business Systems, IT Business Process Re-engineering, Business Improvement and Programme Office.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2010/11	2011/12
36	27

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/2012 Estimate £000
<b>Expenditure</b>				
Employees	1,818	0	(613)	1,205
Premises	3	0	(2)	1
Transport	5	0	(1)	4
Supplies and Services	662	13	(323)	352
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	29	0	0	29
Depreciation and Impairment Losses	62	0	0	62
<b>GROSS EXPENDITURE</b>	<b>2,579</b>	<b>13</b>	<b>(939)</b>	<b>1,653</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(139)	0	0	(139)
Recharges	(905)	0	0	(905)
Reserves	(87)	0	87	(0)
<b>GROSS INCOME</b>	<b>(1,131)</b>	<b>0</b>	<b>87</b>	<b>(1,044)</b>
<b>NET EXPENDITURE</b>	<b>1,447</b>	<b>13</b>	<b>(852)</b>	<b>609</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(568)	-9.9
Previous years savings	(425)	
Transfer between departments	142	
Technical adjustments	(1)	
<b>TOTAL</b>	<b>(852)</b>	<b>-9.9</b>

*N.B.* At this stage, the 2010/11 savings proposals link with the figures contained within the Support Services Business Case, and will be updated when we review the Service Plans for the whole department and the restructure is finalised.

## CORPORATE GOVERNANCE

The Corporate Governance Division consists of Legal Services, Internal Audit, Investigations, Democracy Services, Electoral Services, Information Governance and Safety Services.

### FULL TIME EQUIVALENTS Number of FTE Staff

2010/11	2011/12
79	65

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/2012 Estimate £000
<b>Expenditure</b>				
Employees	3,846	3	(854)	2,995
Premises	5	0	0	5
Transport	34	1	0	35
Supplies and Services	1,744	35	(273)	1,505
Third Party Payments	1	0	0	1
Transfer Payments	0	0	0	0
Support Services	858	0	0	858
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>6,487</b>	<b>38</b>	<b>(1,127)</b>	<b>5,399</b>
<b>Income</b>				
Government Grants	(71)	0	0	(71)
Other Reimbursements and Contributions	(92)	0	0	(92)
Customer and Client Receipts	(144)	0	59	(85)
Recharges	(3,270)	0	0	(3,270)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(3,577)</b>	<b>0</b>	<b>59</b>	<b>(3,518)</b>
<b>NET EXPENDITURE</b>	<b>2,911</b>	<b>38</b>	<b>(1,068)</b>	<b>1,881</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(800)	-14.4
Previous years savings	(306)	
Previous years growth	30	
Transfer between departments	20	
Technical adjustments	(12)	
<b>TOTAL</b>	<b>(1,068)</b>	<b>-14.4</b>

*N.B. At this stage, the 2010/11 savings proposals link with the figures contained within the Support Services Business Case, and will be updated when we review the Service Plans for the whole department and the restructure is finalised.*

## RESOURCES

The Resources Division consists of Policy & Strategy, Commercial Services, Business Planning and Accountancy.

### FULL TIME EQUIVALENTS Number of FTE Staff

2010/11	2011/12
84	66

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/2012 Estimate £000
<b>Expenditure</b>				
Employees	4,464	0	(855)	3,609
Premises	89	2	0	91
Transport	5	0	0	5
Supplies and Services	5,066	102	(295)	4,873
Third Party Payments	301	7	0	308
Transfer Payments	0	0	0	0
Support Services	1,075	0	0	1,075
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>11,001</b>	<b>111</b>	<b>(1,150)</b>	<b>9,961</b>
<b>Income</b>				
Government Grants	(79)	0	0	(79)
Other Reimbursements and Contributions	(18)	0	0	(18)
Customer and Client Receipts	(845)	0	(37)	(882)
Recharges	(8,749)	0	0	(8,749)
Reserves	(28)	0	0	(28)
<b>GROSS INCOME</b>	<b>(9,720)</b>	<b>0</b>	<b>(37)</b>	<b>(9,757)</b>
<b>NET EXPENDITURE</b>	<b>1,281</b>	<b>111</b>	<b>(1,187)</b>	<b>205</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(928)	-18.1
Previous years savings	(7)	
Technical adjustments	(92)	
Net variation in grants	(160)	
<b>TOTAL</b>	<b>(1,187)</b>	<b>-18.1</b>

*N.B.* At this stage, the 2010/11 savings proposals link with the figures contained within the Support Services Business Case, and will be updated when we review the Service Plans for the whole department and the restructure is finalised.

## HR

The HR division consists of: Strategic HR, Business Partnerships, Corporate 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.

### FULL TIME EQUIVALENTS

**Number of FTE Staff**

**Number of FTE Sutton TUPE staff**

2010/11	2011/12
4.3	4.3
43.1	41.1
<b>47.4</b>	<b>45.4</b>

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/2012 Estimate £000
<b>Expenditure</b>				
Employees	1,956	0	(79)	1,877
Premises	16	0	0	16
Transport	6	0	0	6
Supplies and Services	442	9	0	451
Third Party Payments	183	4	(30)	156
Transfer Payments	0	0	0	0
Support Services	478	0	0	478
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>3,081</b>	<b>14</b>	<b>(109)</b>	<b>2,986</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(623)	0	0	(623)
Recharges	(2,598)	0	0	(2,598)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(3,221)</b>	<b>0</b>	<b>0</b>	<b>(3,221)</b>
<b>NET EXPENDITURE</b>	<b>(140)</b>	<b>14</b>	<b>(109)</b>	<b>(235)</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(100)	-2.0
Previous years savings	(9)	
<b>TOTAL</b>	<b>(109)</b>	<b>-2.0</b>

## CORPORATE MANAGEMENT

Corporate Management is composed of Housing Benefit subsidy payments and entitlements, Agency contract, Coroners Court, severance payments, Business Partners and the support services contingency budget.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2010/11	2011/12
0	3

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/2012 Estimate £000
<b>Expenditure</b>				
Employees*	730	27	926	1,682
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	151	3	7	161
Third Party Payments	180	4	0	183
Transfer Payments	92,159	0	430	92,589
Support Services	4,737	0	0	4,737
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>97,956</b>	<b>33</b>	<b>1,363</b>	<b>99,352</b>
<b>Income</b>				
Government Grants	(92,290)	0	0	(92,290)
Other Reimbursements and Contributions	(10)	0	0	(10)
Customer and Client Receipts	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(92,300)</b>	<b>0</b>	<b>0</b>	<b>(92,300)</b>
<b>NET EXPENDITURE</b>	<b>5,656</b>	<b>33</b>	<b>1,363</b>	<b>7,052</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	926	3.0
Current year growth	430	
Previous years savings	7	
<b>TOTAL</b>	<b>1,363</b>	<b>3.0</b>

\* The 2010/11 employee budgets shown here relate to employee redundancy payments. There are no FTE's in 2010/11.



**2011/2012 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

2010/11	2011/12	DSG	LA
504.8	467.0	159.5	307.5

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000	2011/12 Estimate £000	2011/12 Estimate £000
<b>Expenditure</b>						
Employees	27,678	444	(2,264)	25,859	8,814	17,044
Premises	850	6	(56)	799	411	388
Transport	3,128	76	27	3,232	64	3,167
Supplies and Services	118,186	190	(1,335)	117,039	111,861	5,180
Third Party Payments	25,840	215	320	26,375	11,635	14,740
Transfer Payments	19	0	0	20	0	20
Support Services	4,223	0	0	4,223	301	3,924
Depreciation and Impairment Losses	1,906	0	0	1,906	1,804	102
<b>GROSS EXPENDITURE</b>	<b>181,830</b>	<b>931</b>	<b>(3,308)</b>	<b>179,453</b>	<b>134,890</b>	<b>44,565</b>
<b>Income</b>						
Government Grants	(133,331)	0	(106)	(133,437)	(130,019)	(3,418)
Other Reimbursements and Contributions	(5,864)	0	34	(5,830)	(1,972)	(3,858)
Customer and Client Receipts	(1,468)	0	150	(1,318)	(1,064)	(255)
Interest	(97)	0	0	(97)	0	(97)
Recharges	0	0	0	0	0	0
Reserves	323	0	0	323	0	323
<b>GROSS INCOME</b>	<b>(140,437)</b>	<b>0</b>	<b>78</b>	<b>(140,359)</b>	<b>(133,055)</b>	<b>(7,305)</b>
<b>NET EXPENDITURE</b>	<b>41,393</b>	<b>931</b>	<b>(3,230)</b>	<b>39,094</b>	<b>1,834</b>	<b>37,260</b>

Other Variations are analysed as follows:

Major Items	£000	fte
<b>TOTAL</b>	<b>0</b>	<b>0.0</b>



**SUMMARY: CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT**

**FULL TIME EQUIVALENTS**

Number of FTE Staff

2010/11	2011/12	DSG	LA
504.8	467.0	159.5	307.5

**SERVICE AREA ANALYSIS**

	CHANGE BETWEEN YEARS			2011/12	
	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000	2011/12 Estimate £000
Senior Management	737	241	216	1,194	0
Childrens Social Care	14,619	121	631	15,370	59
Youth and Inclusion	5,547	156	(2,051)	3,652	1,142
Commissioning, Strategy and Performance	3,158	36	(555)	2,641	581
Education	22,554	202	(83)	22,675	15,903
Schools	(16,340)	0	(1,243)	(17,583)	(17,583)
Other Childrens, Schools and Families	11,118	175	(145)	11,145	1,733
<b>TOTAL NET EXPENDITURE</b>	<b>41,393</b>	<b>931</b>	<b>(3,230)</b>	<b>39,094</b>	<b>1,834</b>

## 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

2010/11	2011/12	DSG	LA
4.0	4.0	0.0	4.0

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000	2011/12 DSG Estimate £000	2011/12 LA Estimate £000
<b>Expenditure</b>						
Employees	431	238	37	706	0	706
Premises	0	0	0	0	0	0
Transport	4	0	0	4	0	4
Supplies and Services	21	3	179	203	0	203
Third Party Payments	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Support Services	281	0	0	281	0	281
Depreciation and Impairment Losses	0	0	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>737</b>	<b>241</b>	<b>216</b>	<b>1,194</b>	<b>0</b>	<b>1,194</b>
<b>Income</b>						
Government Grants	0	0	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0	0	0
Customer and Client Receipts	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>737</b>	<b>241</b>	<b>216</b>	<b>1,194</b>	<b>0</b>	<b>1,194</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(84)	0.0
Net variation in grants	(132)	0.0
<b>TOTAL</b>	<b>(216)</b>	<b>0.0</b>

## 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

2010/11	2011/12	DSG	LA
151.5	143.5	1.0	142.5

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000	2011/12 DSG Estimate £000	2011/12 LA Estimate £000
<b>Expenditure</b>						
Employees	7,373	6	48	7,428	58	7,370
Premises	63	1	1	64	0	64
Transport	176	3	1	180	0	180
Supplies and Services	2,238	41	(118)	2,160	1	2,159
Third Party Payments	4,478	70	780	5,328	0	5,328
Transfer Payments	0	0	0	0	0	0
Support Services	1,527	0	0	1,527	0	1,527
Depreciation and Impairment Losses	31	0	0	31	0	31
<b>GROSS EXPENDITURE</b>	<b>15,886</b>	<b>121</b>	<b>712</b>	<b>16,718</b>	<b>59</b>	<b>16,659</b>
<b>Income</b>						
Government Grants	(751)	0	(81)	(832)	0	(832)
Other Reimbursements and Contributions	(516)	0	0	(516)	0	(516)
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
<b>GROSS INCOME</b>	<b>(1,267)</b>	<b>0</b>	<b>(81)</b>	<b>(1,348)</b>	<b>0</b>	<b>(1,348)</b>
<b>NET EXPENDITURE</b>	<b>14,619</b>	<b>121</b>	<b>631</b>	<b>15,370</b>	<b>59</b>	<b>15,311</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(616)	(8.0)
Current year growth	1,100	0.0
Previous years growth	350	0.0
Transfer between departments	(82)	0.0
Net variation in grants	(121)	0.0
<b>TOTAL</b>	<b>631</b>	<b>(8.0)</b>

## 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

2010/11	2011/12	DSG	LA
64.2	61.5	12.8	48.7

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000	2011/12 DSG Estimate £000	2011/12 LA Estimate £000
<b>Expenditure</b>						
Employees	3,177	105	(286)	2,997	668	2,327
Premises	166	3	1	170	15	155
Transport	68	2	(2)	68	9	59
Supplies and Services	2,271	35	(404)	1,901	531	1,371
Third Party Payments	867	11	(199)	679	152	527
Transfer Payments	4	0	0	4	0	4
Support Services	350	0	0	350	18	333
Depreciation and Impairment Losses	20	0	0	20	0	20
<b>GROSS EXPENDITURE</b>	<b>6,923</b>	<b>156</b>	<b>(890)</b>	<b>6,189</b>	<b>1,393</b>	<b>4,796</b>
<b>Income</b>						
Government Grants	(625)	0	(1,161)	(1,786)	0	(1,786)
Other Reimbursements and Contributions	(690)	0	0	(690)	(195)	(495)
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
<b>GROSS INCOME</b>	<b>(1,376)</b>	<b>0</b>	<b>(1,161)</b>	<b>(2,537)</b>	<b>(251)</b>	<b>(2,286)</b>
<b>NET EXPENDITURE</b>	<b>5,547</b>	<b>156</b>	<b>(2,051)</b>	<b>3,652</b>	<b>1,142</b>	<b>2,510</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(356)	(2.8)
Previous years growth		0.0
Transfer between departments	(82)	0.0
Net variation in grants	(1,613)	0.0
<b>TOTAL</b>	<b>(2,051)</b>	<b>(2.8)</b>

## 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

2010/11	2011/12	DSG	LA
43.6	40.6	6.0	34.6

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000	2011/12 DSG Estimate £000	2011/12 LA Estimate £000
<b>Expenditure</b>						
Employees	2,472	30	(375)	2,128	218	1,910
Premises	92	0	(58)	34	22	12
Transport	26	0	0	26	7	19
Supplies and Services	1,498	6	(176)	1,328	918	410
Third Party Payments	11	0	0	12	0	12
Transfer Payments	0	0	0	0	0	0
Support Services	569	0	0	569	34	535
Depreciation and Impairment Losses	8	0	0	8	0	8
<b>GROSS EXPENDITURE</b>	<b>4,676</b>	<b>36</b>	<b>(609)</b>	<b>4,105</b>	<b>1,199</b>	<b>2,906</b>
<b>Income</b>						
Government Grants	(634)	0	54	(580)	(188)	(392)
Other Reimbursements and Contributions	(867)	0	0	(867)	(430)	(437)
Customer and Client Receipts	(17)	0	0	(17)	0	(17)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>(1,518)</b>	<b>0</b>	<b>54</b>	<b>(1,464)</b>	<b>(618)</b>	<b>(846)</b>
<b>NET EXPENDITURE</b>	<b>3,158</b>	<b>36</b>	<b>(555)</b>	<b>2,641</b>	<b>581</b>	<b>2,060</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(206)	(2.0)
Previous years savings	(20)	(1.0)
Transfer between departments	(70)	0.0
Net variation in grants	(259)	0.0
<b>TOTAL</b>	<b>(555)</b>	<b>(3.0)</b>

## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

### Education

This page contains the budgets for School Standards & Quality, Extended Schools, Early Years & Children's Centres, Special Educational Needs, SMART Centre and the Virtual School.

#### FULL TIME EQUIVALENTS

Number of FTE Staff

2010/11	2011/12	DSG	LA
241.4	217.4	139.7	77.7

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000	2011/12 DSG Estimate £000	2011/12 LA Estimate £000
<b>Expenditure</b>						
Employees	11,165	13	(1,543)	9,635	6,948	2,687
Premises	451	2	0	453	340	113
Transport	2,854	71	28	2,954	48	2,905
Supplies and Services	8,764	101	(3,530)	5,335	4,565	771
Third Party Payments	12,106	15	(261)	11,860	11,483	377
Transfer Payments	15	0	0	16	0	16
Support Services	1,205	0	0	1,205	249	957
Depreciation and Impairment Losses	75	0	0	75	32	43
<b>GROSS EXPENDITURE</b>	<b>36,635</b>	<b>202</b>	<b>(5,306)</b>	<b>31,533</b>	<b>23,665</b>	<b>7,869</b>
<b>Income</b>						
Government Grants	(10,784)	0	5,039	(5,745)	(5,407)	(338)
Other Reimbursements and Contributions	(1,907)	0	34	(1,873)	(1,347)	(526)
Customer and Client Receipts	(1,390)	0	150	(1,240)	(1,008)	(233)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>(14,081)</b>	<b>0</b>	<b>5,223</b>	<b>(8,858)</b>	<b>(7,762)</b>	<b>(1,097)</b>
<b>NET EXPENDITURE</b>	<b>22,554</b>	<b>202</b>	<b>(83)</b>	<b>22,675</b>	<b>15,903</b>	<b>6,772</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(543)	(24.0)
Current year growth	150	0.0
Transfer between departments	(50)	0.0
Net variation in grants	330	0.0
<b>TOTAL</b>	<b>(113)</b>	<b>(24.0)</b>

## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

### Schools

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

2010/11	2011/12	DSG	LA
0.0	0.0	0.0	0.0

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000	2011/12 Estimate £000	2011/12 Estimate £000
<b>Expenditure</b>						
Employees	0	0	0	0	0	0
Premises	0	0	0	0	0	0
Transport	0	0	0	0	0	0
Supplies and Services	102,355	0	2,714	105,069	105,069	0
Third Party Payments	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Depreciation and Impairment Losses	1,772	0	0	1,772	1,772	0
<b>GROSS EXPENDITURE</b>	<b>104,127</b>	<b>0</b>	<b>2,714</b>	<b>106,841</b>	<b>106,841</b>	<b>0</b>
<b>Income</b>						
Government Grants	(120,467)	0	(3,957)	(124,424)	(124,424)	0
Other Reimbursements and Contributions	0	0	0	0	0	0
Customer and Client Receipts	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>(120,467)</b>	<b>0</b>	<b>(3,957)</b>	<b>(124,424)</b>	<b>(124,424)</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>(16,340)</b>	<b>0</b>	<b>(1,243)</b>	<b>(17,583)</b>	<b>(17,583)</b>	<b>0</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Net variation in grants	(1,243)	0.0
<b>TOTAL</b>	<b>(1,243)</b>	<b>0.0</b>

## 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

2010/11	2011/12	DSG	LA
0	0.0	0.0	0.0

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000	2011/12 DSG Estimate £000	2011/12 LA Estimate £000
<b>Expenditure</b>						
Employees	3,060	52	(145)	2,965	922	2,044
Premises	78	0	0	78	34	44
Transport	0	0	0	0	0	0
Supplies and Services	1,039	4	0	1,043	777	266
Third Party Payments	8,378	119	0	8,496	0	8,496
Transfer Payments	0	0	0	0	0	0
Support Services	291	0	0	291	0	291
Depreciation and Impairment Losses	0	0	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>12,846</b>	<b>175</b>	<b>(145)</b>	<b>12,873</b>	<b>1,733</b>	<b>11,141</b>
<b>Income</b>						
Government Grants	(70)	0	0	(70)	0	(70)
Other Reimbursements and Contributions	(1,884)	0	0	(1,884)	0	(1,884)
Customer and Client Receipts	0	0	0	0	0	0
Interest	(97)	0	0	(97)	0	(97)
Recharges	0	0	0	0	0	0
Reserves	323	0	0	323	0	323
<b>GROSS INCOME</b>	<b>(1,728)</b>	<b>0</b>	<b>0</b>	<b>(1,728)</b>	<b>0</b>	<b>(1,728)</b>
<b>NET EXPENDITURE</b>	<b>11,118</b>	<b>175</b>	<b>(145)</b>	<b>11,145</b>	<b>1,733</b>	<b>9,413</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Net variation in grants	(145)	0.0
<b>TOTAL</b>	<b>(145)</b>	<b>0.0</b>





**2011/2012 ESTIMATES**

**ENVIRONMENT  
AND  
REGENERATION**

## ENVIRONMENT AND REGENERATION DEPARTMENT

### Departmental Summary

#### FULL TIME EQUIVALENTS

Number of FTE Staff

2010/11	2011/12
710	677

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000
<b>Expenditure</b>				
Employees	24,755	6	(2,246)	22,515
Premises	3,009	60	(6)	3,063
Transport	7,108	293	0	7,401
Supplies and Services	4,143	78	(281)	3,940
Third Party Payments	13,940	278	(230)	13,988
Transfer Payments	35	1	0	36
Support Services	8,130	0	0	8,130
Depreciation and Impairment Losses	5,360	0	0	5,360
<b>GROSS EXPENDITURE</b>	<b>66,480</b>	<b>716</b>	<b>-2,763</b>	<b>64,433</b>
<b>Income</b>				
Government Grants	(1,180)	0	36	(1,144)
Other Reimbursements and Contributions	(3,985)	0	139	(3,846)
Customer and Client Receipts	(27,455)	0	202	(27,253)
Interest	0	0	0	0
Recharges	(2,225)	0	0	(2,225)
Reserves	0	0	(25)	(25)
<b>GROSS INCOME</b>	<b>(34,845)</b>	<b>0</b>	<b>352</b>	<b>(34,493)</b>
<b>NET EXPENDITURE</b>	<b>31,635</b>	<b>716</b>	<b>(2,411)</b>	<b>29,940</b>

Other variations are analysed as follows:

Major Items	£000	fte
Current year savings	(4,696)	(25)
Current year growth	1,721	0
Previous years savings	236	
Previous years growth	75	
Transfers between departments	(274)	(5)
Technical adjustments	527	(3)
<b>TOTAL</b>	<b>(2,411)</b>	<b>(32.8)</b>

## SUMMARY: ENVIRONMENT & REGENERATION

### FULL TIME EQUIVALENTS

Number of FTE Staff

2010/11	2011/12
710	677

### SERVICE AREA ANALYSIS

	CHANGE BETWEEN YEARS			2011/2012 Estimate £000
	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	
Street Scene and Waste	28,808	554	(1,232)	28,130
Public Protection and Development	(3,516)	33	272	(3,211)
Sustainable Communities	3,821	91	(1,150)	2,762
Safer Merton	1,497	36	(301)	1,232
Senior Management and Support	50	2	0	52
Corporate and Democratic Core	975	0	0	975
<b>TOTAL EXPENDITURE</b>	<b>31,635</b>	<b>716</b>	<b>(2,411)</b>	<b>29,940</b>

## ENVIRONMENT AND REGENERATION DEPARTMENT

**Street Scene and Waste:** Traffic and Highway Services, Transport Services, Waste Management and Operations.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2010/11	2011/12
396	387

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000
<b>Expenditure</b>				
Employees	12,527	2	(1,015)	11,514
Premises	1,101	22		1,123
Transport	6,672	284		6,956
Supplies and Services	1,018	19	(59)	978
Third Party Payments	11,341	227	(110)	11,458
Transfer Payments	2			2
Support Services	2,721			2,721
Depreciation and Impairment Losses	4,711			4,711
<b>GROSS EXPENDITURE</b>	<b>40,093</b>	<b>554</b>	<b>-1,184</b>	<b>39,463</b>
<b>Income</b>				
Government Grants	0			0
Other Reimbursements and Contributions	(965)			(965)
Customer and Client Receipts	(9,942)		(48)	(9,990)
Interest	0			0
Recharges	(378)			(378)
Reserves	0			0
<b>GROSS INCOME</b>	<b>(11,285)</b>	<b>0</b>	<b>(48)</b>	<b>(11,333)</b>
<b>NET EXPENDITURE</b>	<b>28,808</b>	<b>554</b>	<b>(1,232)</b>	<b>28,130</b>

Other variations are analysed as follows:

Major Items	£000	fte
Current year savings	(1,942)	(5.5)
Current year growth	186	
Previous years growth	40	
Transfers between departments	(239)	(3.5)
Technical adjustments	723	
<b>TOTAL</b>	<b>(1,232)</b>	<b>(9.0)</b>

## 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

2010/11	2011/12
135	133

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000
<b>Expenditure</b>				
Employees	5,055	1	(156)	4,900
Premises	585	12		597
Transport	182	4		186
Supplies and Services	666	11	(37)	640
Third Party Payments	274	5		279
Transfer Payments	2			2
Support Services	1,827			1,827
Depreciation and Impairment Losses	27			27
<b>GROSS EXPENDITURE</b>	<b>8,618</b>	<b>33</b>	<b>-193</b>	<b>8,458</b>
<b>Income</b>				
Government Grants	(333)			(333)
Other Reimbursements and Contributions	(81)			(81)
Customer and Client Receipts	(11,700)		465	(11,235)
Interest	0			0
Recharges	(20)			(20)
Reserves	0			0
<b>GROSS INCOME</b>	<b>(12,134)</b>	<b>0</b>	<b>465</b>	<b>(11,669)</b>
<b>NET EXPENDITURE</b>	<b>(3,516)</b>	<b>33</b>	<b>272</b>	<b>(3,211)</b>

Other variations are analysed as follows:

Major Items	£000	fte
Current year savings	(1,344)	(2.5)
Current year growth	1,535	
Previous years savings	85	
Transfers between departments	(4)	
<b>TOTAL</b>	<b>272</b>	<b>(2.5)</b>

## ENVIRONMENT AND REGENERATION DEPARTMENT

**Sustainable Communities:** Physical Regeneration, Spatial Planning and Policy, Regeneration Partnerships, Property Management, Greenspaces, Leisure and Culture Development, Transport Planning & Safety Education, Business Performance.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2010/11	2011/12
139	124

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000
<b>Expenditure</b>				
Employees	5,170	2	(868)	4,304
Premises	1,317	26		1,343
Transport	247	5		252
Supplies and Services	2,149	42	(110)	2,081
Third Party Payments	760	15	60	835
Transfer Payments	31	1		32
Support Services	2,010			2,010
Depreciation and Impairment Losses	562			562
<b>GROSS EXPENDITURE</b>	<b>12,246</b>	<b>91</b>	<b>-918</b>	<b>11,419</b>
<b>Income</b>				
Government Grants	(600)			(600)
Other Reimbursements and Contributions	(1,238)		(7)	(1,245)
Customer and Client Receipts	(5,724)		(225)	(5,949)
Interest	0			0
Recharges	(863)			(863)
Reserves	0			0
<b>GROSS INCOME</b>	<b>(8,425)</b>	<b>0</b>	<b>(232)</b>	<b>(8,657)</b>
<b>NET EXPENDITURE</b>	<b>3,821</b>	<b>91</b>	<b>(1,150)</b>	<b>2,762</b>

Other variations are analysed as follows:

Major Items	£000	fte
Current year savings	(1,305)	(14.2)
Previous years savings	151	
Previous years growth	35	
Transfers between departments	(31)	(1)
<b>TOTAL</b>	<b>(1,150)</b>	<b>(15.2)</b>

## ENVIRONMENT AND REGENERATION DEPARTMENT

**Safer Merton:** Management of the Community Safety Partnership and related legislation.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2010/11	2011/12
31	25

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000
<b>Expenditure</b>				
Employees	1,326		(207)	1,119
Premises	6		(6)	0
Transport	7			7
Supplies and Services	223	5	(75)	153
Third Party Payments	1,565	31	(180)	1,416
Transfer Payments	0			0
Support Services	347			347
Depreciation and Impairment Losses	60			60
<b>GROSS EXPENDITURE</b>	<b>3,534</b>	<b>36</b>	<b>-468</b>	<b>3,102</b>
<b>Income</b>				
Government Grants	(247)		36	(211)
Other Reimbursements and Contributions	(1,701)		146	(1,555)
Customer and Client Receipts	(89)		10	(79)
Interest	0			0
Recharges	0			0
Reserves	0		(25)	(25)
<b>GROSS INCOME</b>	<b>(2,037)</b>	<b>0</b>	<b>167</b>	<b>(1,870)</b>
<b>NET EXPENDITURE</b>	<b>1,497</b>	<b>36</b>	<b>(301)</b>	<b>1,232</b>

Other variations are analysed as follows:

Major Items	£000	fte
Current year savings (LBM)	(105)	(3.0)
Technical Adjustments	(196)	
External Funding reductions		(3.1)
<b>TOTAL</b>	<b>(301)</b>	<b>(6)</b>

## ENVIRONMENT AND REGENERATION DEPARTMENT

**Senior Management and Support:** The Department's senior management and secretarial support.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2010/11	2011/12
8	8

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000
<b>Expenditure</b>				
Employees	677	1		678
Premises	0			0
Transport	0			0
Supplies and Services	87	1		88
Third Party Payments	0			0
Transfer Payments	0			0
Support Services	250			250
Depreciation and Impairment Losses	0			0
<b>GROSS EXPENDITURE</b>	<b>1,014</b>	<b>2</b>	<b>0</b>	<b>1,016</b>
<b>Income</b>				
Government Grants	0			0
Other Reimbursements and Contributions	0			0
Customer and Client Receipts	0			0
Interest	0			0
Recharges	(964)			(964)
Reserves	0			0
<b>GROSS INCOME</b>	<b>(964)</b>	<b>0</b>	<b>0</b>	<b>(964)</b>
<b>NET EXPENDITURE</b>	<b>50</b>	<b>2</b>	<b>0</b>	<b>52</b>

Other variations are analysed as follows:

Major Items	£000	fte
<b>TOTAL</b>	<b>0</b>	<b>0</b>



## 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

2010/11	2011/12

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000
<b>Expenditure</b>				
Employees	0			0
Premises	0			0
Transport	0			0
Supplies and Services	0			0
Third Party Payments	0			0
Transfer Payments	0			0
Support Services	975			975
Depreciation and Impairment Losses	0			0
<b>GROSS EXPENDITURE</b>	<b>975</b>	<b>0</b>	<b>0</b>	<b>975</b>
<b>Income</b>				
Government Grants	0			0
Other Reimbursements and Contributions	0			0
Customer and Client Receipts	0			0
Interest	0			0
Recharges	0			0
Reserves	0			0
<b>GROSS INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>975</b>	<b>0</b>	<b>0</b>	<b>975</b>

Other variations are analysed as follows:

Major Items	£000	fte
<b>TOTAL</b>	<b>0</b>	<b>0</b>



**2011/2012 ESTIMATES**

**COMMUNITY  
AND  
HOUSING**

## COMMUNITY AND HOUSING DEPARTMENT Summary

This sheet summarises the budget for Community and Housing Department, which consist of Adult Social Care, Cultural Services and Housing General Fund.

### FULL TIME EQUIVALENTS

Number of FTE Staff  
Number of FTE PCT TUPE staff

2010/11	2011/12
560	529
0.0	33.0
<b>560</b>	<b>562</b>

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/11 Estimate @ 30/11/2010 £000	Inflation £000	Other Variations £000	2011/12 Estimate £000
<b>Expenditure</b>				
Employees	17,836	28	(748)	17,116
Premises	818	16	0	834
Transport	1,260	68	(240)	1,088
Supplies and Services	4,541	92	(784)	3,849
Third Party Payments	45,497	1,717	(1,921)	45,293
Transfer Payments	9,259	588	1,044	10,891
Support Services	7,735	0	0	7,735
Depreciation and Impairment Losses	402	0	0	402
<b>GROSS EXPENDITURE</b>	<b>87,348</b>	<b>2,509</b>	<b>(2,649)</b>	<b>87,208</b>
<b>Income</b>				
Government Grants	(4,675)	0	(4,794)	(9,469)
Other Reimbursements and Contributions	(9,828)	0	6,520	(3,308)
Customer and Client Receipts	(8,272)	0	(467)	(8,739)
Interest	0	0	0	0
Recharges	(2,776)	0	0	(2,776)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(25,551)</b>	<b>0</b>	<b>1,259</b>	<b>(24,292)</b>
<b>NET EXPENDITURE</b>	<b>61,797</b>	<b>2,509</b>	<b>(1,390)</b>	<b>62,916</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Refer to Adult Social Care	(1,319)	(18)
Refer to Libraries and Heritage	(200)	(12)
Refer to Housing General Fund	129	(1)
<b>TOTAL</b>	<b>(1,390)</b>	<b>(31)</b>

## SUMMARY: COMMUNITY AND HOUSING DEPARTMENT

**FULL TIME EQUIVALENTS**  
**Number of FTE Staff**  
**Number of FTE PCT TUPE staff**

2010/11	2011/12
560	529
0.0	33.0
<b>560</b>	<b>562</b>

**SERVICE AREA ANALYSIS**

	CHANGE BETWEEN YEARS			2011/2012 Estimate £000
	2010/2011 Current Estimate £000	Inflation £000	Other £000	
Adult Social Care	53,658	2,390	(1,319)	54,729
Libraries and Heritage	2,905	19	(200)	2,724
Merton Adult Education	189	12	0	201
Housing General Fund	5,045	88	129	5,262
<b>NET EXPENDITURE</b>	<b>61,797</b>	<b>2,509</b>	<b>(1,390)</b>	<b>62,916</b>

*N.B. At this stage, only the staffing budgets have been redistributed into the new Support Services structure format. The remaining budgets will be redistributed at the beginning of the new financial year.*

## 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

2010/11	2011/12
414.05	396.05
0.00	33.00
414.05	429.05

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/11 Current Estimate £000	Inflation £000	Other	2011/12 Estimate £000
			Variations £000	
<b>Expenditure</b>				
Employees	13,122	28	(498)	12,652
Premises	373	7	0	380
Transport	1,231	68	(240)	1,059
Supplies and Services	3,302	61	(780)	2,583
Third Party Payments	41,327	1,638	(1,972)	40,993
Transfer Payments	8,979	588	1,044	10,611
Support Services	6,149	0	0	6,149
Depreciation and Impairment Losses	135	0	0	135
<b>GROSS EXPENDITURE</b>	<b>74,618</b>	<b>2,390</b>	<b>(2,446)</b>	<b>74,562</b>
<b>Income</b>				
Government Grants	(1,710)	0	(4,926)	(6,636)
Other Reimbursements and Contributions	(9,129)	0	6,520	(2,609)
Customer and Client Receipts	(7,345)	0	(467)	(7,812)
Interest	0	0	0	0
Recharges	(2,776)	0	0	(2,776)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(20,960)</b>	<b>0</b>	<b>1,127</b>	<b>(19,833)</b>
<b>NET EXPENDITURE</b>	<b>53,658</b>	<b>2,390</b>	<b>(1,319)</b>	<b>54,729</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(4,075)	-18.00
Current year growth	101	
Previous years savings	78	
Previous years growth	1,319	
Transfers between departments	(18)	
Net variation in grants	1,276	
<b>TOTAL</b>	<b>(1,319)</b>	<b>-18.00</b>

## COMMUNITY AND HOUSING DEPARTMENT Library & Heritage Services

Services are provided through three main town centre libraries, Mitcham, Morden, Wimbledon and four neighbourhood libraries, Donald Hope, Pollards Hill, Raynes Park and West Barnes. Additional services available are home visits and school services. Also available is the Heritage Service located at Morden Library.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2010/11	2011/12
61.50	49.13

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/2011 Current Estimate £000	Inflation £000	Other	2011/2012 Estimate £000
			Variations £000	
<b>Expenditure</b>				
Employees	1,633		(199)	1,434
Premises	271	5		276
Transport	3			3
Supplies and Services	565	12	(1)	576
Third Party Payments	118	2		120
Transfer Payments	0			0
Support Services	754			754
Depreciation and Impairment Losses	238			238
<b>GROSS EXPENDITURE</b>	<b>3,582</b>	<b>19</b>	<b>(200)</b>	<b>3,401</b>
<b>Income</b>				
Government Grants	0			0
Other Reimbursements and Contributions	(389)			(389)
Customer and Client Receipts	(288)			(288)
Interest	0			0
Recharges	0			0
Reserves	0			0
<b>GROSS INCOME</b>	<b>(677)</b>	<b>0</b>	<b>0</b>	<b>(677)</b>
<b>NET EXPENDITURE</b>	<b>2,905</b>	<b>19</b>	<b>(200)</b>	<b>2,724</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(199)	-12.37
Transfers between departments	(1)	
<b>TOTAL</b>	<b>(200)</b>	<b>-12.37</b>

## COMMUNITY AND HOUSING DEPARTMENT Adult Education

Provides high quality learning and training needs of Merton communities for ages 16-65. Funded by LSC, MAE is able to support financially qualifying learners and or offer free courses. Services are provided through two main town centres Whatley Avenue, Wimbledon's Marlborough hall, and four neighbourhood centres, Cobham Court, Mitcham's Canons house, Pollards Hill and Morden libraries.

### FULL TIME EQUIVALENTS

Number of FTE Staff

2010/11	2011/12
51.63	51.63

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/11 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000
<b>Expenditure</b>				
Employees	1,923			1,923
Premises	157	4		161
Transport	4			4
Supplies and Services	366	8		374
Third Party Payments	0			0
Transfer Payments	0			0
Support Services	289			289
Depreciation and Impairment Losses	29			29
<b>GROSS EXPENDITURE</b>	<b>2,768</b>	<b>12</b>	<b>0</b>	<b>2,780</b>
<b>Income</b>				
Government Grants	(1,932)			(1,932)
Other Reimbursements and Contributions	(41)			(41)
Customer and Client Receipts	(606)			(606)
Interest	0			0
Recharges	0			0
Reserves	0			0
<b>GROSS INCOME</b>	<b>(2,579)</b>	<b>0</b>	<b>0</b>	<b>(2,579)</b>
<b>NET EXPENDITURE</b>	<b>189</b>	<b>12</b>	<b>0</b>	<b>201</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings		
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>

## COMMUNITY AND HOUSING DEPARTMENT

### Housing Needs and Enabling Service & Supporting People

#### FULL TIME EQUIVALENTS

Number of FTE Staff

2010/11	2011/12
33.0	32.0

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2010/11 Current Estimate £000	Inflation £000	Other Variations £000	2011/12 Estimate £000
<b>Expenditure</b>				
Employees	1,158	0	(51)	1,107
Premises	17	0	0	17
Transport	22	0	0	22
Supplies and Services	308	11	(3)	316
Third Party Payments	4,052	77	51	4,180
Transfer Payments	280	0	0	280
Support Services	543	0	0	543
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>6,380</b>	<b>88</b>	<b>(3)</b>	<b>6,465</b>
<b>Income</b>				
Government Grants	(1,033)	0	132	(901)
Other Reimbursements and Contributions	(269)	0	0	(269)
Customer and Client Receipts	(33)	0	0	(33)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(1,335)</b>	<b>0</b>	<b>132</b>	<b>(1,203)</b>
<b>NET EXPENDITURE</b>	<b>5,045</b>	<b>88</b>	<b>129</b>	<b>5,262</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Current year savings	(179)	(1)
Previous years savings	240	
Net variation in grants	71	
Transfers between departments	(3)	
<b>TOTAL</b>	<b>129</b>	<b>(1)</b>



1. **Assessment of Risk and Contingency to mitigate risk**

- 1.1 The Council's draft budget for 2011/12, as presented in the budget summaries in Appendix 10, has been analysed to identify key areas of risk. Costs that are regarded as fixed have been disregarded along with Schools' budgets.

<b>Assessed Key areas of Risk (Exc. DSG funded expenditure and income)</b>	<b>£m</b>
<b>Expenditure</b>	
Employees	76.5
Premises	6.6
Transport	11.9
Supplies and Services	26.3
Third Party Payments	75.2
Transfer Payments	103.5
Support Services	31.6
Depreciation and Impairment Losses	6.7
Cost of Borrowing including Minimum Revenue Provision	21.0
Capitalisation	1.5
Pension Fund	4.7
Contingency	1.8
Other Expenditure	11.3
<b>Income</b>	
Government Grants	108.2
Other Reimbursements and Contributions	12.2
Customer and Client Receipts	45.9
Interest	0.1
Recharges	32.2
Reserves	0.3
Investment Income	0.4
Asset Rentals: Depreciation & Impairment	8.5
VAT Savings	0.0
<b>Total</b>	<b>586.3</b>

- 1.2 In addition, the savings proposals for 2011/12 have been assessed in terms of deliverable risk. The level of deliverable risk is:-

	£000s	%
Low	3,944	28.06%
Medium	7,468	53.13%
High	2,642	18.81%
<b>Total</b>	<b>14,054</b>	<b>100.00%</b>

1.3 Using the data available in the budget summaries in Appendix 10 the levels of risk for the key areas have been assessed as shown in the following table:-

	£m	Min%	Mid%	Max %
<b>Expenditure</b>				
Employees	76.5	0.25	0.50	1.00
Premises	6.6	1.00	2.00	3.00
Transport	11.9	2.00	3.00	4.00
Supplies and Services	26.3	2.00	3.00	4.00
Third Party Payments	75.2	7.50	9.00	12.00
Transfer Payments	103.5	1.00	2.00	3.00
Cost of Borrowing including Minimum Revenue Provision	21.0	1.00	2.00	3.00
<b>Income</b>				
Government Grants	108.2	1.00	2.00	3.00
Other Reimbursements and Contributions	12.2	0.50	1.00	1.50
Customer and Client Receipts	45.9	2.10	2.50	3.30
Investment Income	0.4	1.00	2.00	3.00
<b>Savings</b>				
Low deliverability risk	3.944	1.00		
Medium deliverability risk	7.468		2.00	
High deliverability risk	2.642			4.00

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
<b>Expenditure</b>			
Employees	0.2	0.4	0.8
Premises	0.1	0.1	0.2
Transport	0.2	0.4	0.5
Supplies and Services	0.5	0.8	1.1
Third Party Payments	5.6	6.8	9.0
Transfer Payments	1.0	2.1	3.1
Cost of Borrowing including Minimum Revenue Provision	0.2	0.4	0.6
<b>Income</b>			
Government Grants	1.1	2.2	3.2
Other Reimbursements and Contributions	0.1	0.1	0.2
Customer and Client Receipts	1.0	1.1	1.5
Investment Income	0.0	0.0	0.0
<b>SAVINGS</b>	0.0	0.1	0.1
<b>TOTAL RISK</b>	<b>10.1</b>	<b>14.5</b>	<b>20.3</b>

\* Only those headings that are deemed subject to risk have been included in the above analysis

- 1.5 In order to cover a position midway between the minimum and middle position of risk, the balances strategy set out in paragraph 7.4 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.

## TRANSITION FROM BUDGET GAP AT COUNCIL 3rd MARCH 2010 TO CURRENT POSITION

	£m	£m
Budget Gap 2011/12 as at Council in March 2010		13.715
Pay award @ 0.5% in 11/12	(1.811)	
Inflation prices @2%	1.033	
Collection Fund Surplus	(0.859)	
Reduction in contingency	(2.740)	
Pension Fund Past Service deficiency - increase from 12 years to 15 years	(1.020)	
Use of Reserves - VAT	(0.724)	
Use of Reserves - Section 117	(0.100)	
Grants rolled in to formula grant	9.103	
Grants top-sliced by Government to fund new initiatives	0.543	
Savings Proposals 2011/12	(14.054)	
Growth Proposals 2011/12	3.352	
Grants rolled in to formula grant	(9.103)	
Reduction in Government Grant	10.219	
Adjustment re: Council Tax Base	0.140	
Council Tax Freeze Grant	(2.060)	
Service Departments share of Government Grant cuts	(1.274)	
Adjustment in Council Tax to ensure no increase in average charge	0.008	
Change in levies	(0.050)	
Reduction in Single Status provision	(0.066)	
Use of 2010/11 underspend	(4.252)	
		(13.715)
Balanced Budget		0.000

**STATEMENT OF COUNCIL TAX REQUIREMENTS AND BALANCES**

	ORIGINAL BUDGET 2009/10	ORIGINAL BUDGET 2010/11	ORIGINAL BUDGET 2011/12	2009/10 Band D Council Tax Equivalent	2010/11 Band D Council Tax Equivalent	2011/12 Band D Council Tax Equivalent
	£m	£m	£m	£	£	£
<b>Merton</b>						
Net Cost of General Fund Services	147.185	148.599	148.399	2,015.49	2,001.34	1,992.31
Contingency	2.000	2.900	1.820	27.39	39.06	24.43
	149.185	151.499	150.219	2,042.88	2,040.39	2,016.75
<b>Levies</b>						
Lee Valley	0.225	0.227	0.220	3.08	3.06	2.95
London Pensions Fund	0.296	0.283	0.254	4.05	3.81	3.41
Environment Agency	0.146	0.148	0.146	2.00	1.99	1.96
Total Levies	0.667	0.658	0.620	9.13	8.86	8.32
<b>TOTAL BUDGET (before balances, etc adjustment)</b>	<b>149.852</b>	<b>152.157</b>	<b>150.839</b>	<b>2,052.01</b>	<b>2,049.25</b>	<b>2,025.07</b>
<b>Provisions, Contributions and Balances</b>						
Contribution to/(from) General Fund Balances	0.000	0.000	0.000	0.00	0.00	0.00
<b>TOTAL BUDGET REQUIREMENT</b>	<b>149.852</b>	<b>152.157</b>	<b>150.839</b>	<b>2,052.01</b>	<b>2,049.25</b>	<b>2,025.07</b>
<b>Less: Central Government Support</b>						
Government (Formula) Grant:						
Revenue Support Grant	(12.518)	(8.588)	(15.730)	(171.42)	(115.66)	(211.17)
National Non-Domestic Rates	(54.233)	(59.145)	(50.888)	(742.64)	(796.56)	(683.19)
Total Government (Formula) Grant:	(66.751)	(67.733)	(66.617)	(914.06)	(912.23)	(894.36)
Contribution to/(from) Collection Fund	(1.400)	(2.519)	(2.065)	(19.17)	(33.93)	(27.72)
<b>Council Tax Requirement</b>						
Merton - General	81.701	81.905	82.157	1,118.78	1,103.10	1,102.99
<b>Merton - COUNCIL TAX FUNDING REQUIREMENT</b>	<b>81.701</b>	<b>81.905</b>	<b>82.157</b>	<b>1,118.78</b>	<b>1,103.10</b>	<b>1,102.99</b>
<b>Greater London Authority Precept</b>						
Metropolitan Police Authority	16.383	16.657	16.979	227.02	224.34	227.95
London Fire and Emergency Planning Authority	3.900	3.966	3.888	50.46	53.41	52.20
Other Services	2.342	2.381	2.210	32.34	32.07	29.67
<b>Greater London Authority Precept</b>	<b>22.625</b>	<b>23.004</b>	<b>23.077</b>	<b>309.82</b>	<b>309.82</b>	<b>309.82</b>
<b>TOTAL COUNCIL TAX REQUIREMENT</b>	<b>104.326</b>	<b>104.909</b>	<b>105.234</b>	<b>1,428.60</b>	<b>1,412.92</b>	<b>1,412.81</b>

**APPENDIX 13(b)**

**Current 2011/12 to 2014/15 Budget Forecast**

Note: the figures on this page analyse the budgets for 2010/11 to 2013/14 which are the opening base budgets for 2011/12 to 2014/15

<b>SUMMARY</b>	<b>General Fund</b>	<b>General Fund</b>	<b>General Fund</b>	<b>General Fund</b>
<b>FORECAST OF EXPENDITURE</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
	£m	£m	£m	£m
<b>Gross Revenue Expenditure Budget b/f:</b>				
Employees	93.140	85.401	85.733	86.613
Premises	6.937	7.005	7.097	7.188
Transport	11.681	11.898	12.284	12.585
Supplies and Services	140.400	138.099	139.207	141.247
Third Party Payments	86.609	86.791	92.290	94.224
Transfer Payments	101.477	103.541	103.541	103.541
Support Services	31.858	31.858	31.858	31.858
Depreciation and Impairment Losses	8.476	8.476	10.977	12.795
Corporate expenditure	29.368	30.144	35.076	35.076
Cumulative Savings for a balanced budget	0.000	0.000	(19.974)	(32.387)
<b>Gross Revenue Expenditure Budget b/f:</b>	<b>509.946</b>	<b>503.213</b>	<b>498.089</b>	<b>492.740</b>
<b>Gross Revenue Income Budget b/f:</b>				
Government Grants (exc. ABG)	(238.238)	(243.024)	(245.088)	(245.088)
Area Based Grants (ABG)	(10.443)	0.000	0.000	0.000
Other reimbursements and Contributions	(20.792)	(14.139)	(14.139)	(14.139)
Customer and Client Receipts	(45.977)	(46.968)	(47.021)	(47.051)
Interest	(0.097)	(0.097)	(0.097)	(0.097)
Recharges	(32.161)	(32.166)	(32.166)	(32.166)
Reserves	0.058	0.295	0.295	0.295
WPCC Levy	(0.258)	(0.267)	(0.267)	(0.267)
Increase in Levies	0.000	0.000	0.013	0.027
Corporate income (exc. Collection Fund)	(9.881)	(16.009)	(16.009)	(16.009)
Corporate income - Collection Fund	(2.519)	(2.064)	(1.232)	(1.232)
<b>Gross Revenue Income Budget b/f:</b>	<b>(360.308)</b>	<b>(354.439)</b>	<b>(355.711)</b>	<b>(355.727)</b>
<b>Net Revenue Budget b/f exc. Grant income</b>	<b>149.638</b>	<b>148.774</b>	<b>142.378</b>	<b>137.013</b>

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APPENDIX 13(b)

<b>SUMMARY</b>	<b>General Fund</b>	<b>General Fund</b>	<b>General Fund</b>	<b>General Fund</b>
<b>FORECAST OF EXPENDITURE</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	£m	£m	£m	£m
<b>Net Revenue Budget b/f exc. Grant income</b>	<b>149.638</b>	<b>148.774</b>	<b>142.378</b>	<b>137.013</b>
Less: Levies	(0.658)	(0.621)	(0.633)	(0.646)
Net Revenue Budget brought forward excluding Levies	148.980	148.153	141.745	136.367
Technical and Corporate Adjustments (exc. reductions in grants)	11.661	14.114	7.049	5.650
<b>Total: Budget Requirement excluding Savings, Growth and levies</b>	<b>160.541</b>	<b>162.267</b>	<b>148.794</b>	<b>142.017</b>
<b>Add: Levies</b>	<b>0.621</b>	<b>0.633</b>	<b>0.646</b>	<b>0.659</b>
<b>Total: Budget Requirement exc. Savings/Growth inc.levies</b>	<b>161.262</b>	<b>162.900</b>	<b>149.440</b>	<b>142.676</b>
Full Year Effect of Savings b/f	0.283	(0.167)	0.000	0.000
Full Year Effect of Growth b/f	1.265	2.610	0.000	0.000
SAVINGS 2011/12	(14.054)	(0.190)	(0.015)	0.000
GROWTH 2011/12	3.352	0.089	0.000	0.000
Council Tax Freeze Grant	(2.060)	(2.060)	0.000	0.000
Departments share of rolled-in grants	(1.274)	(0.830)	0.000	0.000
<b>Total: Budget Requirement including Savings, Growth and levies</b>	<b>148.774</b>	<b>162.352</b>	<b>149.425</b>	<b>142.677</b>
<b>Funded by:</b>	£m	£m	£m	£m
Formula Grant	66.617	59.961	54.336	46.836
Council Tax (Assumes 0% increase but annual yield increase from Council Tax Base of £0.260m p.a.)	82.157	82.417	82.677	82.937
<b>TOTAL FUNDING</b>	<b>148.774</b>	<b>142.378</b>	<b>137.013</b>	<b>129.773</b>
<b>GAP</b>	<b>0.000</b>	<b>19.974</b>	<b>12.412</b>	<b>12.904</b>
				<b>£45.290m</b>

Name of Reserve	Opening balance 01/04/10	Expected additions/ (withdrawals) 2010/11	Closing balance 31/03/11	Expected additions/ (withdrawals) 2011/12	Closing balance 31/03/12	Reason/ Purpose for which the reserve is held
	£000	£000	£000	£000	£000	
<b>SCHOOLS RESERVES</b>						
DSG Reserve	616	565	1,181	(600)	581	Required to help cushion the pressures on the retained budget in 2011-12 onwards
Schools' PFI Balance – unapplied PFI credits	4,138		4,138		4,138	
Schools Single Status	304	(304)	0	0	0	Final payment made to Wimbledon College this financial year, balance transferred to the DSG Reserve
Permanently excluded pupils	32	(32)	0	0	0	Balance transferred to the school reserve
Schools Reserve	523	82	605	(300)	305	Money will be used to cushion the reduction in grant funding for education services and implement the changes required by the Munro Review
Sixth Form Reserve	531	(410)	121	(121)	0	Balance required to support the introduction of 6th Forms to 4 secondary schools in the borough - required over two financial years.
Schools Delegated Balances	4,171	(1,371)	2,800	0	2,800	LA Contribution to Match Fund Standards Fund
Contribution to Schools Standards Fund						
Sixth Form Reserve	531	(410)	121	(121)	0	Balance required to support the introduction of 6th Forms to 4 secondary schools in the borough - required over two financial years.
General Fund Earmarked for Schools	6,111		6,111		6,111	
<b>TOTAL: SCHOOLS RESERVES</b>	<b>16,957</b>	<b>(1,880)</b>	<b>15,077</b>	<b>(1,142)</b>	<b>13,935</b>	



Name of Reserve	Opening balance 01/04/10	Expected additions/ (withdrawals) 2010/11	Closing balance 31/03/11	Expected additions/ (withdrawals) 2011/12	Closing balance 31/03/12	Reason/ Purpose for which the reserve is held
<b>RESERVES HELD BY NON-SCHOOL SERVICES &gt; £100k</b>						
Transformation / Outstanding Council Programme Board	3,460	-3,460	0	0	0	Reserve for efficiency transformation of the Council
Insurance Reserve	2,785	0	2,785	?	2,785	To fund any additional claims liability arising under self funding
Revenue Fund for Capital	2,453	1,822	4,275	-1,560	2,715	To meet ongoing capital commitments as reported to budget Scrutiny February 2010
VAT Refund	1,752	-1,016	736	-724	12	VAT refund set aside to support GF budget for 2010/11 only
Local Authority Business Growth Incentive Scheme	863	-659	204	?	204	Reserve set aside for future use for use in conjunction with Merton Economic Development Strategy (EDS)
Community Care Reserve	576	-193	383	?	383	
Business Investment Fund	340	?	340	?	340	Fund for long term loans to businesses, linked to EDS
Waste and recycling reserve	225	0	225	-225	0	Transfer re Waste Performance efficiency grant part of a Local Area Agreement
E&R Partnerships	195	0	195	0	195	To fund additional liabilities arising from South London Waste Partnership procurement costs
Repairs Fund	171	0	171	?	171	To fund any unexpected and unfunded repair and/or maintenance expenditure to Council buildings
Chief Executive's Reserves	138	-92	46	-46	0	
Audit and Support Reserve	136	-122	14	-14	0	
Local Land Charges Reserve	102	0	102	?	102	
Section 117	100	0	100	-100	0	Reserve set aside for restitution of charges under Mental Health Act 1983
General Fund balance	10,649	-384	10,265	0	10,265	The General Fund balance, incorporating the Area Bases Grant, can be seen as the authority's working balance.

Name of Reserve	Opening balance 01/04/10	Expected additions/ (withdrawals) 2010/11	Closing balance 31/03/11	Expected additions/ (withdrawals) 2011/12	Closing balance 31/03/12	Reason/ Purpose for which the reserve is held
HRA balance	4,656	?	4,656	?	4,656	HRA working balance
Collection Fund	4,701	-2341	2,360	-1859	501	Statutory Fund which accounts for income from Council Tax and NDR on behalf of the Council and GLA.
<b><u>TOTAL: RESERVES HELD BY NON-SCHOOL SERVICES&gt; £100k</u></b>	<b>33,302</b>	<b>-6,445</b>	<b>26,857</b>	<b>-4,528</b>	<b>22,329</b>	
<b>TOTAL: RESERVES HELD BY NON-SCHOOL SERVICES&lt; £100k</b>	<b>289</b>		<b>289</b>		<b>289</b>	
<b>TOTAL: RESERVES HELD BY NON-SCHOOL SERVICES</b>	<b>33,591</b>	<b>-6,445</b>	<b>27,146</b>	<b>-4,528</b>	<b>22,618</b>	
<b>TOTAL: RESERVES</b>	<b>50,548</b>	<b>-8,325</b>	<b>42,223</b>	<b>-5,670</b>	<b>36,553</b>	

## SCENARIO ANALYSES

## 1. Price Inflation for Service Departments:

The inflation rate assumptions we have used in the scenario analysis are as follows:

**Latest: Source (HM Treasury: Independent Forecasts December 2010)**

CPI		2011/12	2012/13	2013/14	2014/15
MTFS		2.0%	1.5%	1.5%	1.5%
Likely		3.0%	2.0%	2.0%	2.0%
Best case		2.4%	1.5%	1.5%	1.5%
Worst case		4.1%	3.5%	3.5%	3.5%

The above rates have been used to model the impact on the MTFS of price inflation for service expenditure. The projections in monetary terms are exclusive of pay inflation which is treated in a separate scenario.

**Price Inflation Projections in Monetary Terms (BASED ON CPI)**

		2011/12	2012/13	2013/14	2014/15
Current MTFS		+£3.149	+£2.362	+£2.362	+£2.362
Likely Prices +/-		+£1.575	+£0.787	+£0.787	+£0.787
Best Prices +/-		+£0.630	-	-	-
Worst Prices +/-		+£3.306	+£3.149	+£3.149	+£3.149

0.5% change in prices equates to £0.787m

For 2011/12, recent information on price inflation indicates that CPI is likely to be 3.0% rather than 2.0% as forecast in the MTFS. Provision has been made, however, in the MTFS for inflation greater than 1.5% for a number of demand-led budgets, a total of £1.349m for each year of the plan. In addition there is a corporate contingency of £1.8m, which should therefore provide adequate cover for potential likely inflation in excess of 2% during 2011/12.

**2. Pay Inflation:**

The assumptions about pay inflation we have used in the scenario analysis are as follows:

Government: Pay Freeze for 2011/12 and 2012/13

Union Pay Claim: 2011/12 - Pay claim lodged with employers of at least £250 on all salaries and spinal column points for 2011/12. Equivalent to 1.2%

MTFS: 0.5% in 2011/12, 2012/13; 1% in 2013/14, 2014/15

**Latest Forecast**

		2011/12	2012/13	2013/14	2014/15
MTFS		0.5%	0.5%	1%	1%
Likely		0.5%	0.5%	2.0%	2.0%
Best case		0.0%	0.0%	1.5%	1.5%
Worst case		1.2%	2.0%	3.5%	3.5%

0.5% change in Pay equates to £0.428m

**Pay Inflation Projections in Monetary Terms**

		2011/12	2012/13	2013/14	2014/15
Current MTFS		+£0.428m	+£0.428m	+£0.856m	+£0.856m
Likely +/-		-	-	+£0.856m	+£0.856m
Best +/-		-£0.428m	-£0.428m	+£0.428m	+£0.428m
Worst +/-		+£0.599m	+£1.284m	+£2.140m	+£2.140m

**3. Capital Slippage:**

Projected capital financing costs are based on the draft capital programme and estimated revenue funding is built into the MTFS based on an expected level of borrowing. Where capital expenditure is less than budget due to greater than budgeted slippage, lower interest costs on borrowing as well as the Minimum Revenue Provision (“MRP”) will result in a reduction in the charge on the general fund revenue account.

The MTFS is currently based on an estimated 10% slippage in the Council’s capital programme. The scenario analysis below models slippage of 5%, 10% and 20% with interest rates at 5% to assess the revenue impact (costs of borrowing and MRP) on the MTFS.

**Capital Slippage: Scenario Assumptions**

		2011/12	2012/13	2013/14	2014/15
MTFS		10%	10%	10%	10%
Likely		10%	10%	10%	10%
Best case		20%	20%	20%	20%
Worst case		5%	5%	5%	5%

**Capital Slippage Projections in Monetary Terms**

		2011/12	2012/13	2013/14	2014/15
Current MTFS		-£2.610m	-£0.997m	+£0.712m	+£0.744m
Likely +/-		-	-	-	-
Best +/-		-£0.134m	-£0.503m	-£0.447m	-£0.180m
Worst +/-		+£0.081m	+£0.250m	+£0.223m	+£0.110m

**4. Interest Rates:**

**Investment Income**

**i) Variable Interest rate**

This scenario analysis looks at the effect of changes in interest rates on investment income.

The Council has budgeted income from its short term investment portfolio of 0.5%. To model the various scenarios, a range of interest rates has been used going forward. Although the current level of interest rates are some of the lowest in history, there is no consensus regarding their projected movements and therefore a range has been used for the three different scenarios.

		2011/12	2012/13	2013/14	2014/15
MTFS		0.5%	0.5%	0.5%	0.5%
Likely		0.5%	1.5%	2.0%	2.0%
Best case		2.0%	2.5%	3.0%	3.5%
Worst case		0.5%	0.5%	0.5%	0.5%

**Interest Rate Changes in Monetary Terms**

		2011/12	2012/13	2013/14	2014/15
Current MTFS		-£0.291m	-£0.338m	-£0.338m	-£0.338m
Likely +/-		-	-£0.675m	-£1.012m	-£1.012m
Best +/-		-£0.873m	-£1.350m	-£1.687m	-£2.025m
Worst +/-		-	-	-	-

## ii) Variable Volume of Investments

This scenario analysis looks at the effect of changes in the volume of investments on investment income, assuming that the interest rate remains at 0.5% as forecast over the MTFS period.

		2011/12	2012/13	2013/14	2014/15
		£m	£m	£m	£m
MTFS		58.2	67.5	67.5	67.5
Likely		58.2	67.5	67.5	67.5
Best case		90.0	90.0	90.0	90.0
Worst case		40.0	40.0	40.0	40.0

### Impact of Volume Changes in Monetary Terms

		2011/12	2012/13	2013/14	2014/15
Current MTFS		-£0.291m	-£0.338m	-£0.338m	-£0.338m
Likely +/-		-	-	-	-
Best +/-		-£0.159m	-£0.113m	-£0.113m	-£0.113m
Worst +/-		+£0.091m	+£0.138m	+£0.138m	+£0.138m

## New Borrowing

This scenario analysis looks at the effect of changes in interest rates on new borrowing used to fund the Capital Programme. The analysis looks at what the effects would be of a 1% variation in interest rates from the current MTFS, which assumes an interest rate of 5% for new borrowing.

		2011/12	2012/13	2013/14	2014/15
MTFS		5%	5%	5%	5%
Likely		5%	5%	5%	5%
Best case		4%	4%	4%	4%
Worst case		6%	6%	7%	7%

The impact on the MTFS in monetary terms is shown in the table below. This scenario analysis assumes capital slippage of 10% as in the MTFS. The likely scenario is therefore the same as the likely scenario for capital slippage above, an assumed interest rate of 5% and 10% capital slippage. The best and worst case scenarios model the impact on 10% capital slippage of 4% and 6% interest rates for new borrowing respectively. Negative figures indicate a reduction in borrowing costs compared to the Capital Programme.

## Interest Rate Changes in Monetary Terms

		2011/12	2012/13	2013/14	2014/15
Current MTFS		-£2.610m	-£0.997m	+£0.712m	+£0.744m
Likely +/-		-	-	-	-
Best +/-		-£0.425m	-£0.966m	-£1.210m	-£1.294m
Worst +/-		+£0.424m	+£0.970m	+£1.299m	+£1.424m



## 5. Parking Income:

Scenario analysis of this income stream has been constructed using the following increases/decreases to budgeted income in the MTFS.

### Changes in Parking Services Income

		2011/12	2012/13	2013/14	2014/15
Likely		0%	0%	0%	0%
Best case		0%	5%	5%	5%
Worst case		-12.67%	-5%	-5%	-5%

A growth bid of £1.5m has been included in the MTFS for 2011/12 to address the estimated shortfall for 2010-11 in income budgets for Parking, Building Control and Development Control. The likely case scenario assumes that the rebased budget is achievable and that parking income will therefore be as forecast in the MTFS.

The worst case scenario assumes that parking income will be equivalent to the 2010/11 shortfall of £1.1m, or a 12.67% reduction in Parking Services income compared to budget, with reductions of 5% for the following years. Meanwhile the best case scenario models a 0% increase for 2011 and increases of 5% in Parking Services income compared to budget for the period 2012/13 to 2014/15.

### Monetary Impact of Changes in Parking Services

		2011/12	2012/13	2013/14	2014/15
Likely +/-		-	-	-	-
Best +/-		-	-£0.466m	-£0.466m	-£0.466m
Worst +/-		+£1.182m	+£0.466m	+£0.466m	+£0.466m

## 6. Demand-led Budgets

Scenario analysis of demand-led services has been undertaken to model the cost pressures exerted by these services on the MTFS. The analysis has focused on the budgets for Adult Social Care (ASC) placements and Looked After Children (LAC).

## Adult Social Care

The scenario analysis for ASC placements is constructed from the 2011/12 budget which includes a 3% contingency to address fluctuations in demand. The analysis models fluctuation in demand equivalent to a 3% contingency in the case of a likely scenario, 1% for best case and 5% for worst case.

### Changes in ASC Placements

		2011/12	2012/13	2013/14	2014/15
MTFS		3%	3%	3%	3%
Likely		3%	3%	3%	3%
Best case		1%	1%	1%	1%
Worst case		5%	5%	5%	5%

### Monetary Impact of Changes in ASC Placements

		2011/12	2012/13	2013/14	2014/15
Current MTFS		+£1.168M	+£1.168M	+£1.168M	+£1.168M
Likely +/-		-	-	-	-
Best +/-		-£0.779m	-£0.779m	-£0.779m	-£0.779m
Worst +/-		+£0.779m	+£0.779m	+£0.779m	+£0.779m

## Looked After Children

Demographic trends forecast significant growth in the demand for LAC placements over the next three years. CSF staff have drawn up projections of LAC placements based on the trends and these projections are the basis of the scenario analysis for LAC cost pressures on the MTFS.

The LAC budget covers a small number of high cost placements, with average costs for different categories of placement varying from £18K per annum to £286K per annum. Budget variances therefore remain sensitive to minor changes in placements, given the small number of overall placements in the LAC budget (approximately 150 compared to 2,600 in the ASC budget); for example a single placement costing £286K is equivalent to 4.3% of the 2011/12 budget. The scenario analysis below reflects this sensitivity to changes in placements, showing high percentage variances with budget for likely and worst case scenarios. Projections have not been carried out by CSF for 2014/15.

**Changes in LAC Placements**

		2011/12	2012/13	2013/14	2014/15
MTFS		0.00%	0.00%	0.00%	0.00%
Likely		0.00%	19.65%	24.94%	0.00%
Best case		-3.38%	3.29%	6.50%	0.00%
Worst case		7.77%	27.99%	30.98%	0.00%

**Monetary Impact of Changes in LAC Placements**

		2011/12	2012/13	2013/14	2014/15
Current MTFS		-	-	-	-
Likely +/-		-	+£1.295m	+£1.644m	-
Best +/-		-£0.223m	+£0.217m	+£0.429m	-
Worst +/-		+£0.512m	+£1.854m	+£2.041m	-

**7. Council Tax Income**

Scenario analysis of Council Tax income has been undertaken to show the effect of an increase in line with the increase in CPI and RPI from 2012/13 onwards. For 2011/12 it is assumed that the Council will freeze its Council Tax charge in order to benefit from the Council Tax Freeze Grant of 2.060m.

**CPI rates**

		2011/12	2012/13	2013/14	2014/15
Likely		0.0%	2.0%	2.0%	2.0%
Best case		0.0%	1.5%	1.5%	1.5%
Worst case		0.0%	3.5%	3.5%	3.5%

**Monetary Impact of increase in Council Tax charges at CPI**

		2011/12	2012/13	2013/14	2014/15
Council Tax Yield - Current MTFS		-£82.165m	-£82.565m	-£82.565m	-£82.565m
Likely +/-		0.000	-£1.651m	-£3.336m	-£5.054m
Best +/-		0.000	-£2.890m	-£5.881m	-£8.976m
Worst +/-		0.000	-£1.238m	-£2.496m	-£3.771m

The monetary impact on Council Tax yield of increases at CPI is shown above. This assumes the Council Tax base for the period to be as shown below. The Council Tax base is the number of residential properties in the borough adjusted to the Band D equivalent. The charges at Band D resulting from the increase in CPI are also shown below.

**Council Tax Increase Band D Scenarios for increase at RPI**

The above set of tables for the scenario analysis of Council Tax increase at RPI are shown below.

**RPI rates**

		2011/12	2012/13	2013/14	2014/15
Likely		0.0%	3.0%	3.0%	3.0%
Best case		0.0%	2.4%	2.0%	2.0%
Worst case		0.0%	4.6%	4.0%	4.0%

**Monetary Impact of increase in Council Tax charges at RPI**

		2011/12	2012/13	2013/14	2014/15
Council Tax Yield - Current MTFS		-£82.165m	-£82.565m	-£82.565m	-£82.565m
Likely +/-		0.000	-£2.477m	-£5.028m	-£7.656m
Best +/-		0.000	-£3.798m	-£7.253m	-£10.845m
Worst +/-		0.000	-£1.982m	-£3.672m	-£5.397m

## SUMMARY

2011/12:

	Likely £m	Best £m	Worst £m
Price Inflation - CPI	1.575	0.630	3.306
Pay Inflation	0.000	-0.428	0.599
Capital Slippage	0.000	-0.134	0.081
Investment Income – interest rates	0.000	-0.873	0.000
Investment Income - volume	0.000	-0.159	0.091
New Borrowing – Interest Rates	0.000	-0.425	0.424
Parking Income	0.000	0.000	1.182
Adult Social Care - Placements	0.000	-0.779	0.779
Looked After Children - Placements	0.000	-0.223	0.512
Council Tax Income - CPI	0.000	0.000	0.000
Council Tax Income - RPI	0.000	0.000	0.000

## APPENDIX 15

2012/13:

		Likely £m	Best £m	Worst £m
Price Inflation - CPI		0.787	0.000	3.149
Pay Inflation		0.000	-0.428	1.284
Capital Slippage		0.000	-0.503	0.250
Investment Income – interest rates		-0.675	-1.350	0.000
Investment Income - volume		0.000	-0.113	0.138
New Borrowing – Interest Rates		0.000	-0.966	0.970
Parking Income		0.000	-0.466	0.466
Adult Social Care - Placements		0.000	-0.779	0.779
Looked After Children - Placements		1.295	0.217	1.854
Council Tax Income - CPI		-1.651	-2.890	-1.238
Council Tax Income - RPI		-2.477	-3.798	-1.982

## APPENDIX 15

2013/14:

		Likely £m	Best £m	Worst £m
Price Inflation - CPI		0.787	0.000	3.149
Pay Inflation		0.856	0.428	2.140
Capital Slippage		0.000	-0.447	0.223
Investment Income – interest rates		-1.012	-1.687	0.000
Investment Income - volume		0.000	-0.113	0.138
New Borrowing – Interest Rates		0.000	-1.210	1.299
Parking Income		0.000	-0.466	0.466
Adult Social Care - Placements		0.000	-0.779	0.779
Looked After Children - Placements		1.664	0.429	2.041
Council Tax Income - CPI		-3.336	-5.881	-2.496
Council Tax Income - RPI		-5.028	-7.253	-3.672



## APPENDIX 15

2014/15:

	Likely £m	Best £m	Worst £m
Price Inflation - CPI	0.787	0.000	3.149
Pay Inflation	0.856	0.428	2.140
Capital Slippage	0.000	-0.180	0.110
Investment Income – interest rates	-1.012	-2.025	0.000
Investment Income - volume	0.000	-0.113	0.138
New Borrowing – Interest Rates	0.000	-1.294	1.424
Parking Income	0.000	-0.466	0.466
Adult Social Care - Placements	0.000	-0.779	0.779
Looked After Children - Placements	0.000	0.000	0.000
Council Tax Income - CPI	-5.054	-8.976	-3.771
Council Tax Income - RPI	-7.656	-10.845	-5.397

## SECTION 2:

### SCHOOLS BUDGETS: FUNDED BY DEDICATED SCHOOLS GRANT

#### 1. Introduction

- 1.1 In 2010/11, the original budget for the Children, Schools and Families Department (CSFD) was based on gross revenue expenditure of £175 million. This expenditure is to be funded as follows:

	£ million
Specific/Revenue Grants*	137.0
Revenue Support Grant (RSG)	36.2
Client Income	2.0
	-----
Total Income	175.2

\* Comprises 95 Individual Grants including PFI.

- 1.2 The Department for Education (DfE) is making significant changes to the grant funding regime which will impact significantly on the operation of the CSFD. This will result in the current complex grant regime being reduced to four main grants, this is summarised in the table below:

Grant	2010-11 £M	Reduction £M	2011-12 £M
RSG (5 Grants)	36.22	(0.15)	36.07
Dedicated Schools Grant (17 Grants)	120.59	0	120.59
Early Intervention & Prevention (22 Grants)	8.31	(0.71)	7.60
Young Peoples Learning Agency (4 Grants)	4.45	*	4.45
Grants Ending (31 Grants)	2.51	(2.51)	0
Outstanding Grants (16 Grants)	1.08	*	1.08
Total	173.16	(3.37)	169.79

\* Funding Information awaited from Central Government

- 1.3 Non-Dedicated Schools Grant: Officers are currently working through the impact of these funding changes and are compiling budgets based on delivering core statutory services. The Early Intervention and Prevention Grant comprises key children's services such as Early Years and Respite Support for Disabled Children, unringfencing this grant allows local discretion in its deployment on services.
- 1.4 Dedicated Schools Grant (DSG): The DSG is triggered based on the numbers of pupils registered as part of the annual January census. In 2010-11 Merton triggered £4,801.35 for each pupil registered. The additional grants have increased this per pupil funding by £623.22 to £5,424.57. Central Government have protected schools funding maintaining funding levels from 2010-11 to 2011-12. Merton faces acute pressures on its DSG through the time lag in funding growing pupil numbers which is not triggered until 7 months after pupils attend school. In addition, it is envisaged that once the minimum funding guarantee has been met in respect of schools funding there will be little or no money available to meet Special Educational Need pressures.

## SECTION 2:

Given the loss of central education grants officers will work in partnership with the schools Forum to see whether there is any capacity to use elements of school related grants to support our capacity to support core school improvement and narrowing the gap work.

### 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 2011-2012. 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.
- 2.2 Although schools Funding has been protected, schools will face considerable financial pressure from the following:

### 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 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 2013/14.

### 4. **Minimum Funding Guarantee**

- 4.1 The DCSF has specified a Minimum Funding Guarantee of (1.5%) for 2011/12 (this was +2.1% per pupil for 2008-2011) local authorities must ensure that each school receives this level of funding. Local Authorities are provided with a detailed formula to calculate this funding, Secretary of State approval will now be needed for most local adjustments to this formula. Merton will be seeking this approval with the agreement of it's Schools Forum as it wishes to exclude certain grants from the calculation to maximise flexibility next financial year.

## SECTION 2:

### 5. **Schools Census**

- 5.1 The schools census took place in January 2011 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 31<sup>st</sup> March 2010. The introduction of the Early Years Single Funding Formula for schools and the private, Voluntary and Independent sectors will result in adjustments to nursery funding each term.

### 6. **Financial Standards**

- 6.1 Schools are subject to periodic Internal Audit review to ensure the accounting procedures adopted by the school meet the required standard. At year end schools financial information is consolidated into Merton's financial statements and audited as part of the our annual audit. (on The Right Track 3 provides guidance for schools procedures)

## SECTION 3:

### THE CAPITAL PROGRAMME AND THE CAPITAL STRATEGY

#### 1. Background and development of the Capital Programme

- 1.1 The Capital Programme for 2011/2012 and three subsequent years is an integral part of the overall Financial and Service Plans that form the basis of setting the council tax for 2011-2012.
- 1.2 The report sets out an update on the capital programme for 2010/11, taking into account the original approved programme and agreed amendments, 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 2011-2015 is aligned and integrated with the Business Plan for the period 2011-2015.
- 1.4 The draft Capital Programme 2010-2015 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 9 February 2011. Details of feedback from this process and the cabinet's proposed response are set out in Appendix 2.

#### 2. Capital Programme 2010/11

- 2.1 The original programme as agreed by council on 3 March 2010 is set out in the table below, together with the updated position.

	<b>Original 2010/11 £000</b>	<b>Current 2010/11 £000</b>
Corporate Services	7,278	8,495
Children, Schools and Families	32,199	37,065
Environment and Regeneration	13,702	16,775
Community and Housing	637	4,336
<b>Total Capital Expenditure</b>	<b>53,816</b>	<b>66,671</b>

Source: Capital Strategy 2010-13

- 2.2 With the agreed slippage from 2009/10 and additional external funding for schemes in 2010/11, the programme in 2010/11 has increased to £66.671m. The 2010/11 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. A review

was undertaken mid financial year, which resulted in a number of schemes being re-profiled to future years.

2.3 The Capital Programme 2010-13 has been reviewed and rolled forward to include 2013/14 and 2014/15 which is aligned to the Medium Term Financial Strategy 2011-2015.

2.4 There are a number of significant spending needs for departments:-

#### Children, Schools and Families (CSF)

As previously reported, the major item for the authority in the overall Capital Programme is the issue of addressing increasing pupil numbers. This item accounts for the majority of the increases in Children, Schools and Families of :-

- 2011/12 £1.6m
- 2012/13 £22.1m
- 2013/14 £10.9m
- 2014/15 £2.9m

#### Departments other than CSF

Other departments' increases in these years are:

- 2011/12 £4.6m
- 2012/13 £2.8m
- 2013/14 £2.2m
- 2014/15 £0.4m

#### Environment and Regeneration

Other than the major grant funded schemes such as TFL and Disabled Facilities grants and the established major ongoing programmes for Highway and Footway maintenance, there are substantial schemes in 2011/12 for Transport enhancements in the boroughs town centres (£5.000m) and Waste Collection vehicles (£2.899m). One of the new significant items in the programme for 2011/12 is the Street Lighting Energy Reduction programme (£0.400m) taking forward Merton's green agenda.

#### Corporate Services

The most significant item for this department is the authority's investment in its Transformation Programme (£2.415m). This is essential work aimed at transforming Merton Council to make it a leaner and more effective organisation by the use of efficient information technology.

2.5 Schemes on hold

Savings were identified to fund the wheeled bin schemes. However, the schemes that comprise these savings have not been deleted but put on

hold pending the outcome of the Scrutiny Review. The 2010/11 schemes on hold have been re-profiled into 2011/12. The schemes are listed in Annex 6 to the Capital Strategy 2011-15. It should be noted that the saving for the Street Scenes scheme have been reduced by £150,000 due to a reassessment of requirements in 2010/11.

### **3. Changes from report to Cabinet 17 January 2011**

3.1 There are a number of changes from the draft programme previously reported.

#### **3.2 Civic Centre Windows**

An amount of £1.6m has been re-profiled from 2012/13 to 2013/14 with an additional £1.6m inserted in the programme for 2014/15. The programme for the replacement of the windows in the Civic Centre will now commence in 2013/14 with completion in 2014/15.

#### **3.3 Use of Capital Receipts**

It is current policy that the proceeds from the sale of property are fully directed towards the authority's general pool of capital receipts. This pool of receipts can be used to directly fund capital expenditure or can be used to pay the premiums on the redemption of high fixed interest debt. It is current policy that receipts will be used to pay the premiums on the redemption of high fixed interest debt. The existing pool is £6.4m. This is made up of £5.2m brought forward at 31 March 2010 and £1.2m receipts to date in 2010/11. The draft Capital Programme assumes the continuation of current policy of debt redemption. However, the receipts will only be applied in the year to pay the premiums on the redemption of high fixed interest debt, if the benefit outweighs that derived from the direct funding of capital expenditure. Both options will therefore be kept open in 2011/12.

#### **3.4 Oberon Playing Fields**

The planned expenditure for this project and its funding have not been fully reflected in the previous draft Capital Programmes but are now fully included in this draft Capital Programme. As reported to Cabinet on 8 November 2010, there are a number of external funding streams for this project. The authority's contribution will be by the earmarked use of a capital receipt in respect of a lease for the Oberon Sports Ground. The earmarked capital receipt is included in the grant funding to distinguish it from the general capital receipts pot in 3.3 above. As this scheme is not funded by borrowing, the planned expenditure does not impact on the revenue effects of the Capital Programme. The planned expenditure in future years is as follows:

	2011/12	2012/13
	£k	£k
<b>Actual / Forecast Expenditure</b>	1,278	40

Expenditure to date has been through the Section 106 agreement banked by the Council.

### 3.5 Schools Equipment Loans

One aspect of the International Financial Reporting Standards (IFRS) which comes into effect this financial year, is the more stringent distinction between operating leases and finance leases. Finance leases are now far more effectively circumscribed so that most leases for short life equipment such as computers, photocopiers etc would now be categorised as finance leases, rather than operating leases.

Many of Merton's schools lease equipment. However, from this year in the majority of cases they will be unable to do so as the leases will be classed as finance leases. Schools are not allowed to enter into finance leases because these constitute borrowing under local government finance legislation and schools are not allowed to borrow, except by way of a loan from the local authority.

The problem is further compounded by the reduction in devolved schools capital grant, which in 2011/12 will be a quarter of the level in 2010/11. In order to mitigate this potential problem, it is proposed to allow schools to borrow from the authority and a sum of £0.5m has been added to the draft Capital Programme for this purpose. The details of the scheme, which have not yet been finalised will be considered and agreed with the Schools Forum. The Schools Finance Team will ensure through their monthly monitoring and CFR returns that loans are affordable. Repayments will be effected through the administration of the school advances.

The borrowing for this scheme will be funded by the interest and principal payments made by the schools to the authority. The planned expenditure therefore does not impact on the revenue effects of the Capital Programme.

### 3.6 Transport for London (TFL) grant

The amount of TFL grant previously reported for 2011/12 has increased from £3.516m to £3.790m. In addition, the grant for the following two years is now included in the programme. These amounts are £1.869m and £1.816m in 2012/13 and 2013/14 respectively.

### 3.7 Schools Capital Grant

In the final year of the programme, the estimated schools capital grant has been reduced from £8.500m to the CSF programme budget of £2.920m. This will be subject to ongoing review and will be adjusted in future programmes.



3.8 Haydons Road - Puffin Crossing

An scheme has been added to install a Puffin Crossing at Haydons Road. An amount of £100,000 is in the list of increases in Annex 3 for 2011/12.

3.9 Schemes on Hold - Replacement of Fleet Vehicles

This scheme has been reduced by £100,000. The reduction is noted in Annex 2 and Annex 5.

**4. Capital Resources 2011-2015**

4.1 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 (though government has announced that there will be no more supported borrowing after 2010/11)
- Capital receipts
- Direct revenue contribution

4.2 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.

## Proposed Capital Programme 2011-2015

### 4.3 Earmarked

4.3.1 Schemes included in the proposed Capital Programme funded from earmarked grants, contributions etc and the earmarked capital receipt for Oberon are summarised in the following table:-

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Corporate Services	650			
Children Schools and Families	10,722	8,540	8,500	2,920
Environment and Regeneration Community and Housing	9,718	4,839	1,816	
<b>Total</b>	<b>21,090</b>	<b>13,379</b>	<b>10,316</b>	<b>2,920</b>

4.3.2 Details of these are included in Appendix 16.

4.3.3 Grant funding is subject to revision throughout the year as changes/ new notifications are received.

4.3.4 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.

#### 4.4 Schemes funded from Borrowing

4.4.1 Schemes included in draft capital programme funded from borrowing are summarised in the following table:-

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Corporate Services	7,379	6,180	4,155	3,695
Children Schools and Families	12,625	23,819	2,425	
Environment and Regeneration Community and Housing	22,900 535	23,539 437	8,047 287	8,042 287
Total	43,439	53,975	14,914	12,024

Details of the proposed capital projects in departmental order are included in Appendix 16.

#### 4.5 Summary Proposed Capital Programme 2011 -15

4.5.1 The total proposed Capital Programme 2011-15 (earmarked and borrowing) is summarised in the following table:-

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Corporate Services	8,029	6,180	4,155	3,695
Children Schools and Families	23,347	32,359	10,925	2,920
Environment and Regeneration Community and Housing	32,618 535	28,378 437	9,863 287	8,042 287
Total	64,529	67,354	25,230	14,944

### 5. **Effects on Revenue**

5.1 Based on the capital financing revenue budgets in the MTFs, the draft programme is affordable in the next two financial years (2011/12 and 2012/13) providing the revenue surpluses from 2010/11 and 2011/12 are reinvested. In the final two years of the programme (2013/14 and 2014/15) the capital financing revenue budgets are increasingly in deficit. In the final year of the programme, 2014/15, the increase in deficit appears to be

declining. However, inevitably as time moves on, new schemes will be recognised that need to be addressed in that year, specifically the contract currently being negotiated by the South London Waste Partnership will have an impact in that year, although its significance cannot yet be quantified. The full impact of capital grants are taken account of in the forecast revenue budgets. If a grant is not yet clarified then the capital expenditure in respect of that grant is also excluded, so that the net effect is £nil.

5.2 However, the calculations do not include the use of any capital receipts.

5.3 To eliminate deficits in all of the years of the programme would require either:

- an increase in the revenue budget
- a reduction in the programme

The use of the current pot of capital receipts and any future additional capital receipts will mitigate the deficits. On the other hand, the likely eventual increase in the programme for 2014/15 will increase the deficit for that year.

#### Revenue Effects of Draft Capital Programme

	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	£000	£000	£000	£000
Revenue Effects	17,997	22,110	25,639	26,540
Budget allowed in MTFS	20,607	23,107	24,927	25,796
<b>Surplus</b>	<b>* (2,610)</b>	<b>(997)</b>		
<b>Deficit</b>			<b>712</b>	<b>744</b>

\* Due to slippage in the current programme.

5.4 The rapidly increasing deficit occurs because the main impact of capital spending is in the year following the capital spend. Based on an even capital spend throughout the financial year, in the first year of new capital spend there is only half a year's interest charged to the revenue account, but in subsequent years the full year's impact (a full years interest and principal repayment) take effect. This is effectively a 2.5% charge in the first year and a 10.5% charge in the years thereafter. (10.5% is an average rate and will vary dependent upon asset life, but is based on the average rate in 2009/10)

## 6. Use of Cash Balances and level of Borrowings

- 6.1 It should be noted that borrowing may be either from external sources e.g. banks, or from internal sources e.g. earmarked reserves set aside for a particular liability which is not immediately required such as the Insurance Reserve. This internal borrowing would have to be repaid when the Insurance Reserve balance is used to support revenue items. The repayment would effectively be by external borrowing from the PWLB to replace the internal borrowing. The basis principle is that internal borrowing always eventually becomes external borrowing. Therefore the “Underlying debt” shown in the next table is both internal and external borrowing.
- 6.2 In 2010/11 no external borrowing has been undertaken to date. It is projected that all borrowing in 2010/11 will be internal but that it will be repaid and replaced by external borrowing commencing in 2011/12 and completing in 2012/13.
- 6.3 A requirement of the Local Authority Prudential Code is that financial reports should clearly show the forecast “Underlying debt” of the authority as well as the authority’s external debt. This is because the temporary use of cash balances gives a misleading picture of the liabilities of the authority.
- 6.4 The effect on the authority’s **underlying borrowings** cumulatively of the draft capital programme would be as follows:

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m	£m	£m
<b>Underlying debt B/F</b>		151	182	209	249	255
New borrowing less repayments		31	27	40	6	(1)
<b>Underlying debt C/F</b>	151	182	209	249	255	254

- 6.5 The effect on the authority's **external borrowings** cumulatively of the draft capital programme would be as follows:

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m	£m	£m
<b>External debt B/F</b>		131	131	188	239	247
New borrowing less repayments			57	51	8	
<b>External debt C/F</b>	131	131	188	239	247	247

6.6 **Draft Prudential Indicators**

The Prudential Indicators set out in the Treasury Strategy, look at the impact of the draft capital programme on council tax payers in absolute terms without considering the budgets allowed in the MTFs. Some of the pertinent indicators are set out in the table below. The increase in 2011/12 over 2010/11 is slightly higher than that reported to the previous Cabinet. This is because of the revised lower forecast of 2010/11 due to the fact that it is now projected that all actual borrowing in 2010/11 will be internal.

	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m
Increase in capital financing costs arising from the Capital Programme	4.165	4.113	3.529	0.901
Expressed in terms of:				
Effect on Band D Council Tax (£)	£55.92	£55.22	£47.38	£12.10
Effect on Band D Council Tax (%)	5.07%	5.01%	4.29%	1.10%
% of Council Tax spent on debt servicing	21.90%	26.91%	31.21%	32.30%
% of Revenue Spending Power spent on debt servicing	10.63%	13.69%	15.88%	16.44%

Note: The increase in capital financing costs for 2011/12 set out above is the increase of the projected costs for 2011/12 over the latest estimated costs for 2010/11.

## 7 **Way Forward**

- 7.1 Although the draft capital programme would be affordable for 2011/12 and 2012/13, there will be an increasing problem of rising debt in future years. There will undoubtedly be some capital receipts over the period, the use of which would mitigate the deficits. However, as explained in paragraph 5.1, the likely eventual increase in the programme for 2014/15 will increase the deficit for that year.
- 7.2 The level of capital receipts will be closely monitored and reported. Towards the latter end of 2011/12 there will be a clearer picture on the projection of receipts and a clearer picture on potential new schemes for 2014/15 which will inform the construction of the 2012/16 Capital Strategy. At that point, if the Capital Programme continues to project a deficit for 2013/14 and beyond, then reductions in the programme will need to be contemplated.

## **1 Introduction**

1.1 Merton's Capital Strategy for 2011-2015 has been aligned and integrated with the Business Plan for the period 2011-2015 which has been grouped into six strategic themes:-

- Sustainable Communities;
- Safer and Stronger Communities;
- Healthier Communities;
- Older People;
- Children and Young People;
- Corporate capacity.

## **2 Planning Infrastructure**

### **2.1 Sustainable Community Strategy**

2.1.1 A key driver to Merton's progress is 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.

2.1.2 The Strategy 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 Strategy 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 Strategy. 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, South Thames College, the Merton Borough Interfaith Forum 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 2011-2015**

2.2.1 The Business Plan sets out the council's vision and ambitions for improvement over the next four years and how this will be achieved. Business planning and financial planning frameworks are closely aligned and integrated with regular communication between officers with responsibility for both aspects.



### **2.3 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 Primary Places and Future Strategy, Local Implementation Plan (Transport), and Asset Management Plans. Priorities for the Corporate Services department are based around how the council manages its resources effectively and how it carries out its wider community leadership role.
- 2.3.2 This Capital Strategy is a fundamental component of our approach since it reflects our strategic priorities across the council and endeavours to maximise the contribution of the council's limited capital resources to achieving our vision. We will work closely with residents, community organisations and businesses to focus our resources and those of our partners effectively. The strategy also sets out the management arrangements for allocating resources to individual schemes, establishing funding for projects, monitoring progress, managing performance and ensuring that scarce capital resources are allocated efficiently.

## **3 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. 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:
- 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
- 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 Children Schools and Families Department aims to improve outcomes for children and young people in Merton through commissioning and providing a range of universal, targeted and specialist services. These include:

- early years services in children's centres and settings
- primary, secondary and special schools
- services for pupils with special educational needs
- school admissions, pupil place planning and school capital strategy
- school improvement
- integrated youth services
- social work assessment and casework
- services for looked after children and care leavers
- integrated services for children with disabilities
- commissioning, procurement and contract management
- policy, planning and performance management

3.6.2 The Department leads the local Children's Trust, a partnership of agencies from the statutory, community and voluntary sectors which develops strategy and plans for the delivery of co-ordinated and integrated services for children, young people and families. Many of the council's children's services are provided through this partnership approach with, for example, integrated teams, multi-agency jointly delivered services and some co-location of staff.

3.6.3 The Department has had a significant capital programme in recent years with the development of children's centres; an intergenerational centre; a new school for children with complex needs; new 6th forms in secondary schools and expansions of existing schools to meet the increased demand for primary school places in the borough. This demand continues to rise significantly and meeting this need will be the major element in the

Department's capital strategy in the coming few years. Capital will also be required to fund additional SEN provision; maintain the whole school estate in reasonable condition; support the adaptation of our existing respite unit for children with disabilities to enable a more flexible service to be delivered and support the re-provision of some youth provision.

### **3.7 Corporate Capacity**

3.7.1 Merton aims to ensure that our residents and customers will receive excellent, value for money services. 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.

### **3.8 Other Strategies**

- 3.8.1 In addition, there are other strategies, notably "**Merton 2015**". By 2015 Merton council will be smaller, reducing in size by up to a third. Our top priority will continue to be to provide the best possible quality and safe services to our residents. We must be able to demonstrate that all of our services represent best value for money. Providing value for money services to our residents is at the heart of our business. We aim to do this by finding innovative solutions to maximise future efficiency.
- 3.8.2 To support the drive to Merton 2015, 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;
  - ensure that we balance our budget within an increasingly difficult financial climate and reductions in public sector funding.
- 3.8.3 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.
- 3.8.4 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.

## **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 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, 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 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 2010/11 and will continue to have an effect for 2011/12 and probably the following year. All capital receipts are pooled, unless earmarked by cabinet, and are used either to finance further capital investment or for the payment of premiums on repayment of higher interest loans.

### **4.2 Capital Monitoring**

- 4.2.1 The cabinet approves annually the Capital Programme and any in-year additions or deletions, with further required approvals by council. 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. Monthly challenge meetings for all capital schemes are chaired by the Director of Corporate Services and attended by senior officers from the service areas. Members receive regular monitoring

reports to inform and assist them including a number of individual separate short progress reports on each of the capital schemes which CMT has identified as a significant key project, for example the Highway Maintenance Programme. 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.

### **4.3 Risk Management**

- 4.3.1 The management of risk is strategically driven by the Corporate Risk Management Group. This is the central hub of a number of council mechanisms for risk management including a Corporate Key Strategic Risk Register, departmental risk registers and project risk registers. The group collates on a quarterly basis the headline departmental risks and planned mitigation activity from each department, project and partnership, to be put forward for discussion at CMT. Reports on risk are made through the Audit Committee to cabinet and council.
- 4.3.2 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.
- 4.3.3 The risk of slow progress on all capital schemes is reported by a "traffic light coding" matrix, monitored by the Corporate Management Team and reported to cabinet.
- 4.3.4 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.
- 4.3.5 Over and under-spending is monitored by the Capital Finance Team and reported to the Corporate Management Team, with reports going on to cabinet and the Corporate Capacity Overview and Scrutiny 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. This flexible ability to borrow, coupled with the additional complexities of leasing which have been introduced by the International Financial Reporting Standards (IFRS), means that prudential borrowing 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 and are calculated by the application of the statutory Minimum Revenue Provision. The interest commences immediately the expenditure is incurred. The revenue effects of the capital programme are fully taken account of in the Medium Term Financial Strategy, with appropriate adjustments for slippage, timing of capital payments and the use of internal investment funds. The revenue effects of the capital programme, built into the MTFs as set out in Section 4 of the main report, are set out below:

<b>Revenue effects of Capital Programme</b>				
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Total</b>	<b>17,997</b>	<b>22,110</b>	<b>25,639</b>	<b>26,540</b>

## **6 Capital resources 2011-2015**

### **6.1 Variety of sources**

6.1.1 Capital expenditure is funded from a variety of sources:-

- 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. In order to do this the authority must ensure that the expenditure is prudent, affordable and sustainable. Merton has utilised 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*.

## **7 Asset management review**

### **7.1 Capital receipts**

7.1.1 Capital receipts generated from the disposal of surplus and under-utilised land and property are a major source of funding and the potential available capital resources are under constant review and revision. The forecast of capital receipts included in this report is primarily based on the Asset Management Plan, from which is derived a multi-year forecast of planned land and property disposals. In addition, after the transfer of the housing stock to Merton Priory Homes, the council continues to receive a share of the receipts from Right to Buy applications and, 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.

## 8 Summary of estimated disposals 2011-2015

### 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 2011-2015. Therefore a cautious view has been taken of the potential capital receipts identified through the Asset Management Review (AMR). The following table represents a 'best prudent view' at this time in respect of an anticipated cash flow and therefore future capital receipts have not been assumed as a source of funding for the capital programme at this stage:-

	<b>2011/12</b> <b>£000</b>	<b>2012/13</b> <b>£000</b>	<b>2013/14</b> <b>£000</b>	<b>2014/15</b> <b>£000</b>
<b>Total</b>	2,775	3,000	3,000	3,000

Note a) The above includes RTBs and the VAT shelter  
b) The use of the above amounts would be a full year after the actual receipt.

## 8.2 Debt repayment

8.2.1 The Council has had a strategy to reduce its level of debt. Since 1 April 2008, the average interest payable on outstanding debt has fallen from 6.6% to 6.1%. For the period 2011-2015, capital receipts will continue to be used to pay the premiums on the repayment of those authority debts which have high fixed interest charges, but will also be considered for funding parts of the programme.

## 9 Earmarked capital resources

### 9.1 Specific Programmes

9.1.1 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 **new** Earmarked Capital Resources are as follows:-

### 9.2 Housing

9.2.1 With the transfer of the housing stock to Merton Priory Homes the authority no longer receives a Major Repairs Allowance as the council is no longer responsible for maintaining council housing post transfer.

### 9.3 Environmental and Regeneration

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
TFL - Integrated programme	1,391	1,355	1,302	TBA
TFL - Principal Roads	514	514	514	TBA
TFL - Wimbledon Town Centre	1,885			
Disabled Facilities Grant	444	TBA	TBA	TBA
<b>TOTAL: Environment and Regeneration</b>	<b>4,234</b>	<b>1,869</b>	<b>1,816</b>	<b>TBA</b>

### 9.4 Children, Schools and Families

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Maintenance	2,511	TBA	TBA	
Basic Need	6,087	TBA	TBA	
<b>Total Local Authority Funding Earmarked</b>	<b>8,598</b>			
Devolved Formula Capital Earmarked	364	TBA	TBA	

<b>TOTAL: Children, Schools and Families Earmarked</b>	<b>8,962</b>			
Assumed Maintenance & Basic Need (see note below)		8,500	8,500	2,920

TBA – To Be Advised

Note: Although not formally notified, School capital grants are estimated in the Capital Programme for future years to cover current estimated spend.

## 9.6 Community and Housing

9.6.1 Allocations are expected from the PCT, but this will be to fund additions to the programme.

## 9.7 Summary of earmarked resources 2011/12

9.7.1 The **new** 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 2011/12:-

<b>Earmarked Resources</b>	<b>2011/12 £000</b>	<b>2012/13 £000</b>	<b>2013/14 £000</b>	<b>2014/15 £000</b>
Environment and Regeneration	4,234	1,869	1,816	
Children, Schools and Families	8,962			
<b>Total Earmarked Resources</b>	<b>13,196</b>	<b>1,869</b>	<b>1,816</b>	
Assumed source of funding - CSF		8,500	8,500	2,920

## 10 Summary of Total Resources 2011-2015:

### 10.1 Summary

10.1.1 The total anticipated resources over the plan period 2011-2015, including existing earmarked funding, is summarised in the following table:-

	<b>2011/12 £000</b>	<b>2012/13 £000</b>	<b>2013/14 £000</b>	<b>2014/15 £000</b>
Earmarked Resources Total	21,090	13,379	10,316	2,920
General Fund Borrowing	43,439	53,975	14,914	12,024
<b>Total</b>	<b>64,529</b>	<b>67,354</b>	<b>25,230</b>	<b>14,944</b>

10.1.2 Projects for which earmarked resources have been notified have been given authority to proceed, subject to a detailed specification and

programme of works being agreed which ensures that the maximum benefits accrue to the council within the overall constraints of the approved funding. Those schemes, on their own, represent a considerable capital investment.

## 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 for points marking is as follows:-

<b>Types of expenditure</b>	
1 Is the scheme essential	Yes/No
2.Is the scheme "Invest to Save"	Yes/No
3.Revenue implications of scheme	Points
4.Utilisation of matching grant	Points
5.Members' Priority	Points

11.1.2 Finalisation of the Programme for 2011/12 looked especially at the first priority of 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 4year 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 Sustainable Community Strategy, Business Plan and have a significant impact on Performance Indicators.

## **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 Sustainable Community Strategy. 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 2011/2015**

11.4.1 The detailed approved Capital Programme for 2011-2015 follows together with funding analysis and a list of increases/decreases over the previously published programme.

11.4.2 Annex 1	Summary of Overall Position
Annex 2	Analysis of Funding
Annex 3	List of Increases/Decreases
Annex 4	Detailed Capital Budgets
: Annex 5	List of Savings on Hold

**CAPITAL BUDGETS 2010-2015  
SUMMARY OF OVERALL POSITION**

**CURRENT PROGRAMME PERIOD 2010/13**

Department	New 2010/11 Total budget - after reprofiling	Revised 2011/12		Revised 2011/12		Revised 2012/13		Revised 2012/13		
		£000s	before Changes	Increases/ Decreases	£000s	including Changes	£000s	Including Changes	£000s	including Changes
Corporate Services	8,495	8,438	-	409	8,029	6,180	-	6,180	6,180	
Children, Schools and Families	37,065	21,757	1,590	23,347	10,304	22,055	32,359	32,359	32,359	
Environment and Regeneration	16,775	27,553	5,065	32,618	25,339	3,039	28,378	28,378	28,378	
Community and Housing	4,336	497	38	535	637	-	200	437	437	
<b>TOTAL</b>	<b>66,671</b>	<b>58,245</b>	<b>6,284</b>	<b>64,529</b>	<b>42,460</b>	<b>24,894</b>	<b>67,354</b>	<b>67,354</b>	<b>67,354</b>	

**ADDITIONAL YEARS 2013/14 & 2014/15**

Department	Continuation of existing schemes 2013/14		2013/14		Proposed Schemes 2013/14		Continuation of existing schemes 2014/15		2014/15		Proposed Schemes 2014/15	
	£000s	before Changes	Increases/ Decreases	£000s	Increases/ Decreases	£000s	£000s	Increases/ Decreases	£000s	Increases/ Decreases	£000s	£000s
Corporate Services	4,155	4,155		10,925	10,925	4,155	3,695		3,695		3,695	3,695
Children, Schools and Families				2,191	9,863	10,925	2,920		2,920		2,920	2,920
Environment and Regeneration	7,672	7,672		287	287	7,672	7,672		7,672		7,672	8,042
Community and Housing	287	287			287	287	287		287		287	287
<b>TOTAL</b>	<b>12,114</b>	<b>12,114</b>	<b>13,116</b>	<b>13,116</b>	<b>25,230</b>	<b>11,654</b>	<b>3,290</b>	<b>14,944</b>	<b>14,944</b>	<b>14,944</b>	<b>14,944</b>	<b>14,944</b>

**CAPITAL BUDGETS 2010-2013  
ANALYSIS OF FUNDING**

	Capital Programme	Funded by Borrowing	Funded by Grant & Capital Receipts
	£000s	£000s	£000s
<b>Original 2010/11</b>	53,816	39,403	14,413
SEN Centre of Excellence (Schools Forum funding)	3,140	3,140	
Additional Grant	8,529		8,529
Slippage	22,182	14,893	7,289
Reprofiling/	-	12,275	-
Amendments	-	1,294	
Schemes on Hold *	-	4,147	
<b>TOTAL</b>	<b>66,671</b>	<b>39,720</b>	<b>26,951</b>
<b>Original 2011/12</b>	42,067	38,769	3,298
CSF Grant		-	8,598
Reprofiling/	10,571	7,291	3,280
Amendments	-	64	
Schemes on Hold * (less £100k)	4,047	4,047	
Schools Equipment Loans	500		500
Oberon Playing Fields	1,260		1,260
Increases/Decreases (TFL grant)	3,790		3,790
Devolved Formula Capital	364		364
Increases/Decreases	1,994	1,994	
<b>TOTAL</b>	<b>64,529</b>	<b>43,439</b>	<b>21,090</b>
<b>Original 2012/13</b>	39,036	36,066	2,970
Additional Grant		-	8,500
Reprofiling/	3,384	3,384	
Oberon Playing Fields	40		40
Increases/Decreases (TFL grant)	1,869		1,869
Increases/Decreases	23,025	23,025	
<b>TOTAL</b>	<b>67,354</b>	<b>53,975</b>	<b>13,379</b>
<b>Continuation of existing schemes 2013/14</b>	<b>10,514</b>	<b>10,514</b>	
Additional Grant		-	8,500
Reprofiling/	1,600	1,600	
Increases/Decreases (TFL grant)	1,816		1,816
Increases/Decreases	11,300	11,300	
<b>TOTAL</b>	<b>25,230</b>	<b>14,914</b>	<b>10,316</b>
<b>Continuation of existing schemes 2014/15</b>	<b>10,054</b>	<b>10,054</b>	
Additional Grant		-	2,920
Increases/Decreases	4,890	4,890	
<b>TOTAL</b>	<b>14,944</b>	<b>12,024</b>	<b>2,920</b>

## List of Increases/Decreases

Annex 3

		2011/12 Increases/ Decreases	2012/13 Increases/ Decreases	2013-14 Increases/ Decreases	2014-15 Increases/ Decreases	Full Year Revenue Effects	
		£000s	£000s	£000s	£000s	£000s	
<b>Scheme Description</b>							
<b>Corporate Services</b>	Roadway within Chapel Orchard and Worsfold House	66				7	
	Replacement of air conditioning equipment	50				5	
	IT Equipment Room Air Conditioning	75				8	
	Civic Centre Windows				1,600	168	
	Redundancy Payments	- 600				- 63	
<b>Children, Schools and Families</b>	Primary places additional growth	- 490	20,265	9,725	1,450	3,250	
	Schools Modernisation & Access Initiative	900	900	870	870	372	
	Primary school autism unit	470	400	30		95	
	Secondary school expansion			100	500	63	
	Brightwell	100	100	200	100	53	
	Youth & Community centres reprovion	110	390			53	
<b>Environment and Regeneration</b>	Climbing wall	30				Invest to Save	
	Merton Energy Loan Fund	50	50			5	
	Highway Asset Management	75	75			16	
	Street Lighting Energy Reduction	400	400	150	150	Invest to Save	
	CCTV - Safer Merton & Parking	50	50			Invest to Save	
	Bushey Road Bridge	120	45	65	60	30	
	Additional Bridges Improvement	305	250	160	160	92	
	Wimbledon Park Watersports Centre	28				3	
	John Innes Rec/Rutlish wall	117				11	
	Haydons Road - Puffin Crossing	100				11	
	Workshop - Fleet Maintenance		300			32	
	<b>Community and Housing</b>	Marlborough Hall Refurbishment	138				Invest to Save
		Refurbishment of West Barnes Library	- 100				- 11
Refurbishment of other libraries		- 200				- 21	
	<b>Increase/Decreases funded by borrowing</b>	<b>1,994</b>	<b>23,025</b>	<b>11,300</b>	<b>4,890</b>	<b>4,180</b>	
	<b>Earmarked Schemes - Schools Equipment Loans</b>	<b>500</b>					
	<b>Earmarked Schemes - Devolved Formula Capital</b>	<b>364</b>					
	<b>Earmarked Schemes - Oberon Playing Fields</b>	<b>1,260</b>	<b>40</b>				
	<b>Earmarked Schemes - Transport for London</b>	<b>3,790</b>	<b>1,869</b>	<b>1,816</b>			
	<b>Total Increases/Decreases</b>	<b>7,908</b>	<b>24,934</b>	<b>13,116</b>	<b>4,890</b>	<b>4,180</b>	



## CAPITAL BUDGETS 2010-2015

Corporate Services	2010/11 Budget incl slippage	Changes as a result of Reprofiling	Amendments 2010-11	New 2010/11 Total budget - after reprofiling	2011/12 as per Capital Programme	Changes as a result of Reprofiling	Amendments 2011-12	Increases/D decreases	Revised 2011/12	2012/13 as per Capital Programme	Changes as a result of Reprofiling	Revised 2012/13	Proposed 2013-14 Budget	Proposed 2014-15 Budget
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
IT														
Connect to N3 Netwkr NHS Spire	150		120	30										
Corporate mobile working	213		213	0	64		64							
CRM / Self Service	300	84	135	81	44				44			40	45	
Disaster recovery (IT Generator)	483	107		376	107				107					
Document Management - Contractual	251			251										
e-procurement	236	136		100	136				136					
IT Equipment	777	284		493	565	284			849	620		620	350	
IT Strategy	973	300	22	651	460	410			50		710	710		
Livelihood Updated	99	99				99			99					
PABX	305	80		225		80			80					
Replace Providerlink / Homecare Rostering / Scheduling	139			139										
Streetworks Permit	52	52				52			52					
Transformation (IT)	1,080	415		665	2,000	415			2,415	2,000		2,000	900	800
Development of shared services through cloud computing	1,000	650		350		650			650					
<b>R&amp;M</b>														
Capitalisation MTFs includes an equal credit	1,500			1,500	1,500				1,500	1,500		1,500		
Civic Centre refurbishment	821	16		805	540	16			556	510		510	360	
Civic Centre Windows										1,600		1,600	1,600	1,600
Energy/Utilities Invest to Save	106			106	100				100	100		100	100	100
Invest to Save schemes - General	150			150	100				100	100		100	100	100
Redundancy Payments	1,000		523	477	1,000				400					
Repair and Maintenance	1,222		86	1,136	700				700	700		700	700	700
DDA - Access to Buildings	504		195	309										
CHP Equipment	650			650										
2009/10 Overspends	0			0										
<b>TOTAL</b>	<b>12,012</b>	<b>2,223</b>	<b>1,294</b>	<b>8,495</b>	<b>7,029</b>	<b>1,473</b>	<b>64</b>	<b>-600</b>	<b>7,838</b>	<b>7,030</b>	<b>-850</b>	<b>6,180</b>	<b>4,155</b>	<b>3,695</b>

Roadway within Chapel Orchard and Worsfold House	66
Replacement of air conditioning equipment	50
IT Equipment Room Air Conditioning	75

<b>New scheme increases</b>	<b>191</b>
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<b>TOTAL PROPOSED BUDGET</b>	<b>-409</b>	<b>8,029</b>
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## CAPITAL BUDGETS 2010-2015

Children, Schools and Families	2010/11 Budget incl slippage £000s	Changes as a result of Reprofiling £000s	New 2010/11 Total budget - after reprofiling £000s	2011/12 as per Capital Programme £000s	Changes as a result of Reprofiling £000s	Increases/D decreases £000s	Revised 2011/12 £000s	2012/13 as per Capital Programme £000s	Changes as a result of Reprofiling £000s	Increases/D decreases £000s	Revised 2012/13 £000s	Proposed 2013-14 Budget £000s	Proposed 2014-15 Budget £000s
<b>Scheme Description</b>													
Aragon Expansion	135		135.00		100		100		1,115		1,115		
Benedict Expansion	974		974.44		1,600		1,600		300		300		
Bishop Gilpin New Classroom	250		456.00										
Cranmer Expansion	456		456.00										
Hollymount Permanent expansion	2,441		2,441.00		2,900		2,900						
Joseph Hood Permantent expansion	1,144		1,143.54		3,705		3,705		1,110		1,110		
St Thomas of Canterbury expansion	600		600.00										
Pupil Growth - Additional expansion (unallocated)	4,500	- 4,450	50.00		7,450		7,450		4,500		4,500		
Temp classrooms for 5 schools			-		1,040		1,040		260		260		
St Ann's Primary Phase	40		40.00		350		350		350		350		
Garden PCP	201		201.00		1,900		1,900						
Links PCP	300		300.00										
St Mark's Primary PCP	500		500.00										
SS Peter & Paul PCP	100		100.00		900		900						
William Morris PCP	100	-50	50.00		100		100		350		350		
Wim College catering classroom	345		345.00										
West Wimbledon SEN project p2	247		247.00										
Bond electr wk/abstos rmovl	220		220.00										
Goringe Park repointing	30		30.00										
Halfeld playground works	35		35.00										
Hillcross boiler renewal	136		136.00										
Lonesome heating & playground	40		40.00										
Merton Abbey rewiring	80		80.00										
Peigham rewiring	10		10.00										
Stanford roofing & larmac	60		60.00										
West Wimbledon repointing	33		33.00										
Cricknet Green fascia board	105		105.00										
Melrose pitched roof renewal	50		50.00										
School Expansion/PCP feasibility	130		130.00										
Condition surveys	35		34.71										
Retention	93		93.00										
Benedict	7		6.84										
Haslemere	5		5.06										
St Anns	40		40.38										
Modernisation	77		77.17										
Devolved Formula Capital	3,646		3,646.20				364						
St Ann's new build (plus new targeted capital)	6,951		6,950.64										
Wimbledon Chase Expansion	3,746		3,745.82										
Holy Trinity Expansion	2,517		2,516.62										
Wid PCP	241		240.54										
Poplar PCP	253		253.38										
Self-Forms	7,198		7,197.94										
New Pupil Places - Garfield	111		111.12										
Handed schools	271		271.35										

Children, Schools and Families	2010/11 Budget incl slippage £000s	Changes as a result of Reprofitting £000s	New 2010/11 Total budget - after reprofiting £000s	2011/12 as per Capital Programme £000s	Changes as a result of Reprofitting £000s	Increases/D decreases £000s	Revised 2011/12 £000s	2012/13 as per Capital Programme £000s	Changes as a result of Reprofitting £000s	Increases/D decreases £000s	Revised 2012/13 £000s	Proposed 2013-14 Budget £000s	Proposed 2014-15 Budget £000s
Schools Access Initiative Inclusion	83		83.04	70			70	70					
Intergenerational Centre	254		254.19										
Aiming High	28		28.00										
8-13 Play Spaces	94		94.23										
Adventure Playground	224	337	560.74										
OLM Additional Software Licences	60		60.00										
ICT Harnessing Technology Grant	728		728.00										
Building School for the Future (BSF) feasibility work	663	650	13.43	1,300	1,300			1,250	1,250				
S106 Aragon School gates	1		0.71										
St John Fisher Governor's 10%	1		0.96										
Youth Capital Fund	98		98.00										
Youth Centre Buildings	51		50.83										
School Meals Kitchens	6		6.02										
SEN - Melrose	23		22.74										
Raynes Park Sports Pavilion	141	-18	122.80		18	1,260	1,278			40	40		
SEN													
Cricknet Green Site	120		120.00										
<b>Items not yet allocated to a particular scheme</b>													
Childrens Centres	812		628.00										
Modernisation - Other	43		43.00										
Primary Capital Programme	132		132.00										
Pupil Growth - Other	3,651	3,651	-	14,515	14,515			4,710	2,501		2,209		
Pupil Growth - Holy Trinity/Wimbledon	0		0.33										
Pupil Growth - School Expansions	1,000		65.00										
PVI 2010/11													
Primary Expansion Expenditure to be allocated													
<b>TOTAL</b>	<b>46,666</b>	<b>-</b>	<b>37,065</b>	<b>15,885</b>	<b>4,248</b>	<b>1,624</b>	<b>21,757</b>	<b>6,030</b>	<b>4,234</b>	<b>40</b>	<b>10,304</b>		

Primary places additional growth													
Schools Modernisation & Access Initiative						-490	-490				20,265	9,725	1,450
Primary school autism unit						900	900				900	870	870
Secondary school expansion						470	470				400	30	
Brightwell											100	100	500
Youth & Community centres reprovizion						100	100				100	200	100
Schools Equipment Loans						110	110				390		
						500	500						

<b>New scheme increases and decreases</b>	<b>1590</b>	<b>1590</b>	<b>1590</b>	<b>22055</b>	<b>22055</b>	<b>10925</b>	<b>2920</b>
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<b>TOTAL PROPOSED BUDGET</b>	<b>3,214</b>	<b>23,347</b>	<b>22,095</b>	<b>32,359</b>	<b>10,925</b>	<b>2,920</b>
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CAPITAL BUDGETS 2010-2015

Environment and Regeneration	2010/11 Budget Incl slippage	Changes as a result of Reprofiling 2010/11	New 2010/11 Total budget - after reprofiling	2011/12 as per Capital Programme	Changes as a result of Reprofiling 2011/12	Increases/D decreases	Revised 2011/12	2012/13 as per Capital Programme	Changes as a result of Reprofiling 2012/13	Increases/D decreases	Revised 2012/13	Proposed 2013-14 Budget	Proposed 2014-15 Budget
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Scheme Description</b>													
Earmarked Schemes - Transport for London	4,472	- 2,200	2,272		2,200		2,200						
Leisure Services Condition of Parks, Open Spaces & Buildings	633	- 393	240	270	393		663						
<b>CCTV and Anti-Social Behaviour (ASB)</b>													
Crime Reduction, ASB & Drugs - funded by the Home Office	109		109	68			68						
CCTV	312	- 103	209	100	103		203	100			100		
Mobile speed cameras	40	- 40		20	40		60	20			20		
<b>Environmental Health</b>													
Disabled Facilities Grant	1,243	- 500	743	700	470		1,170	700			700	724	724
Private Sector Housing Programme	410	- 283	127	40	313		353	40			40	40	40
<b>Grass Cutting and Tree Maintenance</b>													
Highway trees inspection, data update and works	50		50	25			25	25			25	25	25
<b>Greenspaces</b>													
Bank reinstatement at Havelock Alotments	400	- 400		400			400						
Boundary fencing and painting to raise the standard of Parks to Greenlag level for priority sites	33		33	10			10	10			10	10	10
Bridge inspection surveys in Parks	16		16										
Cemetries	372		372										
Groundwork Trust	47		47	47			47						
New pavilion at Abbey Recreation Ground	156	- 46	110	250	46		46	250			250	250	250
Parks Investment	250	- 50	200		50		300						
Refurbishment of London Road public, staff and disabled toilets	55		55										
Repairs and replacement Lighting in Parks	10		10										
Upgrade access paths around the main routes at Cannizaro Park	40		40										
Wall repairs at Church lane playing fields and John Innes Park	10		10										
Wimbledon Park drainage improvements	100	- 40	60		40		40						
Works to prevent access by Travellers onto Parks and Open Spaces	10		10										
Trees for Cities Programme (& Other Tree Planting/Nature Conversation)				25			25						
<b>Highway Maintenance</b>													
Bridge Inspection	39		39	31			31	58			58	58	58
Bridge Repairs - General	50		50	50			50	70			70	70	70
Bushey Road bridge repair	270	- 100	170	10	100		110	25			25	25	25
Demand for Surface Water Drainage - Flooding	61		61	59			59	62			62	62	62
Highways bridges and structures improvements	260		260	268			268						
Highways Maintenance	1,543		1,543	1,570			1,570	1,884			1,884	1,884	1,884
Maintenance Anti-Skid and Coloured	75		75	78			78	90			90	90	90
Public Rights of Way Improvement Plan	20		20	20			20	20			20	20	20
Repairs to Footways	568		568	1,046			1,046	1,255			1,255	1,255	1,255
Replacement of Structures	58		58	26			26	28			28	30	30
Selby bridge treatments	200		200										
Wimbledon Bridge	4		4										
B340MOSS rd (land Rutlish Rd)	54		54										
B497/8 Lombard Rd Improvements	14		14										
B501 Langley Rd resurfacing	51		51										
River Wandie Footbridge	5		5										
Church Walk/Fairway													
<b>Leisure Centres</b>													
Replacement of Leisure Centre Plant and Machinery including accelerated schemes in 2009/10	347		347	600			600	350			350	300	300
Leisure Centres													

	2010/11 Budget incl slippage	Changes as a result of Reprofitting 2010/11	New 2010/11 Total budget - after reprofiling	2011/12 as per Capital Programme	Changes as a result of Reprofitting 2011/12	Increases/D decreases	Revised 2011/12	2012/13 as per Capital Programme	Changes as a result of Reprofitting 2012/13	Increases/D decreases	Revised 2012/13	Proposed 2013-14 Budget	Proposed 2014-15 Budget
<b>Environment and Regeneration</b>													
Plant and Ceiling Works (all Leisure Centres)													
Morden Pool Park and Leisure Centre Investment				1,000			1,000	10,000			10,000		
<b>Leisure Facilities and Support Services</b>													
Decorating Gap Road Chapel													
Wimbledon Theatre Refurbishment	100	(100)	550	200	100		300	700			700		
Ravens Park Sports Ground	550		7										
Public Art Work	7		20										
Big Lottery Play Areas	20		27										
Vestry Hall	27		1										
<b>On and Off Street Parking</b>													
Parking management - CPZ, disabled parking bays & waiting restrictions	380		380				380						
Resurfacing of Peel House Upper Car Park	215		215										
St Marks Car Park (structural)	75		75										
Improved parking for shop parades (dropped kerbs, machines, etc)	100	(100)	178	100	100		200	100			100		
Parking	191	(15)	20				15						
Handheld Terminals - Parking	120	(100)					100						
<b>Plans and Projects</b>													
Climate Change Initiatives	317	(100)	217	140	100		240	140			140	140	140
<b>Property Management and Review</b>													
WCA Investment	50		50										
Acquisitions Programme	900		900										
Invest to Save	50		50	140			140	140			140	140	140
Minor Land Purchases (Rookwood Avenue)	5	(5)	25				5						
P3 Site	25												
<b>Regeneration Partnerships</b>													
Investment in Deprived Areas - East Merton.	267	(120)	147	80	120		200	80			80		
Industrial park for key sectors	250	(200)	50	250	200		450	250			250		
Town Centre Improvements	671	(600)	71	420	600		1,020	450			450		
Town Centre Investment	250	(100)	150	250	100		100	230			230	500	500
Mitcham means Business	5		5										
Queensmere Road													
<b>Street Scene</b>													
Street Scene Improvement Programme	1,829	(1,044)	785	1,250	1,044		2,294	1,250			1,250	1,250	1,250
Street tree programme (25 year programme)	123	(25)	100	125	25		150	125			125	125	125
<b>Street Lighting</b>													
Street Lighting Replacement Programme	211		211	245			245	269			269	269	269
<b>Traffic and Parking Management</b>													
20's Plenty & Area Traffic Calming	105		105	96			96	86			86		
Area Traffic calming measures/investigation	290		290	90			90	100			100	90	90
Boroughwide waiting restrictions	27		27										
Footway parking - policy/pilot schemes	50		50	100			100	120			120	120	120
Minor traffic / danger reduction measures								30			30		
Traffic surveys & investigations	90		90	46			46	56			56	70	70
Traffic surveys and safety measures/investigations	458	(458)	1	188	458		644						
Traffic Lights	88	(42)	89				42						
Wimbledon Area Traffic Study	89		75										
Updating Existing 20MPH Zones	10		10										
Church Road/Liberty Avenue Traffic Consultation				5,000			5,000	5,000			5,000		
Transport Planning													
Transportation enhancements in Wimbledon, Morden and Mitcham town centres													
<b>Transport and Plant</b>													
Replacement of Fleet Vehicles	1,161	(535)	626	500	535	(100)	935						
Morden Town Centre - Highway Improvements													
Dunston Road Works	5		5										

	2010/11 Budget incl slippage	Changes as a result of Reprofitting 2010/11	New 2010/11 Total budget - after reprofiling	2011/12 as per Capital Programme	Changes as a result of Reprofitting 2011/12	Increases/D decreases	Revised 2011/12	2012/13 as per Capital Programme	Changes as a result of Reprofitting 2012/13	Increases/D decreases	Revised 2012/13	Proposed 2013-14 Budget	Proposed 2014-15 Budget
<b>Environment and Regeneration</b>													
Public Transport Infrastructure	555	(200)	355		200		200						
Portacabin Accesson Gath Road	16	(16)	(0)		16		16						
<b>Waste Operations</b>													
Alley Gating Scheme - Fly Tipping	57		57	50			50	50			50	50	50
Barrows and Bins Replacement Programme	6		6	60			60	60			60	60	60
Extension of Kitchen waste collection to entire borough	500	(500)			500		500	26			26		
Kitchen waste containers replacement	43		43	40			40	40			40	40	40
Planned Maintenance of Re-use/recycling Sites	200		200										
Street Waste Collection Machines	2,089	(434)	1,655	2,465	434		2,899	990			990		
Waste Phase B requirements - Replace Large Waste Collection Vehicles and Purchases	5		5										
Litter Bin Replacement + Dog Bin Replacement	290	(115)	175		115		115						
Waste Services													
<b>Other</b>													
Completion of the mobile working initiative	50		50										
50 Montgomery Close	15		15										
Rathbone Training Centre	20		20										
Haydons Road	1		1										
Recycle a Cycle	5		5										
Wayfinding Schemes	7		7										
Sports Initiative	80		80										
Demolition and rebuild of changing rooms at Morden Park				110			110						
John Innes Park Zaun fencing around the Recreation Ground	20		20					40			40		
New Projects E&R													
Wheeled Bin scheme - subject to Scrutiny Review													
<b>TOTAL</b>	<b>25,772</b>	<b>(8,997)</b>	<b>16,775</b>	<b>18,656</b>	<b>8,997</b>	<b>(100)</b>	<b>27,563</b>	<b>25,339</b>			<b>25,339</b>	<b>7672</b>	<b>7672</b>

Climbing wall	30		30										
Merton Energy Loan Fund	50		50										
Highway Asset Management	75		75										
Street Lighting Energy Reduction	400		400										
CCTV - Safer Merton & Parking	50		50									150	150
Bushey Road Bridge	120		120									65	60
Additional Bridges Improvement	305		305									160	160
Wimbledon Park Watersports Centre	28		28										
John Innes Rec/Rutlish wall	117		117										
Workshop - Fleet Maintenance	100		100										
Haydons Road - Puffin Crossing	1,275		1,275									375	370
<b>New scheme increases</b>	<b>3,790</b>		<b>3,790</b>									<b>1,869</b>	<b>1,816</b>
<b>Earmarked Schemes - Transport for London</b>												<b>3,039</b>	<b>3,039</b>
<b>New scheme increases</b>													
<b>TOTAL PROPOSED BUDGET</b>	<b>4,965</b>		<b>32,618</b>									<b>9,863</b>	<b>8,042</b>

## CAPITAL BUDGETS 2010-2013

Community and Housing	2010/11 Budget incl slippage £000s	Changes as a result of Reprofitting £000s	New 2010/11 Total budget - after reprofiling £000s	2011/12 as per Capital Programme £000s	Changes as a result of Reprofitting £000s	Increases/D decreases £000s	Revised 2011/12 £000s	2012/13 as per Capital Programme £000s	Changes as a result of Reprofitting £000s	Increases/D decreases £000s	Revised 2012/13 £000s	Proposed 2013 14 Budget £000s	Proposed 2014-15 Budget £000s
<b>Scheme Description</b>													
Media Fund	262		262	287			287	287			287	287	287
Works to Merton Adult Education Centre to facilitate expansion of Joseph Hood School	350		350										
Day Centre Kitchen/ Toilet/ IT Upgrades				110			110	150			150		
Refurbishment of West Barnes Library				100		-100		200					
Refurbishment of other libraries													
Improving Information Management	10		10										
Meopham Road	970		970										
Affordable Housing Fund	210		210										
Regeneration	3		3										
5 Cliford Avenue - Contribution from Sutton & Merton PCT	450		450										
St Catherine's School	1,963		1,963										
JMC LD Day Centre	28		28										
Libraries	46		46										
London Libraries Consortium	45		45										
<b>TOTAL</b>	<b>4,336</b>		<b>4,336</b>	<b>497</b>		<b>-100</b>	<b>397</b>	<b>637</b>		<b>-200</b>	<b>437</b>	<b>287</b>	<b>287</b>

Marlborough Hall Refurbishment	138	138
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<b>New scheme increases</b>	138	138
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<b>TOTAL PROPOSED BUDGET</b>	38	535	637	-200	437	287	287
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	<b>Total</b> £000
Leisure Services Condition of Parks, Open Spaces & Buildings	86
CCTV	53
Mobile speed cameras	60
Disabled Facilities Grant	200
Private Sector Housing Programme	283
Bank reinstatement at Havelock Allotments	400
New pavilion at Abbey Recreation Ground	46
Parks Investment	100
Wimbledon Park drainage improvements	40
Cranmer Green	7
Heritage/Culture	300
Improved parking for shop parades (dropped kerbs, machines, etc)	200
Parking	15
Minor Land Purchases (Rookwood Avenue)	5
Investment In Deprived Areas - East Merton.	200
Town Centre Improvements	33
Street Scene Improvement Programn	2,294
Street tree programme (25 year programme)	50
Traffic Lights	458
Wimbledon Area Traffic Study	42
Replacement of Fleet Vehicles	435
Portacabin Accommod Garth Road	16
Waste Phase B requirements - Replace Large Waste Collection Vehicles and Purchases	434
Waste Services	15

<b>5,772</b>
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2010/11 savings have been reprofiled into 2011/12 and are on hold.



**TREASURY MANAGEMENT STRATEGY**  
**Review of 2010/11 and Forward Strategy 2011/12**

**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 an integral part of the corporate budget. In determining the parameters around borrowing it 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.

**2. REVIEW OF 2010/11**

**Economic and Market Background**

**2.1 Economic**

On 13 January 2011, the Bank of England's Monetary Policy Committee (MPC) voted by seven to two to maintain the official Bank Rate paid on commercial bank reserves at 0.5%. The Committee also voted to maintain the stock of asset purchases financed by the issuance of central bank reserves at £200 billion (Quantitative Easing).

The minutes of the MPC meeting were published on 26 January 2011 and whilst there were no indications that interest rates will be increased in the short term, the increase in inflation does increase pressure on the Bank of England in the coming months. Previously, the MPC have indicated that they are prepared to respond with changes to interest rates in order to bring CPI inflation down to the 2% target .

Concerns regarding inflation have, as expected influenced the longer-term capital market, and the cost of longer period borrowing has increased relative to short. However, this has not impacted in recent months on the planned strategy for the 2010/11 financial year.

## **2.2 Market**

Continued issues regarding banking liquidity have limited the activity of private-sector lenders in the market. However, there has been adequate capacity to provide LBM's short-term, temporary, borrowing requirements, and long-term finance has not been required. Should external financing have been required, the Public Works Loans Board (PWLB) would have been available.

## **2.3 Revenue Expenditure and Cashflow**

It has been possible to finance revenue expenditure from cashflow without significant recourse to temporary borrowing. Where temporary borrowing has occurred it has remained within the limit set and approved by Council on 3 March 2010 in the initial Treasury Strategy Report for the year. Current forecast for cashflow does not suggest that this situation will change in the early part of 2011/12.

## **2.4 Financing of Capital Expenditure on Short-Life Assets**

Where expenditure on short-term assets (PC's or vehicles - items that would have been previously leased and now purchased) has occurred in the year to date, this has been financed from internal investments, and no new leasing or borrowing has been undertaken. The balances applied would otherwise earn an investment return significantly below the cost of borrowing or lease finance.

## **2.5 Financing of Capital Expenditure on Long-Term Assets**

Where expenditure on long-term assets has been incurred in the year to date, this has been financed from internal investments, and no new long-term borrowing has been undertaken. These internal investments would otherwise have earned an investment return significantly below the cost of borrowing. The current margin is between Base-Rate related investment return at 0.5% (often below) and a long-term (13 years) fixed rate of 5%.

## **2.6 Debt Management**

No debt-management activity in respect of early debt redemptions has been implemented in 2010/11. Two prospective opportunities on Negotiable Loans arose, but peer review concluded that their forecast benefits were not sufficient to allow their redemption premiums to be financed from capital receipts.

More generally current market conditions have diverted market lenders from their normal willingness to deal re-structuring, and therefore at present the prospects for debt-management activity for negotiable loans cannot be anticipated. The option of redeeming PWLB debt is always

available and is always being considered. Opportunities will be taken as they arise depending on redemption rates and cash flow.

The current portfolio of debt is, after the redemption of housing-related debt in late 2009/10, more than usually weighted to Lenders Option debt. However, given the current interest rate scenario, and the availability of balances and new borrowing from the PWLB, the exercise of a Lenders Option would be to LBM's advantage.

## 2.7 Investment

Investment returns have remained limited by the prevailing low Base Rate and concern to ensure that investments are placed only in counterparties of high creditworthiness. This situation is expected to remain throughout the remainder of the year. To mitigate this situation, a proportion of available funds have been placed in longer-period deposits of up to one year; the yield curve offering higher rates for longer periods.

Current investments remain in counterparties of high-creditworthiness, and there have been no concerns or defaults during the year.

## 2.8 Performance

The key performance criterion for LBM's Treasury activity is its delivery of the budget for debt and investment. The current outturn forecast for 2010/11 indicates that the net treasury debt and investment budget will be significantly less than budgeted. This is due to capital slippage and greater use of internal investments than forecast when the budget was set. In line with current policy, any net surplus will be used to finance capital expenditure in 2010/11.

## 2.9 Debt and Investment Profiles

<b>Debt:Outstanding</b>	<b>£m</b>	<b>Average interest rate %</b>
April 2006	185.5	6.7
April 2007	177.5	6.6
April 2008	162.5	6.6
April 2009	155.1	6.5
April 2010	131.2	6.1
January 2011	131.2	6.1

The details of borrowing are set out in Annex 3.

There are no significant natural maturities of debt due in the next 3 years, and the amount of maturities in any one year remains compliant with the parameters reported in the annual Treasury Strategy Report.

The likelihood of LOBO's being exercised at current interest rate levels appears limited, and if exercised would be to LBM's advantage given the current availability of alternative finance.

## **2.10 Investments**

The profile of investments has provided a balance between liquidity and yield for benefit in 2010/11, and allows a substantial balance of funds to be available for investment decisions in respect of the budgetary needs of 2011/12. The details on maturities are set out in Annex 1.

All comply with the CLG definition of 'Specified Investments'.

## **2.11 Risks**

Treasury operations incur risks, including those in respect of the movement of interest rates, the availability of finance in the market and the creditworthiness of deposit-takers. The CIPFA Code of Practice for Treasury Management requires that it is made clear that it is the responsibility of the Authority to ensure that risks are considered and that management effects appropriate control of risks via its treasury policy, strategy and operational practices. In relation to this requirement, the management associated with treasury operations considers that the current policy and strategy has remained appropriately low risk, with a very limited risk of impairment of invested balances through credit default, or inappropriate commitment to either fixed or variable rate transactions relative to forecast market movements.

The Authority has a portfolio of both debt and investments, and whilst the interest payable on debt is essentially fixed, that on investments is exposed to the movements of the market. This relationship causes change in the net budget cost of treasury, (debt cost less investment return), which can be managed via prudent budgeting and the usage of otherwise invested balances to redeem debt and/or avoid new borrowing.

Treasury Strategy is informed by reference to a consensus of professional economic forecasts, and subscription to a Treasury Advisory service. The strategy pursued, and the treasury policies and practices implemented, including credit policy, are developed and supervised by LBM officers and decision-making and control remains with LBM.

## **3. FINANCING EXPENDITURE 2011/12**

### **3.1 Revenue Expenditure and Cashflow**

3.1.1 Cash inflows and outflows are set to balance over time. 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).

- 3.1.2 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.
- 3.1.3 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 over 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 2011/12, 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.

### 3.2 **Capital Expenditure (short-life assets)**

- 3.2.1 The financing options for short-life assets (e.g. vehicles and IT equipment) are borrowing, leasing, or usage of set-aside funds (cash balances). Best practice requires the financing period to match the expected life of the asset, (and so avoid finance cost continuing after disposal).
- 3.2.2 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.
- 3.2.3 Borrowing allows ownership of assets, and this offers flexibility in the timing of asset replacement and benefit from disposal proceeds. The new rules for the calculation of the statutory repayment of borrowing matches the repayments to the life of assets. This offers a disciplined financing programme and is more economic than leasing where the lease is extended and additional charges are incurred. Given its advantages, prudential borrowing (internal borrowing in 2010/11) has been used as the financing option for all short life assets in 2010/11. This will continue to be the case in 2011/12 but leasing may be reconsidered if a particular contract is financially advantageous.

3.2.4 Financing of short-life assets by the use of cash balances 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 2011/12 and immediately beyond, and so the option of using cash balances is the most economic at the present time.

### 3.3 Capital expenditure (major long-term assets)

3.3.1 Expenditure not financed by grants may be financed by borrowing, usage of set-aside funds, or leasing.

3.3.2 Leasing is not normally an economically attractive option for long-term assets given that Local Authorities have access to preferential direct borrowing rates or internal investment funds. The flexibility in respect of borrowing, coupled with the additional complexities of leasing which have been introduced by the International Financial Reporting Standards (IFRS), means that prudential borrowing is pursued where it is prudent, affordable and sustainable.

3.3.3 The usage of internal investments foregoes the return available from their investment, and which is the cost of their usage. In the interest rate scenario forecast for 2011/12, investment rates are expected to continue to be significantly below borrowing cost, and this argues that new capital expenditure should be financed from internal investments rather than external borrowing.

3.3.4 However, it should be noted that the current economic and market situation is exceptional, and it is therefore appropriate for officers to have scope to make the decision to borrow or not as practical circumstances develop.

## 4. Debt Redemptions and Debt re-financing

4.1 The principal amount of any debt that is redeemed in 2011/12 could be financed either by the usage of internal investments, or re-financed by new borrowing at a lower interest rate.

4.2 The amount of internal investments 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.

- 4.3 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 2011/12**

- 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 31 January 2011 is:

<b>Debt maturing in:</b>	<b>£</b>	<b>Average rate %</b>	<b>% of total</b>
Less than one year	1,000,000	0.5	0.76
1 to 2 years	184,442	4.9	0.14
2 to 5 years	0	0.0	0
5 to 10 years	17,966,258	9.4	13.59
10 to 15 years	35,010,000	6.4	26.50
15 to 20 years	0	0.0	0
20 to 30 years	12,500,000	5.4	9.46
30 to 40 years	13,500,000	6.6	10.21
40 to 50 years	32,000,000	4.7	24.21
50 to 55 years	20,000,000	5.0	15.13
	<b>132,160,700</b>	<b>6.1</b>	<b>100.00</b>

- 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 2010/11 strategy report under Treasury Prudential Indicators). The control is calculated on total borrowing outstanding:

	<b>Lower limit</b>	<b>Upper limit</b>
	<b>%</b>	<b>%</b>
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 15.1% 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. There are some expensive existing PWLB loans which are being considered for redemption in 2010/11 and/or 2011/12. However, current market conditions have diverted Negotiable Loan lenders from their normal willingness to deal re-structuring, and therefore at present the prospects for re-structuring this type of loan 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:	2011/12	2012/13	2013/14	2014/15
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 47.67% 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	3.78%
5 to 5.99	34,000,000	25.73%
6 to 6.99	15,500,000	11.73%
7 to 7.99	2,000,000	1.51%
8 to 8.99	6,500,000	4.92%
	<b>63,000,000</b>	<b>47.67%</b>

- 5.9 Currently the level of prevailing long-term interest rates (c.4.5% to 5.5%) relative to the option rates limits the risk of exercise. At the current level of interest rates, and those forecast for 2011/12, only the 3.8% 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 2011/12 further variable rate or LOBO borrowing would be inappropriate.
- 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 £54m has been redeemed since 2006/7, the original schedule of redemptions planned for 2006/7, 2007/08 and 2008/09 was 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. However, the housing stock transfer resulted in the redemption of £24m of debt. This last redemption was budgeted as part of the overall financial effects of the housing stock transfer, but has also helped to bring the redemption programme back on schedule.

- 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. 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 6.1% (with some PWLB debt over 9%), 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 2011/12 replacement borrowing be allowed where this offers economic advantage.

## 6. INVESTMENT OF SET-ASIDES 2011/12

- 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.

Details of the authority's counterparties are set out in Annex 2.

- 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 2010/11 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, AA rated money market funds and local authorities.

6.3.4 The above ratings are by their nature guides and the authority utilises information provided by Sector Treasury Services Ltd (Sector). Sector uses Fitch, Moody's and Standard and Poor's ratings, combined with the latest market and Bank of England information to set recommended durations of investment for all banks, building societies etc. An example of a suggested duration would be 0-6 months.

6.3.5 Additionally the rating of **C** has not been required where banks are part owned by the UK government. This applies currently to Lloyds and the Royal Bank of Scotland.

6.3.6 Against the background of continuing banking sector risks in 2010/11, deposits were kept relatively short so as to limit the period of exposure to parties whose creditworthiness might deteriorate.

During 2010/11 there were no impairments to the value of funds deposited.

6.3.7 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.

6.3.8 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 2011/12, but adjusted to allow for the issues of balance, reward and risk, for the reasons set out above to:

- (i) **F1** Highest credit quality on a twelve-month view  
**AA-** Low expectation of credit risk developing  
**C** Adequate/strong institution with limited weaknesses  
**1** External support expected.
- (ii) The rating of **C** is not required where banks are part owned by the UK government.

6.3.9 In setting this standard it should be noted that if the government was to sell the tax payer funded shares of any of the banks, then investments would need to be reconsidered in the light of Sector advice.

6.3.10 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, amounting to c.21% 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% continues to 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 is only for short-term cash flow effects such as the need to have cash immediately available for a particular large payment, for example the two large school advances in September and January.

6.3.11 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 2011/12 transactions becomes problematic in terms of available counterparties or significant impairment of investment strategy and performance, the Director of Corporate Services may need to exercise discretion to temporarily adjust the policy, pending a further report to councillors.

6.3.12 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 HM Treasury. 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.

- 6.3.13 Local authorities are classed by the CLG as “Specified Investments”. Although local authorities pay closer to market rates, they are not reliably available for deals on a day-to-day basis. However, when local authorities have been available in 2010/11, deposits have been made by the authority. This will continue in 2011/12.
- 6.3.14 To further limit exposure to credit risk, the following criteria will also continue to be applied.

	Maximum % of portfolio	Maximum Duration (yrs)	% Allocation at 31.1.2011
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	0

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.

- 6.3.15 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.
- 6.3.16 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 2011/12, it is considered that for 2011/12 the minimum percentage of investments to mature within a year should be 60% of the total investment portfolio. The previous Treasury Strategy increased this percentage to 67% in 2011/12, but in view of the improved stability of the banking sector in the last year, the 2010/11 percentage of 60% continues to be appropriate. 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:

2010/11 %	2011/12 %	Future Years %
40	40	40

In 2010/11 there have been no investments to date outside the Specified Investment criteria.

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 2011/12. 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 2011/12, 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 will 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 7.5. 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.
- 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, rather than previously 4%.
- 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.

7.4.4 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.

7.5 Depreciation is provided for on all fixed assets (other than land and investment properties) 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	5
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 Annex 4.



**Current Investments (at 31st January 2011) (£m)**

	Maturity Analysis				
	0 - 3 Months	3 - 6 Months	6 - 12 Months	Over 1 Year	Total
<b>Banks with 40% + Government Ownership</b>	21.76	5.00	0.00	0.00	26.76
<b>Banks / Building Societies with Government Support</b>	34.00	18.00	5.00	0.00	57.00
<b>Building Societies</b>	0.00	0.00	0.00	0.00	0.00
<b>Money Market Funds</b>	0.00	0.00	0.00	0.00	0.00
<b>Public Sector Bodies</b>	5.00	0.00	0.00	0.00	5.00
<b>Totals</b>	<b>60.76</b>	<b>23.00</b>	<b>5.00</b>	<b>0.00</b>	<b>88.76</b>
<b>%</b>	<b>68%</b>	<b>26%</b>	<b>6%</b>	<b>0%</b>	<b>100%</b>

## INVESTMENTS BY COUNTERPARTY

<u>As at 31st January 2011</u>									
<u>Counterparty</u>	<u>Rating</u>				<u>Max %</u>	<u>Credit Limit</u> £000	<u>Invested</u> £000	<u>Credit Available</u> £000	<u>Still available under Credit Limit</u>
Barclays	F1+	AA-	B	1	25.0%	22,500	18,000	2,500	11%
Clydesdale	F1+	AA-	C	1	20.0%	18,000	15,000	3,000	17%
Lloyds TSB	F1+	AA-	C	1	30.0%	27,000	11,764	15,236	56%
Nationwide	F1+	AA-	B	1	20.0%	18,000	15,000	3,000	17%
Royal Bank of Scotland	F1+	AA-	C/D	1	25.0%	22,500	15,000	7,500	33%
Santander	F1+	AA-	B	1	25.0%	22,500	9,000	13,500	60%
							83,764		
<u>Deposits with Local's Counterparty</u>									
London Borough of Brent		AAA			20.0%	18,000	5,000	13,000	
							88,764		

## SUMMARY OF BORROWING AND INVESTMENT

	<u>Nine month Average</u> <u>April to January 2011</u>	
	<u>Average Rate</u> %	<u>Average Principal O/S</u> £000
PWLB	5.99270944	66,010
TEMORARY LOANS	0.16854000	1,417
EXTENDED DEPOSIT	0.00000000	0
MARKET LOAN	0.00000000	0
NEGOTIABLE LOAN	6.07531746	63,000
STOCK LOAN	11.25000000	1,966
INTERNAL LOAN	0.00000000	0
QUASI LOAN	0.00000000	0
SPECIAL LOAN	4.83362997	227
<b>TOTAL BORROWING</b>		<b>132,620</b>
<b>DEPOSIT/INVESTMENT</b>	<b>1.06989295</b>	<b>-89,719</b>
<b>NET</b>		<b>42,902</b>

## TREASURY PRUDENTIAL INDICATORS

	2009/10 Budget £000	2009/10 Actual £000	2010/11 Revised Budget £000	2010/11 Latest £000	2011/12 Budget £000	2012/13 Budget £000	2013/14 Budget £000	2014/15 Budget £000
<b>Capital Expenditure</b>								
General Fund	78,159	55,977	66,671	65,495	64,529	67,354	25,230	14,944
Housing Revenue Account	6,500	7,389						
<b>Net Revenue Stream</b>								
General Fund - Budget Requirement	150,113	152,964	152,415	142,278	151,106	143,878	138,459	131,040
Housing Revenue Account	29,067	29,465						
<b>Capital Financing Costs</b>								
General Fund	18,380	17,339	18,107	13,832	17,997	22,110	25,639	26,540
Housing Revenue Account	-500	-713						
<b>Ratio of Capital Financing Costs to Net Revenue Stream</b>								
General Fund	12.24%	11.34%	11.88%	9.72%	11.91%	15.37%	18.52%	20.25%
Housing Revenue Account	-1.72%	-2.42%						
<b>Impact of Capital Investment on Council Tax</b>								
<b>General Fund</b>								
Effect on Band D Council Tax (£)					55.92	55.22	47.38	12.10
Effect on Band D Council Tax (%)					5.07%	5.01%	4.29%	1.10%
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Latest</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>31-Mar-10</b>	<b>31-Mar-10</b>	<b>31-Mar-11</b>	<b>31-Mar-11</b>	<b>31-Mar-12</b>	<b>31-Mar-13</b>	<b>31-Mar-14</b>	<b>31-Mar-15</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Capital Financing Requirement</b>								
General Fund	163,780	151,183	187,870	182,258	208,934	249,372	254,734	253,779
<b>Net External Borrowing</b>								
Gross External Debt	161,471	131,100	176,032	131,100	187,678	239,162	247,113	246,965
Investments	100,000	77,374	71,156	88,764	58,193	67,510	67,510	67,510
Net Borrowing	61,471	53,726	104,876	42,336	129,485	171,652	179,603	179,455

Based on actuals at 20 January 2011

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**

CFR	163,780	151,183	187,870	182,258	208,934	249,372	254,734	253,779
Net Borrowing	61,471	53,726	104,876	42,336	129,485	171,652	179,603	179,455
	102,309	97,457	82,994	139,922	79,449	77,720	75,131	74,324

Note: The capital receipts included above are as at 31 March 2010.

**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.

	2010/11 Budget £000	2011/12 Budget £000	2012/13 Budget £000	2013/14 Budget £000	2014/15 Budget £000
<b>Forecast Operational Boundary</b>	200,122	197,678	249,162	257,113	256,965
<b>Forecast Authorised limit</b>	230,122	227,678	279,162	287,113	286,965

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### **MEDIUM TERM FINANCIAL STRATEGY 2011-2015**

#### 1. **Background**

- 1.1 Merton's Medium Term Financial Strategy (MTFS) has been developed to support financial planning over a four 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 four year financial plan which incorporates Revenue and Capital expenditure plans and illustrates the implications of the budget proposals over a four year period.
- 1.3 This financial plan is based on the business and financial planning that have taken place over the period from April 2010 to February 2011 and reflects the decisions taken as part of setting the Council Tax for 2011/12

#### 2. **Strategic Aims**

The strategic financial aims that form the foundation for the period to 31<sup>st</sup> March 2015 are as follows:

- 2.1 To ensure that balanced budgets are set for the General Fund and for each of the years , 2011/12, 2012/13, 2013/14 and 2014/15 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 the guidance recommended from CIPFA in the Institute's 2003 Statement on the Role of the Finance Director in Local Government. 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 31/03/11, 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 4 year affordable capital programme which is fully resourced and targeted towards meeting the Council's strategic objectives.

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- 2.8 To provide the budget planning framework to facilitate Council Tax setting over a four year planning horizon.
- 2.9 To ensure that deficits do not arise on the Collection Fund;
- 2.10. To review the level of funding of liabilities in the Pension Fund, currently 83%;
- 2.11. To assess the key financial risks within the Council's budget and make provision for those risks within a contingency fund;
- 2.12 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:

	<b>Forecast 2011/12</b>	<b>Forecast 2012/13</b>	<b>Forecast 2013/14</b>	<b>Forecast 2014/15</b>
	£m	£m	£m	£m
<b>Departmental Growth</b>	<b>3.352</b>	<b>0.089</b>	<b>0.000</b>	<b>0.000</b>

#### 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 Placements

#### 3.3 Formula Grant

The 2011/12 local government finance settlement was announced on 31 January 2011.

The settlement confirms allocations of Formula Grant for the two-year period 2011/12 to 2012/13 and for those years includes specific grants and ABG grants rolled into Formula Grant as part of the settlement. The MTFs has also forecast the level of Formula Grant for 2013/14 and 2014/15 based on revised projections included in the MTFs following changes to central government funding announced in the Comprehensive Spending Review. These projections forecasted a total reduction of £30m in government Grant over the four year period:-

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	<b>2010/11 (Adjusted)</b>	<b>Forecast 2011/12</b>	<b>Forecast 2012/13</b>	<b>Forecast 2013/14</b>	<b>Forecast 2014/15</b>
Formula Grant (including rolled-in grants)	67.733	66.617	59.961	54.336	46.836

- 3.4 Dedicated Schools Grant  
Estimated Dedicated Schools Grant is as follows:

	<b>2010/11 (Adjusted)</b>	<b>Forecast 2011/12</b>	<b>Forecast 2012/13</b>	<b>Forecast 2013/14</b>	<b>Forecast 2014/15</b>
Dedicated Schools Grant	105.466	120.586	TBA	TBA	TBA

Provisional 2011-12 allocations for DfE grants were announced on 13 December 2010 but final DSG Pupil numbers and allocations will not be provided to local authorities until June 2011.

Central government have protected schools funding maintaining funding levels from 2010-11 to 2011-12. As announced in the Spending Review several DfE grants have been rolled into DSG and this has been done on the same per pupil distribution as 2010-11. This has increased the overall level of DSG from £105.5m to £120.6m.

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 £6.111m at 31<sup>st</sup> March 2010. Other reserves set aside for schools total £6.162m.

- 3.5 Inflation Projections

The MTFs for 2011/12 includes 0.5% for the pay award, 2.0% for general prices and additional amounts for extra inflation provision for those areas of high inflation (e.g. transport, care homes).

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### 3.5.1 Pay:

2010/11 award: The Trade Unions registered a formal dispute with the employers on 26 July under paragraph 17 of the Green Book constitution which means that the matters under dispute will be referred to ACAS for arbitration.

2011/12 award: The Government has previously announced that “a two year pay freeze will be introduced from 2011-12 for public sector workforces, except for those earning £21,000 or less, who will receive an increase of at least £250 a year”.

Pay Claim 2011/12: The Trade Union Side of the National Joint Council for Local Government Services has submitted (on 13 October 2010) a pay claim for 2011/12. The headline claim is: “An increase of at least £250 on all salaries and spinal column points for 2011/12 and a joint review of employment condition proposals tabled by the trade unions in 2008/9.” This equates to an increase of approximately 1.2%.

For future years: the MTFs has forecast a 0.5 per cent increase in pay for the period 2011/12 to 2012-13 and a 1.0 per cent increase for the period 2013-14 to 2014-2015.

### 3.5.2 Prices:

CPI annual inflation – the Government’s target measure – was 3.7% in December which increased from 3.3% in November. There were upward pressures from air transport, gas, food and particularly in fuels and lubricants, with the largest rise in prices from November to December since 1996. The price of petrol as recorded by the CPI, stood at £1.22 in December 2010, a record high. These upward pressures were partially offset by downward pressures in furniture and furnishings. In the year to December, RPI annual inflation was 4.8% up from 4.7% in November, with the main factors that affected CPI also affecting the RPI.

Provision of £5.549m is included in the MTFs in 2011/12 for price increases. This equates to a 2% increase for most non-employee budgets, plus additional amounts where inflation is expected to exceed that.

### 3.5.3 Outlook for Inflation

The Bank of England published its latest quarterly inflation report on 10<sup>th</sup> November. The recovery in the UK economy is expected to continue but the large fall in output during the recession means that some spare capacity is likely to remain for some time. Although the outlook for growth is highly uncertain, it is considered that the recovery in output is likely to be maintained, reflecting the stimulus to private demand from monetary policy, assisted by the strengthening of the



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global economy and the lower level of sterling. CPI inflation is likely to remain above the 2% target throughout 2011, reflecting the forthcoming increase in VAT and upward pressure from import price inflation. The Bank of England report assumes that quantitative easing remains at the £200 billion currently issued.

- 3.5.4 The key issue is to try to accurately predict the inflation trend during 2011/12. In order to do this, an analysis has been undertaken of the HM Treasury Forecasts for the UK economy, which offers a comparison of independent forecasts for a range of economic factors, including RPI and CPI. The forecasts, based on the January 2011 report, suggest the following inflation rates over the next year:-

	<b>Lowest</b>	<b>Highest</b>	<b>Average</b>
	%	%	%
2010 (Quarter 4)			
-CPI	2.6	3.4	3.2
-RPI	4.4	4.7	4.6
2011 (Quarter 4)			
-CPI	2.4	4.1	3.0
-RPI	2.9	4.9	3.9

- 3.6 Treasury Management, Capital Financing and Investment Income:

- 3.6.1 The assumptions relating to the revenue implications of the draft capital programme are informed by the latest information available on treasury management. This will be reviewed throughout the budget process.

- 3.6.2 Borrowing, Investment and Debt Management Strategy

On 13 January 2011, the Bank of England's Monetary Policy Committee (MPC) voted to maintain the official Bank Rate paid on commercial bank reserves at 0.5%. The Committee also voted to maintain the stock of asset purchases financed by the issuance of central bank reserves at £200 billion (Quantitative Easing).

The minutes of the MPC meeting will be published on 26 January 2011 and whilst there are no indications that interest rates will be increased in the short term, the increase in inflation does increase pressure on the Bank of England in the coming months. Previously, the MPC have indicated that they are prepared to respond with changes to interest rates in order to bring inflation down to the 2% target .

The short-term market, which influences investment return, remains restrained by a low Base Rate (0.5%), substantial market liquidity, and

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the prospect of slow economic recovery. It is forecast that the rates available in 2010/11 from appropriate credit worthy counterparties will range from near 0.2% to 0.5% for overnight to week deposits, to near 1.5% for one year. Efforts have been made to exploit the higher rates available for longer periods to the extent that liquidity and concern to be well-placed for 2011/12 investment allow.

### Outlook for interest rates

The Centre for Economics and Business Research (CEBR) is forecasting that UK interest rates will stay at 0.5% into 2011 and not reach 2% until 2014. A comparison of independent forecasts for the UK economy produced by HM Treasury (December 2010) gives the following projections:-

	Lowest	Highest	Average
2010 (Quarter 4)	%	%	%
Bank Base Rate	0.0	0.8	0.5
2011 (Quarter 4)			
Bank Base Rate	0.5	2.0	0.9

Sector, in their December 2010 update, are forecasting the following trend for the Bank Base Rate over the next two years:-

Bank Rate	End Q4	End Q1	End Q2	End Q3	End Q4	End Q1	End Q2	End Q3
	2010	2011	2011	2011	2011	2012	2012	2012
Sector Treasury	0.5%	0.5%	0.5%	0.5%	0.75%	1.0%	1.25%	1.5%
Capital Economics	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	N/A
UBS	0.5%	0.5%	0.5%	0.75%	1.0%	N/A	N/A	N/A

The longer-term, capital, market remains concerned by the prospect of future inflation. This affects long-term borrowing costs and debt redemption prospects. Public Works Loans Board (PWLB) borrowing cost for long-term funds remain at c.4.5%, but for 25-50 year funds are c. 5.25%.(These rates include the change in the pricing of PWLB loans announced in October 2010).

The change announced in October to the PWLB rates is of approximately 1% being added to any new loan undertaken, also the naming of the counterparty (i.e. Local Authority taking up any new borrowing).

Merton in the short term will not be exposed to these higher rates because the Treasury Section has followed the approved Treasury strategy, by avoiding borrowing using otherwise invested balances and

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foregoing low investment returns of between 0.5 – 1% compared to the cost of borrowing of 4.5%.

In the first nine months of 2010/11 the cost of debt has remained stable, and forecasts for the remainder of the year suggest that this situation can be maintained. Investment income is more subject to external influences, but investment strategy has sought to limit the effect of market changes by placing a substantial value of funds on fixed-rate deposit of up to a year's duration.

More details are included in the Council's Treasury Management Strategy.

### 3.7 Available Revenue Reserves

General Fund - The Council's General Fund balances at the 31<sup>st</sup> March 2010 were £10.649m. This included £0.4m of unspent Area Based Grant (ABG at 31<sup>st</sup> March), 2010, which has now been earmarked in 2010/11 to meet outstanding obligations arising from the reduction in government grant funding of ABG.

### 3.8 Assessment of Risk and Balances to mitigate risk

- 3.8.1 The Council's draft budget for 2011/12 has been analysed to identify key areas of risk as shown below. Costs that are regarded as fixed have been disregarded along with Schools' budgets.

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<b>Assessed Key areas of Risk (Exc. DSG funded expenditure and income)</b>	<b>£m</b>
<b>Expenditure</b>	
Employees	76.5
Premises	6.6
Transport	11.9
Supplies and Services	26.3
Third Party Payments	75.2
Transfer Payments	103.5
Support Services	31.6
Depreciation and Impairment Losses	6.7
Cost of Borrowing including Minimum Revenue Provision	21.0
Capitalisation	1.5
Pension Fund	4.7
Contingency	1.8
Other Expenditure	11.3
<b>Income</b>	
Government Grants	108.2
Other Reimbursements and Contributions	12.2
Customer and Client Receipts	45.9
Interest	0.1
Recharges	32.2
Reserves	0.3
Investment Income	0.4
Asset Rentals: Depreciation & Impairment	8.5
VAT Savings	0.0
<b>Total</b>	<b>586.3</b>

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:-

	£000s	%
Low	3,950	27.97%
Medium	7,498	53.10%
High	2,672	18.92%
<b>Total</b>	<b>14,120</b>	<b>100.00%</b>

3.8.3 Using the data available in the 2011/12 the levels of risk for the key areas have been assessed as shown in the following table:-

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	£m	Min%	Mid%	Max %
<b>Expenditure</b>				
Employees	76.5	0.25	0.50	1.00
Premises	6.6	1.00	2.00	3.00
Transport	11.9	2.00	3.00	4.00
Supplies and Services	26.3	2.00	3.00	4.00
Third Party Payments	75.2	7.50	9.00	12.00
Transfer Payments	103.5	1.00	2.00	3.00
Cost of Borrowing including Minimum Revenue Provision	21.0	1.00	2.00	3.00
<b>Income</b>				
Government Grants	108.2	1.00	2.00	3.00
Other Reimbursements and Contributions	12.2	0.50	1.00	1.50
Customer and Client Receipts	45.9	2.10	2.50	3.30
Investment Income	0.4	1.00	2.00	3.00
<b>Savings</b>				
Low deliverability risk	3.950	1.00		
Medium deliverability risk	7.378		2.00	
High deliverability risk	2.672			4.00

\* 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
<b>Expenditure</b>			
Employees	0.2	0.4	0.8
Premises	0.1	0.1	0.2
Transport	0.2	0.4	0.5
Supplies and Services	0.5	0.8	1.1
Third Party Payments	5.6	6.8	9.0
Transfer Payments	1.0	2.1	3.1
Cost of Borrowing including Minimum Revenue Provision	0.2	0.4	0.6
<b>Income</b>			
Government Grants	1.1	2.2	3.2
Other Reimbursements and Contributions	0.1	0.1	0.2
Customer and Client Receipts	1.0	1.1	1.5
Investment Income	0.0	0.0	0.0
<b>SAVINGS</b>	0.0	0.1	0.1
<b>TOTAL RISK</b>	<b>10.1</b>	<b>14.5</b>	<b>20.3</b>

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3.8.5 In order to cover a position midway between the minimum and 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:-

A report on the Council Balances and Reserves Strategy was taken to the Overview and Scrutiny Commission on 19th January 2011. 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 2012/13, 2013/14 and 2014/15. In taking a decision on the level of balances, it is important to take into consideration current and future budget pressures and recognise that in order to set a balanced budget over the next four years there is a need for significant net reductions in the budget which inevitably will mean that there is very little room for manoeuvre in determining the level of balances. Incorporating the latest information, the effect on the Council's balances strategy would be as set out below:

	£m
<b>Balance b/f @ 31/3/2010</b>	<b>10.649</b>
Amount relating to Area Based Grant	(0.384)
Balance @ 31/03/10 excluding ABG	10.265
Forecast call on balances 2010/11	* 0
<b>Estimated balances c/f 31/3/11</b>	<b>10.265</b>
Forecast addition/call on balances 2011/22	0
<b>Estimated balances c/f 31/3/12</b>	<b>10.265</b>

\*Subject to redundancy cost review

3.8.7 In addition, the Council has revenue reserves the total of which is set out in the following table:-

	31st March 2010	Net Change in 2010/11	Forecast 31st March 2011
	£000	£000	£000
<b>Total Revenue Reserves</b>	<b>50,548</b>	<b>8,325</b>	<b>42,223</b>

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- 3.9 It is regarded that the opening level of General Fund reserves of £10.3m at 1st April 2011 will be adequate provision to cover the minimum level of risk. Within the contingency approved in the 2011/12 budget, there is £1.8m remaining for pressures, coupled with the above General Fund reserves, this will provide cover of £12.1m, approximately mid-way between the minimum and middle risk levels on current assumptions.
- 3.10 Assessment of Financial Standing including Funds, Provisions and Reserves

As at 31<sup>st</sup> March 2010, the Council had £50.5m of fund balances (excluding Pension Fund) and revenue reserves, and £4.9m of capital reserves.

	<b>Balance @ 31/03/2010 £m</b>
General Fund for general use	10,649
General Fund Schools	6,111
Other School Reserves	10,846
Housing Revenue Account	4,656
Collection Fund	4,701
Revenue Reserves	13,585
<b>Total</b>	<b>50,548</b>

This level of fund balances and reserves is considered adequate.

Pension Fund – An actuarial valuation of the London Borough of Merton Pension Fund has taken place during 2010. The current budgetary contribution is based on a 12 year recovery period. The expected results of the formal valuation indicate that the assets of the Fund currently represent approximately 83% of the accrued liabilities of the Fund.

The actuaries assessment is that, in order to clear the past service deficiency over 15 years, three years longer than currently provided for, and providing for additional contributions to address in-year early retirements, the estimated financial implications, compared with budget will be:-

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Based on 15 years (previously 12 years)	2011/12 £000	2012/13 £000	2013/14 £000	New Revaluation 2014/15 £000
Lump sum	4,800	5,000	5,250	6,450
Additional employers contributions arising from early retirements	400	800	1,200	200
Total	5,200	5,800	6,450	6,650
Base Budget (MTFS)	6,220	7,020	7,820	8,620
Surplus	1,020	1,220	1,370	1,970
Change in MTFS	(1,020)	(200)	(150)	(600)

Collection Fund – The balance on the Collection Fund at 31st March 2010 attributable to Merton was £4.701m (included in the £50.5m fund balances above). Given this level of surplus, it is proposed to incorporate an annual contribution of £1m from the Collection Fund into the MTFS to support the revenue budget from 2012/13 onwards.

### 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.



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### 4. **Forecast Financial Position**

The forecast financial position of Merton over the next four years is based on the detailed projections below:

#### 4.1 **Revenue – General Fund**

**Assumptions are:**

- Pay increases of 0.5 % in 2011/12 and 2012/13; 1.0% in 2012/14 and 2014/15
- Price increases at 2.0% for 2011/12; 1.5% for the period 2012/13 to 2014/15
- Additional inflation provision for those areas of high inflation (e.g. transport, concessionary fares and care homes)
- Decreases in Formula Grant (i.e. Revenue Support Grant and Business Rates income) for 2011/12 and 2012/13 as included in the Local Government Finance Settlement, and as forecast in the MTFs for 2013/14 and 2014/15 – see paragraph 3.3.
- Dedicated Schools Grant not included.

**Key inclusions are:**

- Council Tax frozen for 2011/12, with a £0.26m increase in the Council Tax base for each year of the plan period and future Council Tax levels still to be determined
- The incorporation in the forecast of the full year effects of savings and growth

**Caveats are:**

- 2011/12 - Pay claim lodged with employers of at least £250 on all salaries and spinal column points for 2011/12. Equivalent to 1.2%

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The current 2011/12 to 2014/15 Budget Forecast for the MTFS period is shown in Appendix 13b of Section 1 of this report.

A number of options available to the Council to identify the savings and additional income required in future years are being considered including:

- efficiency savings identified from service reviews, including cost reductions resulting from LEAN reviews of business processes
- additional income arising from a review of existing income from fees and charges and identification of new sources of income;
- cost reductions arising from maximizing value for money in the procurement of goods and services
- 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. These are summarised in Appendices 6 and 7 of Section 1 of this report.

### 4.2 LAA Performance Reward Grant

A claim has been submitted for Performance Reward Grant (PRG) of £1.703m and this is expected to be paid as 50:50 revenue and capital grant. No expenditure commitments have been made against this and once the grant award has been confirmed, the Chief Executive will be meeting with Merton Partnership to discuss how it will be utilised, as per their previous agreement.

## 5. **Merton Council Plans and Strategies (subject to review of Business Plan process)**

### 5.1 Community Plan

A key driver to Merton's progress is the Community Plan. The Plan has been produced by the Merton Partnership which bring together a range of key players from the public, private and voluntary sectors to co-ordinate the delivery of local services. As such the Community Plan is the borough's "plan of plans" providing the strategic framework for the council's business plan. It is based on the issues Merton residents tell us they would like to see improved. The original Community Plan 2006-15 was launched in June 2006, and the Partnership agreed to refresh the Plan every three years. The refreshed Plan was agreed by the Merton Partnership on 23 April 2009 and sets out the Partnership's vision and priorities for the borough.

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### 5.2 Merton 2015

The Council must be able to demonstrate that all of our services represent best value for money to our residents and we aim to do this by finding innovative solutions to maximise future efficiency. The Merton 2015 programme has been established to help the Council to meet this challenge of continuing to deliver quality and value services in an era of significantly reduced resources. The programme supports the delivery of the business change and improvement that is laid out in the Council's Business Plan.

### 5.3 Business Plan

For 2011/12 a new approach to business planning is being adopted. The plans that develop out of this will look very different to those currently in place and their development and delivery will drive and support a more commercial approach. The reasons for adopting this new approach include:

- a need to more closely align service planning decisions with the financial reality; the new service plans will link inputs (resources) to outputs and outcomes;
- to provide a clearer picture of the direction the service is travelling in, its planning assumptions, key performance measures, expected changes to delivery models and how these link to the service's available resources;
- to enable strategic resource allocation and investment decisions to be made that allow for services to transform and change at different times in the future and which would otherwise be very difficult to plan under an annual planning framework. A four year planning horizon will be introduced; and
- to demonstrate a clear link between the council's strategies and delivery plans.

We now have plans at two levels: a Corporate Plan and a series of service plans. These documents will be taken together to form the council's 'Business Plan'.

The council's Corporate Plan incorporates sections on:

- the overall strategy of the council;
- the resource plan including the revenue budget, the medium term financial strategy, the capital strategy and programme, the treasury management strategy, and the procurement plan;
- the performance management plan, including key corporate cross cutting PIs; and
- the risk management plan.

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The service plans will look at:

- service budget and how savings will be made;
- supply and demand;
- key service PIs;
- key deliverables from strategies related to the area of work;
- expected changes to the service; and
- key actions that will take place each year.

They will eventually result in each service delivering a four-year service plan from 2012/13. However, for this initial year services have focused on year one of their plans (2011/12), a series of service reviews are then taking place between January and June 2011 as a fundamental part of the Merton 2015 programme and the outcomes of these reviews will feed into the planning for years 2012/13 onwards.

The service plans presented for 2011/12 should therefore be regarded as transitional documents which will be superseded by fuller plans as the service reviews are completed. The table below lists the service plans that will be produced as part of the business plan.

<b>Community &amp; Housing</b>	<b>Environment &amp; Regeneration</b>	<b>Children Schools and Families</b>	<b>Corporate Services/Chief Executives</b>
<ul style="list-style-type: none"> <li>• Libraries and Heritage</li> <li>• Adult Social Care</li> <li>• Adult Education</li> <li>• Housing Needs</li> </ul>	<ul style="list-style-type: none"> <li>• Waste</li> <li>• Transport</li> <li>• Traffic</li> <li>• Highways</li> <li>• Street Cleaning</li> <li>• Future Merton</li> <li>• Property</li> <li>• Parks and Greenspaces</li> <li>• Leisure Development</li> <li>• Parking</li> <li>• Environmental Health, Trading Standards and Licensing</li> <li>• Development and Building Control</li> <li>• Commercial</li> <li>• Safer Merton</li> </ul>	<ul style="list-style-type: none"> <li>• Early Years</li> <li>• SEN</li> <li>• Children's Social Care</li> <li>• Youth Inclusion</li> <li>• School standards and Quality</li> <li>• Commissioning, Strategy and Performance</li> </ul>	<p>Due to the restructure affecting these two departments the preparation of service plans is currently on hold but will cover:</p> <ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Customer Services</li> <li>• Resources</li> <li>• Business Improvement</li> <li>• Infrastructure and Transactions</li> <li>• HR</li> </ul>

## SECTION 4

### 5.4 Capital Strategy and Programme for 2011-2015

### 5.5 Treasury Management Strategy

Details of the above two strategies are set out in Section 3 of the report to Cabinet. A summary of the information will be incorporated in the MTFs for Council, subject to any final amendments.

### 5.6 Asset Management Strategy

The Asset Management Plan is the Council's strategic forward plan for its property assets. A revised Asset Management Plan 2011 - 2015 is currently planned to be agreed by Cabinet on 21 March 2011. The revised plan is in two parts. Part 1 is The Corporate Governance and Policy Framework document that sets out the decision making processes and management protocols for asset management. This provides specific asset related policy and includes an updated Disposals Code of Practice plus policies for both acquisitions and disposals and a Community Asset Transfer Policy to ensure the benefits of such transfer are sustainable. Part 2 of the Plan contains an updated action plan for property management and review as described below.

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.

## SECTION 4

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 e.g. 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.

### 5.7 Procurement Strategy

As part of Merton 2015 the focus on commercial services and procurement will continue to increase. The importance of maximizing value for money from supplies of goods and services is of paramount importance. Procurement continues to be a key element through which the Council will deliver on its objectives.

The key themes that will be explored in meeting the challenges are:

- Partnering and Collaboration.
- Capacity building.
- Leadership.

The key areas of focus for the Commercial Services team are

- Providing direct support to departments.
- Improving procurement governance at strategic and operational levels
- Developing commercial skills in the organisation.

The Procurement Strategy is a plan that facilitates and improves procurement throughout the council. At present procurement activities are co-ordinated through a Procurement Board which in the future will be supported by the Operational Procurement Groups. The groups provide a platform to develop the objectives of procurement and support the delivery of the Procurement Strategy across the council.

The Procurement Strategy is being reviewed to incorporate policy objectives, the business plan and departmental service delivery plans.

In addition the Procurement Toolkit is available through the Council's Intranet, to assist officers, to follow good practice in relation to Procurement. This resource is being reviewed and improved during 2011.

5.7.1 During 2011/12 plans to develop commercial skills include:

## SECTION 4

- The addition of 2 Commercial Advisor posts to the Corporate Procurement function. This will increase procurement skills and capacity in Merton helping it respond to the financial challenges.
- Assessment of the level of procurement and commercial skills of staff across the organisation, to be carried out in conjunction with the Heads of Service and the Joint Head of Human Resources. A range of learning and development measures in procurement will be provided to staff.

### 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 the objectives of the Merton 2015 programme – in particular the need to plan for a reduced workforce complement, using alternatives to redundancy where possible, in the context of the Council's financial position over the next four years
- Work with wider service providers across the locality to ensure a partnership approach to workforce development planning, service provision, and joint outcomes through partnership and new ways of providing services
- Provide Line Managers with relevant and reader friendly workforce data and a toolkit to help them recruit and retain competent and motivated staff and to plan and achieve the service plan objectives of their respective business units
- Help line managers manage their budgets and service demands via data reports on absence, establishment, recruitment, and learning and development
- Support Heads of Service, section managers, Human Resources teams and corporate / directorate working groups on such issues as equalities, learning and development, and workforce planning
- Develop a consistent and corporate approach to planning the workforce need during the next 1/3/5 years – to meet the needs of the Merton 2015 programme

5.8.2 Each year has seen a refined and improved process to workforce planning, demonstrating that it has been embedded as an essential aspect of the Council's 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.

## SECTION 4

### 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 four 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 service 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 2011-2015 currently includes investment in IT of:

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
<b>Total</b>	<b>4,482</b>	<b>3,370</b>	<b>1,295</b>	<b>1,195</b>

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.



**CABINET RESPONSE TO PANELS AND THE OVERVIEW & SCRUTINY  
COMMISSION**

There are a number of changes and recommendations that are proposed following the Scrutiny process and other updated information. These changes have been incorporated into the papers presented to Council on 2<sup>nd</sup> March 2011. The net effect is summarised in the following table:-

<b>Ref.</b>	<b>Savings Proposal</b>	<b>Change 2011/12 £m</b>	<b>Change 2012/13 £m</b>
ER03	Parking – amend removal of 20 minutes free parking to 10 minutes	0.030	
CC35	Freedom Pass – Review scale of Proposal (reducing overall budget by half)		0.030
CSF28	Brightwell Respite Centre – reduced impact of overnight care	0.030	
CC22	Taylor Road – delay in decision by 3 months to give community groups more time to consider options and make necessary arrangements	0.006	(0.006)
ER06	Phased reduction in the grant to Deen City Farm – proposed reductions in future years will be brought back through the Scrutiny process to enable further review of impact of proposals	-	-
ER07	Evening parks locking up service – to go ahead however, impact will be monitored and subject to review	-	-
CSF25	SEN - Service efficiencies and rationalisation of budgets impact of this on children will be kept under review	-	-
CS2	Support Services Restructure – proposal re reinstating legal support for licensing is being considered s part of the options arising from the Members' Working Group	-	-
	<b>Net change</b>	<b>0.066</b>	<b>0.024</b>
	<b>Reduction in provision for Single Status costs</b>	<b>(0.066)</b>	<b>(0.024)</b>
	<b>Net change in MTFS</b>	<b>0.000</b>	<b>0.000</b>

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## **Committee: Council**

**Date: 2 March 2011**

Agenda item: 5

Wards:

### **Subject:**

Lead officer: Chris Pope OBE, Director of Transformation

Lead member: Cllr Mark Betteridge, Deputy Leader and Cabinet Member for Performance and Implementation

Forward Plan reference number: 1015

Contact officer: Kate Martyn, Head of Policy, Partnerships and Communities

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### **Recommendations:**

- A. That Council agrees the Business Plan package for 2011/12 and notes how the Business Plan will be developed for future years.
  - B. That Council delegates authority to Directors in consultation with portfolio holders to make any necessary further amendments to the Business Plan.
- 

## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. This report provides an overview of the new business planning process for 2011/12 and presents the narrative text of the Business Plan, the corporate performance indicators and the service plans for Council's consideration and approval.

## **2 DETAILS**

### **The business planning framework**

- 2.1 In previous years the council's service plans have formed part of the 'golden thread' of the council's overall planning and performance management framework. Service plans have traditionally sat at the lower end of the planning hierarchy, below the council's Business Plan and the five departmental plans. The Business Plan incorporates the performance management framework, the budget is handled and published separately and risk is not covered in any detail.
- 2.2 Whilst this established approach to business planning was well understood by officers and members and provided a consistent methodology across the council there were some drawbacks, perhaps most significantly the lack of a clear link with the resources (set in the budget process) and outputs described in departmental and service plans.
- 2.3 For 2011/12 a new approach has been adopted. The plans that develop out of this will look very different to those currently in place and their development and delivery will drive and support a more commercial approach. The reasons for adopting this new approach include:

- a need to more closely align service planning decisions with the financial reality; the new service plans will link inputs (resources) to outputs and outcomes;
  - to provide a clearer picture of the direction the service is travelling in, its planning assumptions, key performance measures, expected changes to delivery models and how these link to the service's available resources;
  - to enable strategic resource allocation and investment decisions to be made that allow for services to transform and change at different times in the future and which would otherwise be very difficult to plan under an annual planning framework. A four year planning horizon will be introduced; and
  - to demonstrate a clear link between the council's strategies and delivery plans.
- 2.4 Plans will now be introduced at two levels: a Corporate Plan and a series of Service Plans. These documents will be taken together to form the council's 'Business Plan'. Departmental plans will no longer be produced.

### **Corporate Plan**

- 2.5 The council's Corporate Plan will incorporate sections on:
- the overall strategy of the council;
  - the resource plan including the revenue budget, the medium term financial strategy, the capital strategy and programme, the treasury management strategy, and the procurement plan;
  - the performance management plan (including corporate performance indicators); and
  - and the risk management plan.
- 2.6 The performance management plan remains subject to further work as clarity on reporting arrangements with central government becomes clearer following the cessation of the CAA. In the future business plan, performance indicators will appear in either a Service Plan or the Corporate Plan but not both. Service PIs will be developed throughout the Service Review project. Proposed Corporate PIs for 2011/12 are set out in the Business Plan Chapter 2 Part 2 which includes an audit against the Corporate Capacity Indicators set out in previous plans.

### **Service Plans**

- 2.7 The new approach will result in each service delivering a four-year service plan from 2012/13. However, for this initial year services have focused on year one of their plans (2011/12). This is because a series of service reviews are scheduled to take place from January to June 2011 as a fundamental part of the Merton 2015 programme and the outcomes of these reviews will feed into the planning for years 2012/13 onwards.
- 2.8 The service plans presented for 2011/12 should therefore be regarded as transitional documents which will be superseded by fuller plans as the service reviews are completed.
- 2.9 Departmental Management Teams were given the discretion to select how to aggregate or disaggregate their service divisions in the way that most naturally reflects service delivery. The table below lists the services that have completed plans for 2011/12.

<b>Community &amp; Housing</b>	<b>Environment &amp; Regeneration</b>	<b>Children Schools and Families</b>	<b>Corporate Services/Chief Executives</b>
Libraries and Heritage	Waste	Early Years	Due to the restructure affecting these two departments the preparation of service plans has been delayed. Plans are currently in development.
Adult Social Care	Transport	SEN	
Adult Education	Traffic	Children's Social Care	
Housing Needs	Highways	Youth Inclusion	
	Street Cleaning	School Standards and Quality	
	Future Merton	Commissioning, Strategy and Performance	
	Property		
	Parks and Green Spaces		
	Leisure Development		
	Parking		
	Environmental Health, Trading Standards and Licensing		
	Development and Building Control		
Commercial Services			
Safer Merton			

**Link to Budget documents**

2.10 Under the new framework the Budget Book will become an integral part of the Business Plan, forming the 'resource plan':

- Revenue Budget;
- MTFS;
- Capital Strategy and Programme;
- Treasury Management Strategy; and
- Service estimates will provide the resource plan for each service.

2.11 The 'resource plan' documentation is not included with this report but can be found elsewhere on this agenda with the Budget report. Once the Budget and Business Plan are approved by Council the documents will be combined to form a single document; this will be made available on the intranet and internet for members, officers and residents.

## **Future development of the business planning framework**

- 2.12 Members should note that this year's Business Plan is very much a work in progress that will be refined over the course of the year. It is envisaged that the business plan will develop to incorporate the following:
- Develop the service plans to cover a four-year planning horizon – the service reviews currently underway should enable services to complete their service plans for the four-year period.
  - Addition of a Major Projects and Programmes Plan to capture the key projects taking place and scheduled to take place across the council.
  - Addition of a Manpower Plan.
  - A comprehensive review of performance measures and targets will take place in light of new Government requirements and the removal of the national indicator set.
- 2.13 Service Plans for 2011/12 will be developed further over the coming weeks to take account of the comments raised by the various Scrutiny panels and the Overview and Scrutiny Commission so that by the end of March they will be sufficiently mature to provide a basis against which to report performance in 2011/12. The restructure of Corporate Services and Chief Executives departments, resulting in new arrangements for the provision of support services and customer services will not be complete before the beginning the new financial year and so Service Plans for the new divisions will be prepared in time to present to Scrutiny in June.

## **3 ALTERNATIVE OPTIONS**

- 3.1 The council could decide to continue with its current planning framework but this would not address the issues described at paragraph 2.2.

## **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1 Senior officers have been consulted on the new approach to service planning.
- 4.2 Cabinet members have been involved in developing the content of the service plans through their ongoing discussions with directors.
- 4.3 The service plans have been presented to the scrutiny panels during the current budget round. The comments made by scrutiny will be taken into account in further developing service plans:
- avoid acronyms and jargon.
  - the graphical representation of budgets needs further consideration so as to better reflect the total spending including income streams.
  - the description column in the action plan should contain as full a description as possible.
  - revenue data, once available, should be used in planning assumptions for future years.
  - performance measures should include customer satisfaction and related indicators and should use past performance information where available.

- planning assumptions on demand should also include previous actual demand for comparative purposes.

## **5 TIMETABLE**

- 5.1 The Business Plan (and particularly Service Plans) will continue to be developed up until the end of March 2011. Service Plans for Customer and Support Services will be completed by June 2011.

## **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. The new service planning process has not required any additional resources as it has been undertaken in house. The financial, resource and property implications for service areas are contained within the individual service plans.

## **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. None

## **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1. Highlighted in individual service plans.

## **9 CRIME AND DISORDER IMPLICATIONS**

- 9.1. Highlighted in individual service plans.

## **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 10.1. Highlighted in individual service plans.

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

- Merton Council Business Plan 2011-2015 - Draft

## **12 BACKGROUND PAPERS**

- 12.1. None

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# **Merton Council**

## **Business Plan 2011 - 2015**

## Introduction

Welcome to Merton Council's Business Plan for 2011-15. This Plan brings together financial (Budget) and service planning information to give a detailed picture of how the council will operate this year. This is the first year that we have fully aligned our budget and service planning processes and presented the information as one comprehensive document.

If you have any comments or questions on the content of this plan please contact Chris Pope, Director of Transformation ([chris.pope@merton.gov.uk](mailto:chris.pope@merton.gov.uk) or 020 8545 3366).

## Contents

Chapter 1 – Background and Context

Chapter 2 – Corporate Plan

Part 1 – Resource Plan

Section 1 – Revenue Budget

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Section 3 – Capital Strategy

Section 4 – Capital Programme

Section 5 – Treasury Management Strategy

Part 2 – Performance Management

Part 3 – Risk Management

Part 4 - Procurement Plan

Chapter 3 – Service Plans

Adult Social Care

Adult Education

Etc

# CHAPTER 1

## BACKGROUND AND CONTEXT

### ABOUT THE BOROUGH

- Merton is an outer London borough situated to the south west of central London. The demographics of the borough and some of its defining characteristics are listed below.
- Population of 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 overground 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 and 11 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 £1,412.81 (2011/12) 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 consistently one of the safest boroughs in London which is a tribute to the excellent partnerships between the council, Metropolitan Police Service, 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 serious illness and early deaths from illnesses such as 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.

The national census will be undertaken in autumn 2011 and will provide up to date information about our residents, which will help us to better plan and provide services that meet their needs.

## **ABOUT THE COUNCIL**

### **An overview of the council – key facts**

- The council is comprised of 60 elected Councillors, representing 20 wards and four political parties.
- The current political composition of the Council (as elected in May 2010) is:
  - Labour: 28 councillors
  - Conservative: 27 councillors
  - Merton Park Ward Independent Residents: 3 councillors
  - Liberal Democrats: 2 councillors
- 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 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 £156m in 2011/12 with around 45% of this 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 and work in five main departments:
  - Children, Schools & Families
  - Environment & Regeneration
  - Community & Housing
  - Support Services

## **VISION/TRANSFORMATION STATEMENT**

Under the old CPA regime, Merton was a 4 star council that was improving strongly. We want this standard to be maintained.

We want the council to provide a great education service for its residents. We want to care for those who are vulnerable or frail. Our leisure services should meet the needs of people in the borough. The environment should be pleasant, our waste services efficient and our roads and pavements should meet the standards residents expect. In short Merton should be a good place to live.

The biggest challenge we face is doing all of this with significantly less money. Most of our efforts over the next couple of years will be spent reviewing services to find ways to sustain the delivery of quality services which residents value.

We will examine all options. This could involve working with other councils. It could involve bringing some services in house. It could mean contracting out services. It will certainly involve driving the best bargain we can for the things that we buy.

Any service that is run in house will be asked to see how it can be run for less money.

## **NATIONAL POLICIES**

The change of Government in May 2010 is having and will continue to have a profound impact on the delivery of services at a local level. For example:

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

Merton must respond to these challenges and opportunities over the next four years.

## CHAPTER 2

### CORPORATE PLAN

The Corporate Plan brings together Merton Council’s key strategic documents relating to financial management, performance management, procurement and risk.

#### The planning framework

The Corporate Plan and Service Plans (see Chapter 3) illustrate how the council’s corporate centre and service departments work together to deliver services to residents within the available resources.

The council delivers a number of **service strategies and plans**. These are strategies that direct the provision of services for local residents/service users or aim to make Merton a better place to live, work and learn in line with the council’s policies.

The council also has a number of **corporate strategies and plans**. These are largely internal documents which guide, for example, how the authority uses its resources, manages its information, monitors its performance and ensures services are delivered fairly.

#### Major service/thematic strategies

Adult Treatment Plan	Air Quality Action Plan	Anti Social Behaviour Strategy	Children and Young People’s Plan	Climate Change Strategy
Commercial and Trading Standards Delivery	Cultural Strategy	Crime and Disorder (partnership plan)	Economic Development Strategy	Ethnic Minority Housing Strategy
Gypsy and Traveller Strategy	Homelessness Strategy	Housing Strategy	Local Implementation Plan	Local Development Framework
Older People’s Housing	Open Spaces Strategy	Road Safety Plan	Social Inclusion Strategy	Third Sector Strategy
Unitary Development Plan	Waste Management Plan			

#### Major corporate strategies

Asset Management Plan	Capital Programme	Corporate Equalities Scheme	Corporate Procurement Strategy
Customer Services Strategy	ICT Policy	Information Governance Policy	Medium Term Financial Strategy

Performance Management Framework	Risk Management Strategy	Treasury Management Strategy	Workforce Development Plan
----------------------------------	--------------------------	------------------------------	----------------------------

These strategies and plans draw heavily on the aims set out on the Merton Community Plan 2006-15 but also reflect central government policy changes, sub-regional policies (e.g. set by the Mayor of London), new legislative requirements and short term changes to local priorities.

Our aim is to review this planning framework to reduce the overall number of policies, strategies and plans and to improve coherence between them.

## **CHAPTER 2 - THE CORPORATE PLAN**

### **PART 1 - RESOURCE PLAN**

See Budget



# CHAPTER 2 - THE CORPORATE PLAN

## PART 2 – PERFORMANCE MANAGEMENT

### OUR APPROACH

1. The council has a Performance Management Framework which lays out the principles of how we plan and manage improvement to our services. It shows how budgetary and workforce planning feed into the business planning process and it demonstrates how each member of staff contributes 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.
2. During 2011 we will be reviewing the performance management framework to ensure that it remains fit for purpose. This will include:
  - 2.1. a review of the performance indicators that we collect as the recently published Government consultation will potentially lead to a reduction in the number of statutory indicators that we have to report and will mean that we are able to develop indicators locally that reflect the work that we are doing in Merton and give residents a better understanding of how we are doing;
  - 2.2. a review of the way that we report performance in order that the information we are publishing provides a wider picture of how the council is performing, including financial, workforce and other data where appropriate;
  - 2.3. a review of how we manage performance, in particular taking into account Lean principles and the importance of performance in achieving sustained improvements to service delivery.
3. The priorities and targets set in this Business Plan were agreed after considering the expected budget and staffing resources of each department. We are in the process of carrying out a review of each service that we provide in order to determine how this will be delivered in the future in the light of the demands on the service and funding available. This ensures that the targets, whilst challenging, can realistically be met.
4. The targets relating to service performance can be found in the relevant service plans whilst the PIs laid out in this document are those where responsibility does not sit with any one service but corporately across the council. Of those targets set out in previous Business Plans (and particularly Business Plan 2010-2013) some are included in individual service plans, some are listed below as corporate PIs and some are no longer needed due to changes in the central government reporting requirements.

Corporate Performance Indicators						
Ser	Proposed PI	2009/10		2010/11		2011/12
		Target	Performance	Target	YTD performance	Proposed Target
1	% of employees from Black and Minority Ethnic (BME) groups			22	19.12 (Dec)	22
2	% of employees who are disabled			5.75	4.14 (Dec)	6
3	% of staff who perceive Merton as a good place to work			67	From staff survey	Biennial target
4	Average number of working days lost to sickness	9.00	9.09	8.5	6.84 (Dec)	8
5	% of agency staff as a proportion of the workforce	n/a	n/a	7.5	8.84 (Oct)	6
6	% agency staff in post for over 12 months	n/a	n/a	28	27.25 (Oct)	20
7	% agency staff covering vacant posts	n/a	n/a	60	47.8 (Sept)	50
8	Number of invoices below £100 as a % of the total number of invoices	25	34.63	20	29.64 (Dec)	15
9	% of invoices requiring avoidable trouble shooting			25	30.85 (Dec)	25
10	% Staff leaving the authority with less than 2 years service	18	25.34	16	12.53 (Dec)	10
11	Amount of budgeted efficiency savings achieved	3.628m	3.569m	6.843m	5.078m (Dec)	As per budget
12	Amount of Cashable Savings delivered from Lean projects	n/a	n/a	n/a	n/a	10% (amount tbc when 11/12 Lean prog confirmed)
13	% of Positive and Neutral Coverage Tone	85	91.59	85	92.00 (Jan)	85
14	% ombudsman complaints answered in 28 days			tbc	tbc	100
15	Number of cheques issued			tbc	tbc	tbc
16	The level of CO2 emissions from the council's main operational buildings (tonnes)	1900	1854.25	1800	1208.48 (Dec)	1500
17	Total capital receipts received by the council	1m	0.421	4m	0.731 (Dec)	1m
18	% Council tax collected	96.5	96.68	96.5	94.31 (Jan)	96.5
19	% of outstanding debt recovered by the council					These are new PIs and we are still working to develop definitions
20	Amount of debt written off by the council					

21	% of residents who think that the council is doing a good job	n/a	74%	n/a	78%	80%
22	% of residents who feel the council provides good VfM for the council tax they pay	n/a	43%	n/a	53%	55%

Note: targets in italics were Business Plan 2010-2013 targets.

Comparison to Business Plan 2010-2013 targets for Corporate Capacity theme.

<b>Performance Indicator</b>	<b>Position in 2011-2014 Plan</b>
Number of services delivered through the contact centre	Service Plan – AD Customer Services
Percentage of relevant buildings that are compliant with the disability discrimination act	Service Plan – AD Infrastructure & Transactions
Number of e-enabled payment transactions accepted via the website	Service Plan – AD Customer Services
Number of e-enabled service interactions available on the council's website	Service Plan – AD Customer Services
Number of months 'the percentage of website users who found what they were looking for' is above the London average	Service Plan – AD Customer Services
Average number of minutes for a customer to be seen in Merton Link	Discontinued – drives wrong behavior
Percentage of customers seen within 30 minutes in Merton Link	Service Plan – AD Customer Services
Percentage of employees from Black and Minority Ethnic (BME) groups	Corporate Plan – see above
Percentage of employees who are disabled	Corporate Plan – see above
Percentage of staff who perceive Merton as a good place to work	Corporate Plan – see above
Percentage of overall staff expenditure spent on agency staff	Corporate Plan – replaced by Ser 5 above
Percentage of total divisional staff spend in children's social care on agency staff	Service Plan – Children's Social care
Number of working days lost to sickness	Corporate Plan – see above
Percentage turnover of staff with less than two years of service	Corporate Plan – see above
Reduction in turnover of staff in posts recognised as difficult to fill	Discontinued
Rating for CAA Managing Performance Assessment	No longer applicable
Percentage of required indicators produced within timescales	Discontinued
Percentage of figures amended after reporting on the dashboard	Discontinued
Provide budget monitoring reports to customers within 10 days of month end	Discontinued
Expenditure for the overall council budget to be on target, with no major overspends	Not meaningful
Overall CAA rating for Use of Resources	No longer applicable
Percentage of social services debt collected: (a) under one year old; (b) one to two years old; (c) over two years old	Corporate Plan – included in Ser 19 above
Percentage of savings achieved through improved efficiency	
Number of invoices below £100 as a percentage of the total number of invoices	Corporate Plan – replaced by Ser 11
	Corporate Plan – see above

# CHAPTER 2 - THE CORPORATE PLAN

## PART 3 – RISK MANAGEMENT

### OUR APPROACH

1. Risk management forms a fundamental part of the council's corporate governance framework and since 2007 has been managed under the corporate Risk & Safety Services function. Each year the council's strategy has been endorsed by members to reflect the direction in which risk management needed to take in line with the comprehensive performance assessment (CPA) criteria as audited by the Audit Commission. Having achieved the aims of the council in embedding risk management across the council and fostering a more positive risk appetite it is appropriate that the council takes risk management to the next level particularly as the CPA process no longer drives the plan.
2. Whilst risk management continues to be a fundamental part of our governance framework and forms the basis of all key decisions and reports to members, the Merton 2015 programme sees risk management moving out of safety services within the Corporate Governance division and into the Resources division under the Business Improvement Team. The direction in which risk management will develop is yet to be decided, however it will build on the current strategy and toolkit and will form an integral part of the business planning process.
3. In the meantime departmental management teams are expected to maintain their current risk registers which can be accessed via the intranet and progress risk mitigation action plans through the management teams.

# CHAPTER 2 - THE CORPORATE PLAN

## PART 4 - PROCUREMENT PLAN

### OUR APPROACH

1. During 2011 the corporate procurement function will continue to grow with the addition of two Commercial Advisor posts. This will increase procurement skills and capacity in Merton helping it respond to the financial challenges.
2. In Adult Social Care work is underway on the development of a commissioning and procurement strategy for domiciliary care services. A range of advice and guidance will continue to be provided for the important tender exercises that are underway in the wider department, including library services.
3. There is a continued drive for competition and value for money in purchased services in Merton's in-house transport service; including the way in which taxi services for children with Special Educational Needs and fleet procurement is undertaken. The recommendations of the passenger transport services review are being taken forward and the Procurement Board will retain oversight of the procurement changes and subsequent improvements.
4. In Human Resources the procurement exercise to provide temporary staff to Merton and Sutton has resulted in the appointment of Manpower as the supplier. The procurement of HR related services through the Recruitment Partnership (up to 30 London boroughs) is underway and new contracts are being awarded. Services will begin in April 2011.
5. Alongside the progress on specific projects further improvements to procurement governance and control have been achieved, through the strengthening of the Procurement Board. In addition the procurement gateway process is being developed and will begin operating in summer 2011 alongside the operational procurement groups, once the new Commercial Advisor posts are filled. Both will commence after the completion of the Support Services restructure.
6. Work will shortly begin in conjunction with the heads of service and the Joint Head of Human Resources to assess the level of procurement and commercial skills of staff across the organisation. A range of learning and development measures in procurement will be provided to staff.
7. Merton's new E-Tendering system is on schedule and is at present being adopted by departments. The system allows staff to conduct Request For Quotes and tenders online and much more quickly than before and also allows staff to automatically evaluate and allocate scores to the received quotes/tenders. The system also enables staff to undertake and co-ordinate a large majority of the contract management activities with key suppliers, online.
8. In the South West London region Merton is taking the lead with neighbouring boroughs to seek out further opportunities for joint and collaborative procurement to

compliment those already underway. The Heads of Procurement for the South West London region are identifying opportunities for collaborative procurement and joint working opportunities. Merton's spend data for 2009/10 has been gathered, interrogated and provided to London Councils and is for the first time starting to be used to inform the activities of departments when developing their own and region-wide collaborative procurement strategies.

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

## CONTRACT ACTIVITY

10. Major contract tender activity planned for 2011/12 includes:

<b>Service</b>	<b>Timescale</b>	<b>Annual value</b>
Domiciliary Care Services	Spring 2011	approx £5.0m
Adult Mental Health Services	Summer 11	£380k
Highways Maintenance Services	Summer 2011	approx £9.0m
Transport Services Framework	Spring 2011	approx £1.0m
LoGo Cloud Computing	Spring 2011	approx £1.0m

11. The master schedule for developing procurement capacity is shown below:

## Procurement Master Schedule - January 2011

1) Service Element			Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
<b>Corporate Services Procurement Function</b>														
<i>Complete Corporate Services restructure.</i>														
<i>Recruit/restructure additional staff members and provide training.</i>														
<i>Implement the Commercial Services Operating Model with departments (inc Business Partners).</i>														
<i>Build commercial &amp; procurement capacity and skills in the new team.</i>														
<b>Governance - Strategic &amp; Operational Level</b>														
<i>Develop the Gateway process and manage the Procurement Board and Contract Register Administration</i>														
<i>Establish the Operational Procurement Groups below the Procurement Board.</i>														
<i>Review and update all procurement resources on the Intranet (including toolkit, templates, all guidance documents &amp; intranet pages)</i>														
<i>Refresh CSO's</i>														
<i>Due North E-Tendering Implementation</i>														
<i>Purchase to Pay improvements</i>														
<b>Direct Support to Departments</b>														
<i>In all departments – Develop an improved approach to procurement.</i>														
<b>Current</b>														
<i>Understand departments spend data (high level analysis of £160m) - Completed</i>														



Complete Supplier Engagement exercise - tranche 1 first, then extend to all key suppliers.																			
<b>Future</b>																			
<b><u>Address Direct Spend</u></b>																			
Participate in and support the work of the Departmental Challenge Panels in Q1 and Q2 2011.																			
Improve VFM in existing spend (contracts and non-contracted spend)																			
Co-create plans with departments for tendering activities in next 1-3 years.																			
Co-create plans with departments for contract management activities in the next 1-3 years.																			
<b><u>Address Indirect Spend</u></b>																			
Develop a Category Management approach to Indirect Spend areas in the Infrastructure & Transactions department and Resources department and put in place corporate contracts. Categories include IT, telephony, energy, cleaning, stationery, uniforms etc. Continued management to drive up compliance.																			
<b>Skills Development in Organisation</b>																			
Train & develop Merton staff in commercial skills, contract management, cost management and opportunity analysis.																			
Complete specification & mini-competition from a Framework																			
Create content of programme & timeline																			
Communications with staff & course admin																			
Roll out first module to 60 staff.																			
Roll out second module to 60 staff																			
Roll out third module to 60 staff																			

## **CHAPTER 3**

### **SERVICE PLANS**

These service plans are designed to give an overview of all the significant planning and financial information for each council service and to show how the service's plans affect its financial position and vice versa.

The plans will look ahead over a four-year period; however, for this first year of implementing the new model services have entered data for 2011/12 only. The plans will be further developed over 2011/12 to achieve the four-year planning framework.

#### **List of service plans in alphabetical order**

- Adult Education
- Adult Social Care
- Children's Social Care
- Commissioning, Strategy and Performance (Children, Schools and Families)
- Commercial Waste Services
- Development and Building Control
- Early Years
- Environmental Health, Trading Standards and Licencing (EHTSL)
- Future Merton
- Highways
- Housing Needs and Enabling Service
- Leisure Development
- Libraries
- Parking
- Parks and Green Spaces
- Property
- Safer Merton
- School Standards and Quality
- SEN

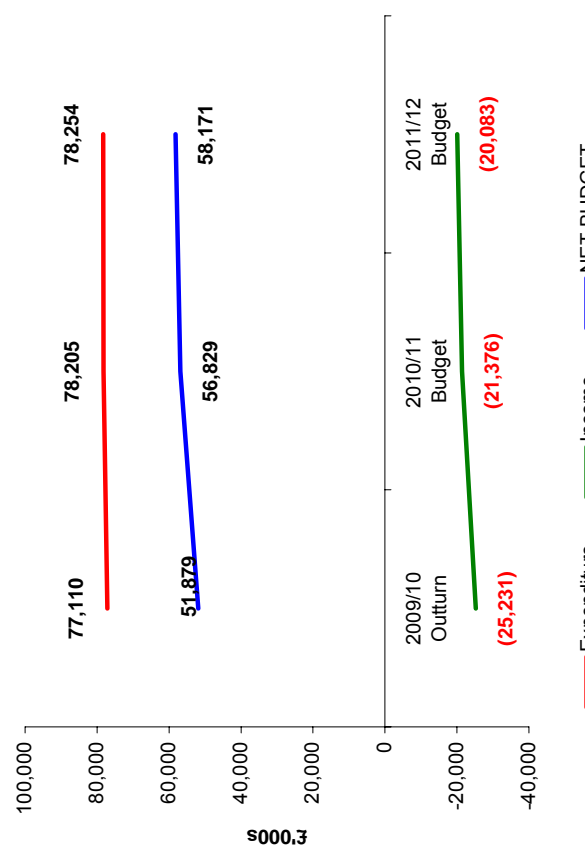
- Street Cleaning
- Traffic
- Transport
- Waste Management
- Youth Inclusion

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ADULT SOCIAL CARE - SERVICE DESCRIPTION		PLANNING ASSUMPTIONS							STRATEGY DELIVERY		
<p><i>Transformation statement</i></p> <p>Adult social care will in the future be based on personalisation and value for money. Services will be commissioned which will minimise dependency on Council funding, offer choice where appropriate and control unit costs. All of these services will be through personal budgets. Directly provided services will compete in the market.</p> <p><i>The purpose of this service is to:</i></p> <p>Provide care and support to people in need due to disability or illness, as defined in legislation such as the National Assistance Act 1948 and the NHS and Community Care Act 1990.</p>		<b>Anticipated Demand</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of demand</b>	<b>Key deliverables:</b>			
		Number of people requiring Services	5891				2.1% Increase in numbers receiving services	30% of all eligible Customers using personal budgets			
		Number of people 65+ with dementia	1,883				2.8% Increase in number of people with				
		Number of carers receiving services	1,118				1.7% Increase carers Requiring support -				
		Number of people going through SDS	All eligible				All new eligible customers to go through the SDS process - Vision for ASC	Delivery of £4.2m savings			
<b>Anticipated Supply</b>		<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>	Establishment of arrangements for integrating NHS, Public Health and Social Care Commissioning				
		Staff	399.55				5% Decrease				
		Key Assets e.g. Properties etc.	n/a								
PERFORMANCE MEASURES AND TARGETS											
<b>Performance Measure/Target</b>	<b>Polarity</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Indicator Type</b>	<b>Impact if not</b>				
% of eligible people receiving Individual	↑	40%				Outcome	Statutory				
% of Reablement customers still at home after 6 weeks after service	↑	80%				Business Critical	Costs more if people are not				
% Customers saying yes to Quality of life is	↑	80%				Perception					
% Customers saying who are satisfied with	↑	80%				Perception					
Number of referrals to Safeguarding	↑	10%				Outcome	Safeguarding				
% of Carers receiving services	↑	28%				Business Critical	Costs more if				
% of Carers satisfied with service	↑	80%				Perception					
Reduce Waiting lists for OT by	↓	10%				Quality					

BUDGET/RESOURCES		EXPECTED CHANGES				
		2012/13	2013/14	2014/15	2013/14	2014/15
<b>ADULT SOCIAL CARE BUDGET</b>						
ASC 1 - Renegotiation of residential/nursing contracts						
ASC-2 Non-residential contract renegotiations						
ASC-3 Implementation of brokerage function						
ASC-4 Implementation of 0% inflation increase for providers						
ASC-5 Supporting People changes						
ASC-6 Reablement Service restructure						
ASC-7 Reablement service NHS negotiations						
ASC-8 Direct Provision restructure						
ASC-9 SDS implementation						
ASC-10 SDS Financial Systems						
ASC-11 Direct Provision						
ASC-12 Transforming Community Equipment Service						
ASC-13 Increase in use of telecare						
ASC-14 Changes to transport provision						
ASC-15 Implementation of Commissioning Strategy						

ACTIONS AND SAVINGS						
		2011/12	2012/13	2013/14	2014/15	2014/15
ASC-6, ASC-8	476					
ASC-8	24					
ASC-14	240					
ASC-5, ASC-8, ASC-12	115					
ASC-1, ASC-2, ASC-3, ASC-4,	2,553					
	3,408					
Inflation	1,211					
Growth	2,959					
NET BUDGET	£762	£0	£0	£0	£0	£0



Revenue Budget (£'000s)	2009/10	2010/11	2011/12	2012/13
<b>Expenditure</b>	<b>77,110</b>	<b>78,205</b>	<b>78,254</b>	<b>0</b>
Employees	14992	13,212	12,732	
Premises	295	373	380	
Transport	1299	1,232	1,060	
Supplies and Services	2996	3,330	2,610	
3rd party	44180	44,795	44,577	
Transfer	7733	8,979	10,611	
Support	5428	6,149	6,149	
Depreciation	187	135	135	
<b>Income</b>	<b>(25,231)</b>	<b>(21,376)</b>	<b>(20,083)</b>	<b>-</b>
Government	(4,175)	(1,876)	(6,636)	
Other	(10,125)	(9,379)	(2,859)	
Customer	(7,224)	(7,345)	(7,812)	
Recharges	(3,257)	(2,776)	(2,776)	
Reserves	(450)			
<b>NET BUDGET</b>	<b>51,879</b>	<b>56,829</b>	<b>58,171</b>	<b>0</b>

ACTION PLAN						
DESCRIPTION	BENEFIT		IMPACT		RISK	
	Expected Benefit	Equalities	Other departments	Delivery Risk	Reputational Risk	
ASC-1 Renegotiation of residential/nursing contracts	Reduced expenditure of care home placements through nationally recognised care funding calculator tool	None	None	Providers are not willing to re-negotiate -this is a low risk & may in some situations result in a transfer of customers from care homes, to other homes.	Low -medium if providers are unwilling to renegotiate rates.	
ASC-2 Non-residential contract renegotiations	Existing services are reviewed to ensure they are still appropriate for current needs & to reduce the budget for the 3rd party services (without affecting quality), ensuring the price of the service is in the lower quartile compared to other boroughs)	None	None	Providers are not prepared to re-negotiate -this is a low risk due to high level working relationship with providers. In these situations, we would be able to source the services from other providers in the market.	Low	
ASC-3 Implementation of brokerage function	Contributes to Savings and efficiencies for 2011-12/	None	None	Medium	Medium	
ASC-4 Implementation of 0% inflation increase for providers		None	None	High	High	
ASC-5 Supporting People changes		None	None	Low	Low	
ASC-6 Reablement Service restructure: agreement to proposed structure; issue of redundancy notices		None	None	Medium	Medium	
ASC-7 Reablement service NHS negotiations		None	None	High	Medium	
ASC-8 Direct Provision restructure: agreement to proposed structure; issue of redundancy notices; closure and handover of TR building		None	None	Medium	High	
ASC-9 SDS implementation: review of initial contact/access arrangements; provision of tools and processes, including a RAS; review of tools and processes	Effective initial contact arrangements should reduce the number of referrals going through the system; customers will have greater control over the support purchased to meet their needs.	None	Corporate Services	High	Medium	
ASC-10 SDS Financial Systems: pre-paid cards implementation; Merton Managed Accounts implementation; ensure that CF is fit-for-purpose for SDS	Increase in customer-led transactions should reduce the level of intervention required by council staff	None	Corporate Services	High	High	
ASC-11 Direct Provision trading approach: agreement of pricing structures; future organisational options appraisal	Savings, efficiencies and income generation in line with personalisation	None	Corporate Services	High	Medium	
ASC-12 Transforming Community Equipment Service: implement Retail Model for SADL's; procure the supply and delivery of CADL's	Increase in customer-led transactions should reduce the level of intervention required by council staff	None	Impact on NHS partners	None	High	
ASC-13 Increase the use of telecare	Increase in the number of customers who can be supported to live independently at home with less home care provision and reduced recourse to residential care.	None	None	Medium	Low	
ASC-14 Changes to transport provision: introduction of tighter eligibility criteria; ending subsidy on Merton provided transport; reduction of vehicles to day services	Financial savings 2012-13 onwards	None	Impact on E&R	High	High	
ASC-15 Implementation of Commissioning Strategy	Provides medium term framework for efficiencies and savings alongwith commissioning personalised services.	None	None	Medium	Medium	





ACTION PLAN						
DESCRIPTION	BENEFIT		IMPACT		RISK	
	Expected	Benefit	Equalities	Other departments	Delivery Risk	Reputational Risk
<b>Operational</b> HNE1 - Changes to Homelessness Law and discharge of duty to Private Rented Sector will be delivered through the Localism Bill (summer 2011).	Potentially reduced levels of households in Temporary Accommodation = less demand on TA budget and greater choice for customers.			HB Adult Social Care Children Schools and Families	Lack of PRS properties.	Lack PRS in Merton could result in LBM residents moving out of borough.
HNE2 - Changes to Housing Benefit and Local Housing Allowance Rules				HB	April 2010: 150 cases affected by LHA changes; Oct 2010: additional 3500 cases affected	Potentially large increase in casework may have negative impact on homelessness advice and preventions and increased numbers in Temporary
HNE3 - Explore feasibility of developing suitable housing options outside of London	Increased supply of properties improves housing options for households in need. Potential to reduce pressures on demand on housing stock in Merton			HB Adult Social Care Children Schools and Families	Inability to develop protocols with other local authorities	LBM residents may not see a move to another local authority as positive. Possible legal challenges and judicial reviews.
HNE4 - 2x 0.5 FTE posts unfilled for housing options advisor and registrations and nominations coordinator	Saving of £41k from employee expenditure budget				Not filling vacancies requires more input from existing staff	Unable to meet HNES Customer Service Standards
<b>Strategic</b> HNE5 - Deliver new statutory Housing Strategy for 2011 – 14	Key policy framework document for the Council. A new Housing Strategy and Action Plan with clear priorities and targets to be implemented by council departments and external stakeholders for the next 3 years, will help address housing needs and improve housing outcomes for local residents of all tenures			Planning Environmental Health Adult Social Care Children Schools and Families External Stakeholders (e.g. YMCA, law centres)	Statutory requirement to deliver. Failure to deliver will mean LA will have an inability to meet and plan for the future housing needs of Merton residents	Local priorities may differ from priorities set out in the London Housing Strategy. Liaison work with the GLA will be necessary to ensure that Merton's new Housing Strategy will be in General Conformity with the London Housing Strategy, as required by the GLA Act 2007
HNE6 - Explore feasibility of a social rented model for older and vulnerable owner-occupiers: Under-occupiers to access social rented supported housing, in return for letting their homes to homeless households.	Increase housing options for older and vulnerable home owners and improve the health and well-being of overcrowded households and that of older and vulnerable households, helping to reduce reliance on public sector services over time			Planning Adult Social Care External stakeholders (e.g. Age Concern, Health)	Lack of capacity may affect delivery and timescales.	
HNE7 - Explore feasibility of developing a social enterprise for the Private Rented Sector, examining different models of social letting agents and consider the best one to establish Merton as the "agent of choice" for PRS Landlords, thus seeking to minimise the risks of other LA housing services taking advantage of PRS lets in Merton.	Improve quality and professionalism of private rented sector management, and to generate income for the administration of private sector access schemes e.g. rent deposits Increase supply of private rented homes to meet housing needs, and potentially reduce the council's TA cost if proposed changes to Homelessness legislation became law			Legal Facilities HB Corporate	Lack of capacity may affect delivery and timescales.	
HNE8 - Respond to changes introduced through new legislation by developing actions and policies.	Ensure that the council fulfils its statutory housing duties, and to make effective use of new powers available to local authorities to help reshape and improve local services in line with community wishes				Rebalance of priorities within an environment of increased demand on services and potential reduced capacity	Inability to respond to statutory housing law.
<b>Financial</b> HNE9 - Work with Government and Corporate Finance colleagues to retain grant funding	Funds available to dedicate to Homelessness Preventions			Corporate Finance	Homelessness grant not allocated to HNES by corporate centre	Inability to effectively manage homelessness in borough; associated increases in general fund costs and loss of reputation with Government and key stakeholders.
HNE10 - Deletion of voluntary grant to South London Somali Community organisation	Saving of £3k from HNES Supplies and Services budget				Potential negative impact on maximising partnership opportunities working with the voluntary sector	



MERTON ADULT EDUCATION: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY	
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	Key deliverables from related strategies		
New full cost income generating adult education	800 learners				Time poor individuals / professionals / businesses	Key deliverables from related strategies		
Increase in 16-18 students	10				Fewer college places			
Increase in vocational courses	20				Increase in unemployment			
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>			
Fit for purpose site in Wimbledon	1				Generate additional income			
Increased vocational opportunities	150				Increase in unemployment			
<b>PERFORMANCE MEASURES AND TARGETS</b>								
<b>Performance Measure/Target</b>	<b>Polarity</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Indicator Type</b>	<b>Impact if not met</b>	
Qualification student enrolment	↑	1000				Business Critical		
Non Qualification student enrolment	↑	3000				Business Critical		
Student success rate	↑	75%				Outcome		
<b>EXPECTED CHANGES</b>								
		<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>				
MAE1. Accommodation maximisation audit		MAE13 Develop and implement a new full cost adult education model						
MAE2. Increase class sizes		MAE14 Increase Skills for Life achievement rates						
MAE3. Increase fee income by 5%		MAE15 Increase Skill for Life retention rates						
MAE4. Increase Skills for Life achievement rates		MAE16 Increase fee income by 5%						
MAE5. Increase Skills for Life retention rates								
MAE6. Raise the OTL profile								
MAE7 Achieve a grade 2 Self Assessment								
MAE8. Re- configure the mix and balance of curriculum to avoid over dominance of any one curriculum area								
MAE9 Align curriculum offer to community priorities								
MAE10 Explore viability of a federation in response to the SFA new minimum contract values								
MAE11. Reduce administrative and MIS processes and systems in line with the LEAN service review.								
MAE12 Update Marlborough Hall as new business centre								

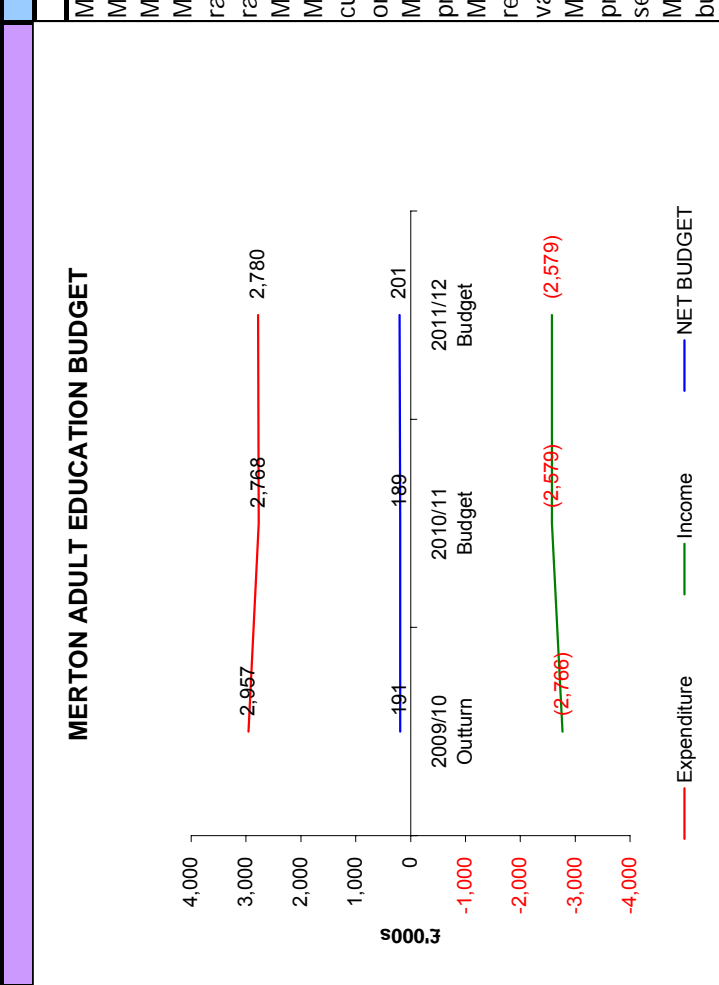
MERTON ADULT EDUCATION: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY	
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	Key deliverables from related strategies		
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Increase in 16-18 students	10				Fewer college places			
Increase in vocational courses	20				Increase in unemployment			
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>			
Fit for purpose site in Wimbledon	1				Generate additional income			
Increased vocational opportunities	150				Increase in unemployment			
<b>PERFORMANCE MEASURES AND TARGETS</b>								
<b>Performance Measure/Target</b>	<b>Polarity</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Indicator Type</b>	<b>Impact if not met</b>	
Qualification student enrolment	↑	1000				Business Critical		
Non Qualification student enrolment	↑	3000				Business Critical		
Student success rate	↑	75%				Outcome		
<b>EXPECTED CHANGES</b>								
		<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>				
MAE13 Develop and implement a new full cost adult education model								
MAE14 Increase Skills for Life achievement rates								
MAE15 Increase Skill for Life retention rates								
MAE16 Increase fee income by 5%								

MERTON ADULT EDUCATION: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY	
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	Key deliverables from related strategies		
New full cost income generating adult education	800 learners				Time poor individuals / professionals / businesses	Key deliverables from related strategies		
Increase in 16-18 students	10				Fewer college places			
Increase in vocational courses	20				Increase in unemployment			
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>			
Fit for purpose site in Wimbledon	1				Generate additional income			
Increased vocational opportunities	150				Increase in unemployment			
<b>PERFORMANCE MEASURES AND TARGETS</b>								
<b>Performance Measure/Target</b>	<b>Polarity</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Indicator Type</b>	<b>Impact if not met</b>	
Qualification student enrolment	↑	1000				Business Critical		
Non Qualification student enrolment	↑	3000				Business Critical		
Student success rate	↑	75%				Outcome		
<b>EXPECTED CHANGES</b>								
		<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>				
MAE13 Develop and implement a new full cost adult education model								
MAE14 Increase Skills for Life achievement rates								
MAE15 Increase Skill for Life retention rates								
MAE16 Increase fee income by 5%								

MERTON ADULT EDUCATION: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY	
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	Key deliverables from related strategies		
New full cost income generating adult education	800 learners				Time poor individuals / professionals / businesses	Key deliverables from related strategies		
Increase in 16-18 students	10				Fewer college places			
Increase in vocational courses	20				Increase in unemployment			
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>			
Fit for purpose site in Wimbledon	1				Generate additional income			
Increased vocational opportunities	150				Increase in unemployment			
<b>PERFORMANCE MEASURES AND TARGETS</b>								
<b>Performance Measure/Target</b>	<b>Polarity</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Indicator Type</b>	<b>Impact if not met</b>	
Qualification student enrolment	↑	1000				Business Critical		
Non Qualification student enrolment	↑	3000				Business Critical		
Student success rate	↑	75%				Outcome		
<b>EXPECTED CHANGES</b>								
		<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>				
MAE13 Develop and implement a new full cost adult education model								
MAE14 Increase Skills for Life achievement rates								
MAE15 Increase Skill for Life retention rates								
MAE16 Increase fee income by 5%								

**Transformation statement**  
We will explore and implement the most cost effective delivery model for the range of adult education services provided. Initial work will be undertaken to realise cost effectiveness in accommodation utilisation including increased class sizes and the viability of federating with another adult learning provider. The mix and balance of the curriculum will be re-configured to ensure there is no significant over reliance on any one curriculum area. Establishment of a business centre focused on increasing the purpose of this service is to:

The priority strategic objective is to increase the skills, knowledge and educational attainment of adults through the provision of a range of accredited and non accredited courses. The curriculum is developed in response to both government priority targets and local need. Service contracts with the Skills Funding Agency



Revenue Budget (£'000s)	2009/10	2010/11	2011/12	2012/13
<b>Expenditure</b>	2,957	2,768	2,780	0
Employees	2,152	1,923	1,923	
Premises	153	157	161	
Transport	4	4	4	
Supplies and Services	407	366	374	
3rd party payments	0	0	0	
Support services	208	289	289	
Depreciation	33	29	29	
<b>Income</b>	(2,766)	(2,579)	(2,579)	
Government grants	(2,049)	(1,932)	(1,932)	
Other reimbursements	(83)	(41)	(41)	
Customer and client receipts	(580)	(606)	(606)	
Reserves	(54)			
Capital Funded				
<b>NET BUDGET</b>	191	189	201	0
<b>Capital Budget</b>				

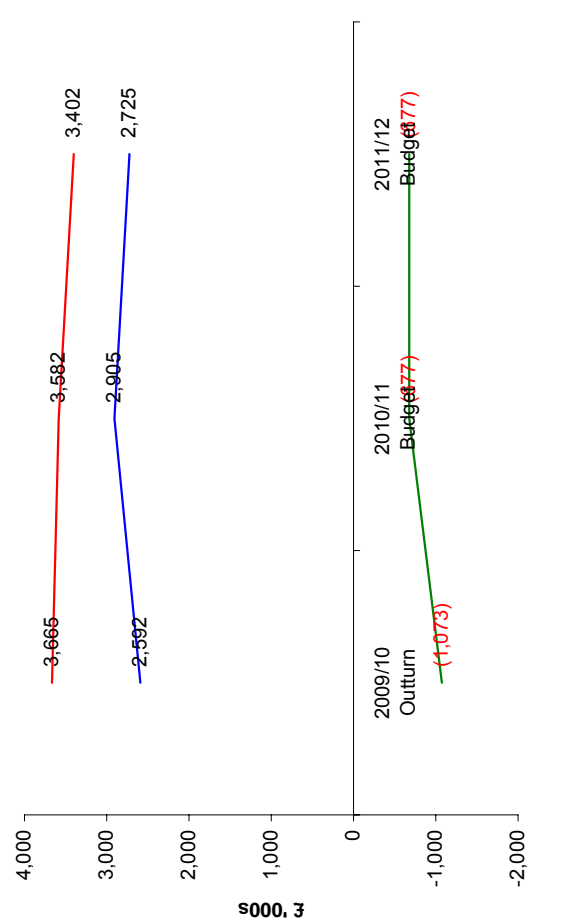
MERTON ADULT EDUCATION: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY	
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	Key deliverables from related strategies		
New full cost income generating adult education	800 learners				Time poor individuals / professionals / businesses	Key deliverables from related strategies		
Increase in 16-18 students	10				Fewer college places			
Increase in vocational courses	20				Increase in unemployment			
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>			
Fit for purpose site in Wimbledon	1				Generate additional income			
Increased vocational opportunities	150				Increase in unemployment			
<b>PERFORMANCE MEASURES AND TARGETS</b>								
<b>Performance Measure/Target</b>	<b>Polarity</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Indicator Type</b>	<b>Impact if not met</b>	
Qualification student enrolment	↑	1000				Business Critical		
Non Qualification student enrolment	↑	3000				Business Critical		
Student success rate	↑	75%				Outcome		
<b>EXPECTED CHANGES</b>								
		<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>				
MAE13 Develop and implement a new full cost adult education model								
MAE14 Increase Skills for Life achievement rates								
MAE15 Increase Skill for Life retention rates								
MAE16 Increase fee income by 5%								

ACTION PLAN					
DESCRIPTION	BENEFIT Expected Benefit	Equalities	IMPACT Other departments	RISK Delivery Risk Reputational Risk	
MAE1 Accommodation maximisation audit MAE2 Increase Class Sizes MAE3 Increase fee income by 5% MAE4. Increase Skills for Life Achievement rates MAE5 Increase Skills for Life retention MAE6 Increase OTL profile MAE7 Achieve a grade 2 Self Assessment MAE8 Re-configure the mix and balance of provision to avoid over dominance of any MAE9 Align curriculum offer to community priorities MAE10 Explore the viability of federation in response to minimum contract values MAE11 Reduce administrative and MIS processes in line with LEAN review MAE12 Upgrade Marlborough as new business centre MAE13 Develop new adult education model	Reduce cost of rental / running costs Funding utilised cost effectivley Reduce public subsidy Increased success rates Increased success rates Improved self assessment grade Improved Ofsted grade potential Shift towards vocational curriculum Align ASL curriculum to community plan Cost efficiencies Cost efficiencies Income generation Income generation	May affect Eastern Wards  May impact low income Reduced skills for life courses Reduced skills for life courses  Balanced responsive curriculum Meet needs on unemployed	Reduced use of Libraries if charged N/A	Not reaching disadvantaged May impact on achievement Reduced learner numbers no alternative curriculum areas no alternative curriculum areas  Unable to achieve new targets  Time required to build business	Prominence in the West Resulting in reduced funding

LIBRARIES - SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY			
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	2011/12	2012/13	2013/14	2014/15	Key driver of supply
Registered library members	154,000				Possible decline because of lack of capacity for outreach					
Active users	56,000									
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>					
Staff	49				FTE 20%					
Partners	20									
Volunteers	70									
Number of Libraries	7									
<b>PERFORMANCE MEASURES AND TARGETS</b>										
<b>Performance Measure/Target</b>	<b>Polarity</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Indicator Type</b>	<b>Impact if not met</b>			
Overall satisfaction with library (ARS)	↑	60%				Perception	n/a			
Overall satisfaction with library (PLUS)	↑	70%				Perception	n/a			
No. of active users	↑	54,000				Outcome	n/a			
No. of people accessing library website	↑	84,000				Outcome	n/a			
Cost per visit	↓	£2				Unit Cost	n/a			

BUDGET/RESOURCES		2011/12			2012/13			2013/14			2014/15		
LIBRARIES BUDGET													
LIB 6,7,8 - implement new staffing structure, security guard contracts and revised opening hours													
LIB10 - LLC: implement 24/7 phone renewal line													
LIB11 - LLC: implement direct delivery of stock from suppliers													
LIB12 - LLC: implement electronic invoicing for stock													
LIB13 - work with other agencies/services to examine potential for shared services													
AP14- implement revise management structure													
LIB15 - processes leaned and implemented (review due summer 2011)													

LIBRARIES - SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY			
Transformation statement	2011/12	2012/13	2013/14	2014/15	Key driver of demand	2011/12	2012/13	2013/14	2014/15	Key driver of supply
The service will continue to examine how it can provide this service in the way that gives best value to its customers. Currently, it is focusing staff resources on its core duties as expressed below; it is working more intensively with partners to provide added services; it is developing a volunteer base to provide added value services.										
<b>The purpose of this service is to:</b> To provide a 'comprehensive and efficient' library service, addressing the 'needs of adults and children', according to the Public Libraries and Museums Act 1964. Local authorities have a statutory duty to make provision for a library service but may decide on how this is to be done. Certain aspects of the service must be provided for free: * Free lending of books * Free access to information * Free library membership										
<b>PERFORMANCE MEASURES AND TARGETS</b>										
<b>Performance Measure/Target</b>	<b>Polarity</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Indicator Type</b>	<b>Impact if not met</b>			
Overall satisfaction with library (ARS)	↑	60%				Perception	n/a			
Overall satisfaction with library (PLUS)	↑	70%				Perception	n/a			
No. of active users	↑	54,000				Outcome	n/a			
No. of people accessing library website	↑	84,000				Outcome	n/a			
Cost per visit	↓	£2				Unit Cost	n/a			



ACTIONS AND SAVINGS		2011/12			2012/13			2013/14			2014/15		
Revenue Budget (£'000s)	Outturn	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
Expenditure	3,665	3,582	3,402	0									
Employees	1,873	1,633	1,434										
Premises	279	271	276										
Transport	6	3	3										
Supplies and Services	624	565	577										
3rd party payments	93	118	120										
Support services	474	754	754										
Depreciation	315	238	238										
Transfer payments	1												
<b>Income</b>	<b>(1,073)</b>	<b>(677)</b>	<b>(677)</b>	<b>-</b>									
Government grants	-	-	-										
Other reimbursements	(321)	(389)	(389)										
Customer and client receipts	(569)	(288)	(288)										
Reserves	(183)	-	-										
Capital Funded													
<b>NET BUDGET</b>	<b>2,592</b>	<b>2,905</b>	<b>2,725</b>	<b>0</b>									
Capital Budget													
Media Fund	287,000	287,000											
<b>Finance Comments (Capital Budget or otherwise)</b>													

ACTION PLAN				RISK	
DESCRIPTION	BENEFIT		IMPACT		RISK
	Expected Benefit	Equalities	Other departments	Delivery Risk	
LIB1 - continue training programme to support standards for core library service	Improved customer satisfaction	General benefit	n/a	Staffing capacity to release staff for ongoing training	Improved customer service reduces any potential risk to council reputation
LIB2 - establish and develop volunteer roles in line with the library strategy	Increased capacity in libraries to deliver primary services and support core services	Volunteers from BME or other backgrounds can act as advocates for the service and bridges into hard-to-reach communities	n/a	Improved job market may mean some younger volunteers move on more quickly than desired	Ensuring volunteers represent the council to the required standard
LIB3 - continue to develop a wide base of partners to develop primary services	Capacity to deliver primary services; provide expertise in delivering services within a professional field; maintain/increase customer satisfaction	Partner organisations are better able to contact and attract target groups where they have an expertise	Some partners are council sections, so more joined up services, potential for sharing space to deliver common outcomes	Loss of funding may mean partners are unable to deliver for libraries	. Minimal risk - partners will only be selected if they can conform to council's standards.
LIB4 - monitor impact of redesigned libraries website	Attracts and retains more users; more easily navigable so maintains users' interests and increases customer satisfaction	Can address access for the visually impaired; can address minority interests	Improved links to and from other related council services	Internal capacity	n/a
LIB5 - use and assess SmartSM	Sophisticated management information on stock usage; increase customer satisfaction and improved stock turnover	Assists in identifying usage, requirement and deployment of titles or areas of stock	n/a	None	None
LIB6 - implement staff restructure to enable savings 2011/12	Delivers savings; focus staff skills on professional aspects of service	n/a	n/a	Ensure volunteer and partner support is in place and reliable	Perception that staff are not available to public
LIB7 - procure security guard contract to enable savings 2011/12	Cheaper method for providing low level and security support to reduced staffing, at unsocial hours	n/a	n/a	Ensuring contracted firm can honour commitments and reliability	Customers feeling that guards are intrusive and taking staff jobs
LIB8 implement revised openinghours (as part of savings package 2011/12)	ref AP 6&7	Slight impact where local hours are reduced, but offset by increased hours over lunchtimes and Wednesdays at main libraries	n/a	ref AP 6&7	ref AP7
LIB9- examine potential for retail presence in libraries	Income generation	n/a	n/a	Whether potential retailers would see value in proposition	Retailers would be selected on basis that they do not run counter to council standards
LIB10- LLC: implement 24/7 phone renewal line	Saving of 0.5 FTE; increased customer satisfaction	General benefit	n/a	Minimal risk	Minimal risk as long as software is effective - hasd been red and tested in other authorities
LIB11 - LLC: implement direct delivery of stock from suppliers	New stock reaches customers more quickly following publication; leaner supply system; saving of 1 FTE	General benefit	n/a	This method has been tried and tested in other authorities so risk is minimal	n/a
LIB12 - LLC: implement electronic invoice delivery infrastructure	Leaner / automated invoicing system	n/a	Interface with Proactis needs to be working effectively	Minimal risk as long as software implementation is effective	Only if the invoicing is not effective - invoices may be paid late
LIB13- work with other agencies/services to examine potential for shared services (LLC and wider as opportunities arise)	Assess whether further savings can be identified; ensure wasteful processes are reduced; increase focus on performance and buy-in of whole team	May improve access to materials in minority languages or interests	co-location possibilities with other council services could provide mutual benefits	Investigation stage offers no risks - just requires staff capacity	any shared service or co-located service has to be introduced with care to ensure the benefits are widely publicised, initial discussion will be round backroom services where reputational risk is extremely low
LIB14: implement revise management structure	Savings identified	Neutral, as partner agencies can support delivery of primary services to target audiences	Reduced capacity to contribute to cross-service or cross-departmental activity	Reduced capacity to undertake focused membership campaigns and outreach. Mitigated somewhat by volunteer champions	Reduced customer satisfaction; inability to set high performance indicators
LIB15: undertake Lean review and implement results	Reduced waste in processes	n/a	n/a	Depends on results of review	n/a

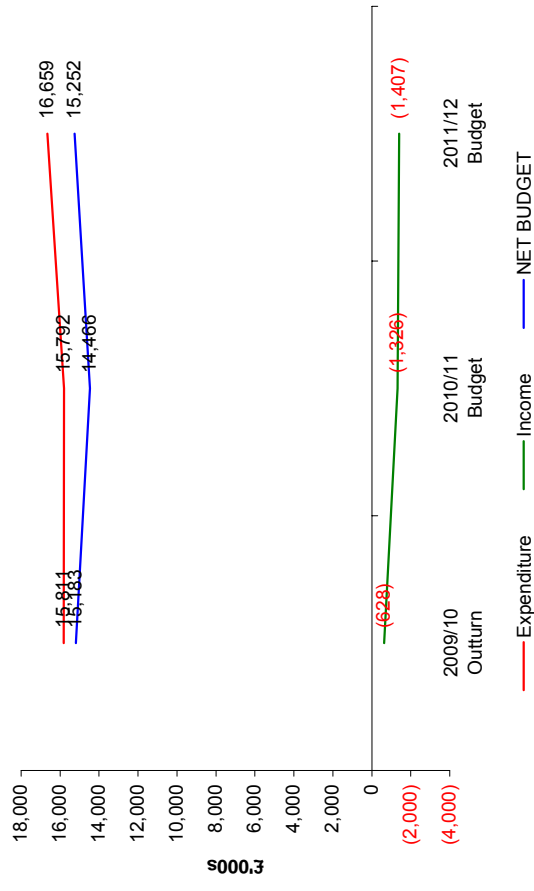


CHILDREN'S SOCIAL CARE: SERVICE DESCRIPTION				PLANNING ASSUMPTIONS				STRATEGY DELIVERY			
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	Key deliverables from related strategies - Meeting statutory and regulatory requirements					
We have anticipated an increase in demand	30% increase in birth rate over six years				30% increase in birth rate over 6 years						
We have anticipated an increase in demand					Increased financial pressure on families						
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>						
We anticipate continuing current levels of supply.	170 staff				Statutory requirement and needs of children.						
<b>PERFORMANCE MEASURES AND TARGETS</b>											
Performance Measure/Target	Polarity	2011/12	2012/13	2013/14	2014/15	Indicator Type	Impact if not met				
Rate per 10,000 Child Protection Plans	Range	28-33				Business Critical	Children may be unsafe.				
% of initial assessments completed within 10 days	↑	80%				Quality	Inspection rating may deteriorate				
% of core assessments completed within 35 days	↑	80%				Quality	As above.				
% of Children with Child Protection Plans visits due completed on time (Child Seen) Child Protection Re-registration	↑	90%				Quality	Children may be unsafe				
Rate per 10,000 Children in Care	Range	7-12%				Quality	Reduction in safe parenting				
% of Children in Care using in-house foster number of Children in Care adopted during the year	↑	30-35				Business Critical	Having a rate significantly a				
		50%				Unit Cost	Not using enough in house				
		10				Outcome	Children not being adopted				

<b>BUDGET/RESOURCES</b>							
<b>2011/12</b>			<b>2012/13</b>		<b>2013/14</b>		<b>2014/15</b>
CSC1. Recruitment and retention strategy to develop staff capacity and reduce agency spend to a minimum.							
CSC2. Increase numbers of foster and adoptive carers following Lean reviews.							
CSC3. Prevention / rehabilitation from care service.							
CSC4. Screening project for child contacts at front line.							
CSC5. Consolidate early intervention and support services. CSC6. Carefirst review							
<b>EXPECTED CHANGES</b>							

<b>CHILDREN'S SOCIAL CARE BUDGET</b>		<b>2009/10</b>		<b>2010/11</b>		<b>2011/12</b>		<b>2012/13</b>		<b>2013/14</b>		<b>2014/15</b>	
Revenue Budget (£'000s)	Outturn	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Expenditure	15,811	15,792	7,331	16,659	7,370	0	0	0	0	0	0	0	0
Employees	7,484	7,331	69	64	64								
Premises	33	176	180	180									
Transport	184	2,095	2,159	2,159									
Supplies and Services	3,640	4,269	5,328	5,328									
3rd party payments	3,232	295	0	0									
Transfer Payments	360	1,527	1,527	1,527									
Support services	848	31	31	31									
Depreciation	31												
<b>Income</b>	<b>(628)</b>	<b>(1,326)</b>	<b>(1,407)</b>	<b>(1,407)</b>	<b>(1,407)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Government grants	(296)	(810)	(891)	(891)									
Other reimbursements	(260)	(487)	(516)	(516)									
Customer and client receipts	(72)	(29)	0	0									
Reserves	0	0	0	0									
Capital Funded	0	0	0	0									
<b>NET BUDGET</b>	<b>15,183</b>	<b>14,466</b>	<b>15,252</b>	<b>15,252</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Budget</b>													
<b>Finance Comments (Capital Budget or otherwise)</b>													

### CHILDRENS SOCIAL CARE BUDGET



ACTION PLAN					
DESCRIPTION	BENEFIT Expected Benefit	IMPACT		RISK	
		Equalities	Other departments	Delivery Risk	Reputational Risk
CSC1. Recruitment and retention strategy to develop staff capacity and reduce agency CSC2. Increase numbers of foster and adoptive carers following Lean reviews. CSC3. Prevention / rehabilitation from care service	Reduce use of agency staff to a minimum Use of in house placements reduces costs.	No impact No impact - a range of carers	No impact No impact	Low risk Medium risk - market forces beyond	
CSC4. Screening project for child contacts at front line CSC5. Consolidate early intervention and support services CSC6. Carefirst review	Continue to maintain low numbers of Eventually reduce numbers of contacts Reduce duplication of work and increase Reduce staff time on computers	No impact No impact No impact Some families may no longer No impact	No impact No impact No impact No impact IT	Medium risk - managing risk in Medium risk - critical judgements Medium risk Medium risk - dependent on carefirst	

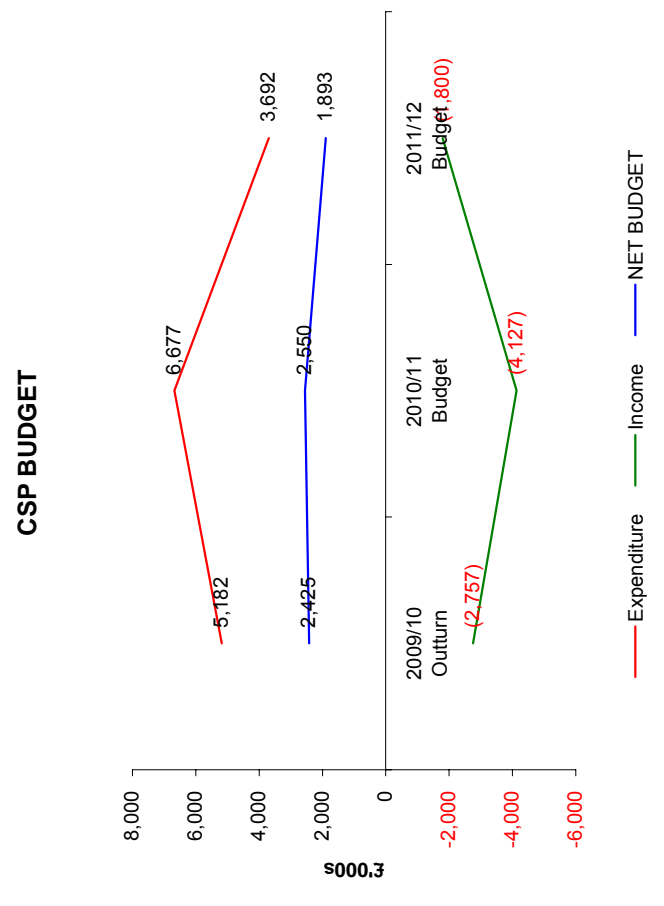
COMMISSIONING, STRATEGY & PERFORMANCE: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY			
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	2011/12	2012/13	2013/14	2014/15	Impact if not met
Increased demand for primary school places	270				Birthrate - 30% increase in the last 6 years	↑	100%	Quality		Commissioned services
Increased demand on school admissions	270				Birthrate - 30% increase in the last 6 years	↑	100%	Quality		Failure to accommodate
Additional primary school accommodation	9 forms				Birthrate - 30% increase in the last 6 years	↑	100%	Unit cost		Overspending of capital
Policy, Planning and Performance	Expected to remain the same					↑	95%	Perception		Failure of internal/external
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>	↑	100%	Quality		Failure to meet income
						↑	100%	Quality		Operational services la
						↑	100%	Quality		Pupils without school p
						↓	5%	VFM		pils without school plac

BUDGET/RESOURCES		EXPECTED CHANGES				
2011/12	2012/13	2013/14	2014/15	2013/14	2014/15	
CSP1 Staffing reductions in R+I, Capital and Admissions Teams - deletion of 0.5fte Health and Safety in Schools post; deletion of 1.0fte Research and Information Manager post; deletion of 1fte admissions post. CSP2 Findings of pilot shared admissions service with LB Sutton. CSP3 Reductions in Early Intervention and Prevention commissioning budgets (230k in 2011-12) and recommissioning of CSF preventive services. CSP4 Establishment of Access to Resources function. CSP5 Major school expansion programme. CSP6 Establishment of new procurement hub for schools						

COMMISSIONING, STRATEGY & PERFORMANCE: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY			
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	2011/12	2012/13	2013/14	2014/15	Impact if not met
Increased demand for primary school places	270				Birthrate - 30% increase in the last 6 years	↑	100%	Quality		Commissioned services
Increased demand on school admissions	270				Birthrate - 30% increase in the last 6 years	↑	100%	Quality		Failure to accommodate
Additional primary school accommodation	9 forms				Birthrate - 30% increase in the last 6 years	↑	100%	Unit cost		Overspending of capital
Policy, Planning and Performance	Expected to remain the same					↑	95%	Perception		Failure of internal/external
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>	↑	100%	Quality		Failure to meet income
						↑	100%	Quality		Operational services la
						↑	100%	Quality		Pupils without school p
						↓	5%	VFM		pils without school plac

**Commissioning, Strategy and Performance division.** Less external accountability; greater emphasis on planning and performance management which supports core business objectives of Department. Greater emphasis on CSF as commissioner of services, separately and jointly with other agencies. Achieving better value from significantly reduced commissioning budgets. Increasing demand for school places requiring expanded capital programme team. Some functions provide opportunities for shared services/trading models of delivery.

**The purpose of this service is to:**  
Provide strategic services for the CSF Department: Policy, Planning and Performance Management; Commissioning, Procurement and Contracts; Pupil Place Planning; School Admissions; Capital Programme Management; some Business Support.



Revenue Budget (£'000s)	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Expenditure</b>	5,182	6,677	3,692	0	
Employees	2,570	2,440	1,909		
Premises	6	11	28		
Transport	19	26	19		
Supplies and Services	2,655	3,616	1,221		
3rd party payments	5	6	12		
Transfer payments	1	0	0		
Support services	(133)	569	496		
Depreciation	58	8	8		
<b>Income</b>	(2,757)	(4,127)	(1,800)		
Government grants	(463)	(749)	(1,161)		
Other reimbursements	(1,533)	(1,412)	(622)		
Customer and client receipts	(761)	(1,919)	(17)		
Other	0	0	0		
Capital Funded	(46)	(46)	0		
<b>NET BUDGET</b>	2,425	2,550	1,893	0	
<b>Capital Budget</b>					

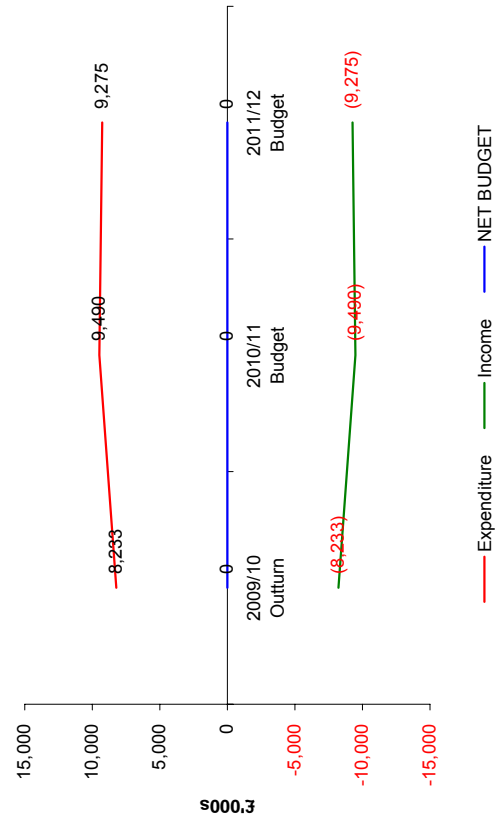
Finance Comments (Capital Budget or otherwise)

ACTION PLAN			
DESCRIPTION	BENEFIT Expected Benefit	IMPACT	
		Equalities	Other departments
		Delivery Risk	Reputational Risk
CSP1 Staffing Reductions in CSP - Require restructure of Research & Information team; transfer of Health & Safety role to Corporate services; reallocation of work in CSP2 Recommendations from pilot shared admissions service with LB Sutton	Savings target achieved Potential for cost reduction for admissions function	No specific implications No specific implications	Health and Safety in schools - responsibilities transferred None
CSP3 Recommissioning of early intervention and prevention services	Improved targeting of preventive services and cost reductions	Loss of some services but increased effectiveness of services for key equalities groups inc children with disabilities	None
CSP4 Establishment of ART Team	Greater budgetary control for high cost placements for Looked After Children/SEN; improved procurement in terms of cost and quality; improved monitoring of placements	Improvements in placement services for key vulnerable groups	None
CSP5 Implementation of primary school expansion strategy	Sufficient primary school places for Merton residents	Specific additionally resourced provision (ARP) for SEN children will be developed	None
CSP6 Establishment of Local Authority hosted schools procurement hub	Improved efficiency and cost reduction in	None specific	None specific
		Low Medium Medium Medium Medium Low	Low Medium Medium Medium High Low



EARLY YEARS: SERVICE DESCRIPTION	PLANNING ASSUMPTIONS					STRATEGY DELIVERY
Transformation statement	2011/12	2012/13	2013/14	2014/15	Key driver of demand	Key deliverables from related strategies
<b>Early Years -</b> Shaped by local priorities and emerging central government policy: choice and transparency for parents, accountability of Private/Voluntary Institutions and schools, payment by results, targeting resource for needy families. Redesigning teams and a focus on early intervention focusing on: new ways of working with families and providers through self serve via the web and the Family Services Directory, information outreach and targeted work, (outsourced where it makes sense) across levels 2/3 of the Merton Child Well Being model embedded into Children's Centres and setting delivery, new Service Level Agreements with school Children's Centres. Shared services and charging					30% increase in birthrate over last 6 years	Children and young people's plan Early Years Outcome Duties plan, Children Centre strategy, 2 year old strategy, Childcare Sufficiency Assessment and action plan, child poverty strategy, education priorities, Every Child A Talker delivery plan, capital strategy, pupil place planning
<b>The purpose of this service is to:</b> To deliver the statutory duties of the 2006 Childcare Act to improve outcomes for all children aged 0 - 5 through the delivery of Children's Centre services, free places for children aged 3 and 4 in a mixed market, ensuring quality within registered settings, providing information for families (0 - 20), Continuing Professional Development for childcare providers, inclusive provision for children with disabilities and market management of childcare to enable choice, flexibility and affordability. Local Priorities 1. Ensure Standards and quality across Ofsted regulated early years settings and schools 2. Target services to early intervention and prevention. 3. Parental and provider self service via electronic information and social media 4. Commission providers in private and voluntary sector - 2, 3 and 4 yr old funding 5. improve children's language and literacy 6. Commission/deliver family and parent support 7. Provide "sufficient" number of Children's Centres						
<b>Anticipated Demand</b> Additional places (and funds) for 3 and 4 year olds Additional places for vulnerable 2 year olds Supporting families at all levels on Merton Child Well Being model	209 108 4%				New legislation Increase in population/central government drivers	
<b>Anticipated Supply</b> Expansion of PVI 3/4 year olds Expansion of PVI 2 year olds Universal/targeted shift	4% 4%				Key driver of supply Increased places and entitlement changes Increased places and entitlement changes LA priorities and central govt policy	
<b>PERFORMANCE MEASURES AND TARGETS</b>						
<b>Performance Measure/Target</b>	<b>Polarity</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Indicator Type</b>
N172 Foundation Stage Profile 78+	↑	TBC				Outcome
N192 Foundation Stage Profile NTG	↑	TBC				Outcome
Ofsted inspection Children's centres in areas	↑	60%				Outcome
Ofsted inspection Children's centres % good	↑	60%				Outcome
Number of parents satisfied with CC services	↑	TBC				Outcome
Ofsted inspection Childminders, Nursery & EY	↑	81%				Outcome
Numbers taking up evidenced based parenting	↑	TBC				Outcome

BUDGET/RESOURCES			EXPECTED CHANGES			
EARLY YEARS BUDGET			2011/12	2012/13	2013/14	2014/15
EYS1. Target higher level needs. EYS2. Extend 2 year provision. EYS3. Develop Literacy Strategy EYS4. Implement new funding formula EYS5. Local delivery models EYS6. Greater co-ordination/pathways across EIP services and partner agencies, targeting resource level 3 EYS7. Self serve for customers via ICT developments and use of web and social media EYS8. Shared services						



BUDGET/RESOURCES			ACTIONS AND SAVINGS			
Revenue Budget (£'000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Expenditure</b>	8,233	9,490	9,275	0		
Employees	3,076	3,685	3,436			
Premises	305	292	251			
Transport	27	24	20			
Supplies and Services	3,457	3,142	4,022			
3rd party payments	1,070	2,167	1,365			
Support services	16	148	0			
Depreciation	148	32	148			
	132		32			
<b>Income</b>	(8,233)	(9,490)	(9,275)			
Government grants	(7,513)	(8,718)	(8,181)			
Other reimbursements	(17)	-	(319)			
Customer and client receipts	(703)	(772)	(775)			
Reserves	0	-	0			
Capital Funded	0	-	0			
<b>NET BUDGET</b>	0	0	0	0		
Capital Budget						£0
<b>Finance Comments (Capital Budget or otherwise)</b>						

ACTION PLAN					
DESCRIPTION	BENEFIT	IMPACT		RISK	
		Equalities	Other departments	Delivery Risk	Reputational Risk
EYS1. Greater emphasis on targeting resources to need	Families better supported at level 3. Early identification for families through improved partnership working with the PVI sector, outreach working, home visiting and parenting support. Less resource at higher end of Merton Child Wellbeing Model	Better targeting of resources for vulnerable groups	CSF, Adults social care, other agencies and partners	Reduction in universal aspect of CC delivery	Enable community groups and private sector to deliver from CCs to mitigate risk
EYS2. Extension of 2 year old provision	Deliver funded provision to specified children and families eligible for entitlement to improve outcomes for children, Prepare children for "school readiness" and KPI changes from central govt. Well placed for legislative changes	Targeted grant for families living in poverty and at risk of poor outcomes	CSF, multi agency partners	Not enough places in the borough for placing 2 year olds	Won't meet statutory duties - payment by results?
EYS3. Development of Literacy Strategy for 0-7s, with health, schools, private and voluntary institutions and Children's Centres (led by Early Years and School Standards)	Co-ordinated approach to supporting children's language 0 -7. Better outcomes at EYFSP, good reading test results at 6 - payment by results	Targeted work in health visiting, multi agency settings and Children's Centres and schools where there is evidence of poor	CSF	Buy in from all partners	As above
EYS4. Implement EYSFF (early years single funding formula)	Single funding formula across sector	Ensure free access for most needy	CSF	Destabilises sector	
EYS5. Define local delivery models (reduction from central govt for statutory guidance for delivery of early years initiatives)	Greater synergy across departmental priorities, re-engineer services to meet	Targetted work for vulnerable families/poor quality settings	CSF	Changes from universal to targeted	Reduction in available universal aspects, services may continue
EYS6. Early Intervention and Prevention services (EIP) and Multi Agency Team working - as part of EIP strategy	Maximise resources across range of providers and agencies to greater co-ordiante and target at level 3 families	As above	CSF	No risk in terms of EY	No risk in terms of EY
EYS7. Self serve and maximising web and ICT for information and communications	Greater number of families and professional using web for information, maximise use of	Need to maintain IAG for vulnerable groups	CSF, Corporate, schools	Information accuracy and usability	Possible fallout in reduction of telephone help lines/face to face
EYS8. Project shared services	Lower unit costs, sharing of back office functions, sharing of staff, policies, procedures/service plans. Specific to:	Specified in shared working agreements			



SCHOOL STANDARDS & QUALITY: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY	
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	2011/12	2012/13	
Continued challenge/ support to schools					Local and national targets for improvement			
Growth/changing in school population	9 extra Reception forms				30% increase birthrate in last 6 years			
New relationship with schools					White Paper and funding cuts			
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>			
More leadership and management support for Merton Head Teachers					Greater autonomy for schools			
More support re pupil groups					Continued need to reduce gaps			
New relationship with schools					New types of school/leadership			
<b>PERFORMANCE MEASURES AND TARGETS</b>								
Performance Measure/Target	2011/12	2012/13	2013/14	2014/15	Indicator Type	Impact if not met		
Schools Buyback	↑ 95%				Unit cost	Lost revenue		
5+A*-C including english and maths	↑ 56%				Outcome	Ofsted outcomes		
Outcome of school inspections	↑ 60%				Outcome	More academies		
KS2 English and maths	↑ 78%				Outcome	Ofsted outcomes		
Satisfaction with Primary Education	↑ n/a	2% increase			Perception	Reduced uptake		
Satisfaction with Secondary Education	↑ n/a	2% increase			Perception	Reduced uptake		

BUDGET/RESOURCES		EXPECTED CHANGES				
2011/12	2012/13	2013/14	2014/15			
SSQ1. New staffing structure in place						
SSQ2. New ways of working with schools agreed						
SSQ3. New Service Level Agreement piloted						
SSQ4. Sixth forms embedded						
SSQ5. School partnerships established						
SSQ6. Local leadership capacity developed						
SSQ7. Partnership work with Sutton in place						

SCHOOL STANDARDS & QUALITY: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY	
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	2011/12	2012/13	
Continued challenge/ support to schools					Local and national targets for improvement			
Growth/changing in school population	9 extra Reception forms				30% increase birthrate in last 6 years			
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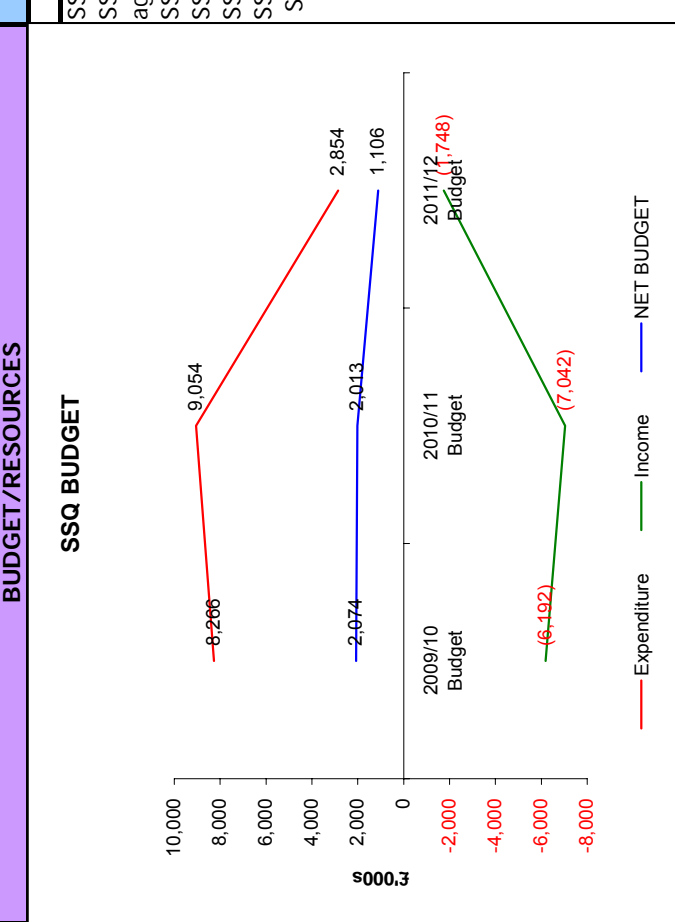
**SCHOOL STANDARDS & QUALITY: SERVICE DESCRIPTION**

**Transformation statement**

**School, Standards and Quality Service** 1. Develop Self Evaluating schools 2. Bilateral and borough cluster partnerships 3. Focus on underperforming schools and intervention

**The purpose of this service is to:**

- support and challenge Merton's schools in order to raise standards for all pupils by:
- monitoring, analysing and evaluating pupil and school performance
- developing the skills of Merton's teachers in planning, teaching and assessment.
- developing school leadership and management skills at all levels.
- supporting curriculum development and innovation.
- offering consistent challenge to Merton schools to improve.
- directing school improvement strategies for schools in challenging circumstances.
- working with schools to reduce inequality and support the achievement of underperforming and vulnerable groups.



ACTIONS AND SAVINGS		EXPECTED CHANGES				
2011/12	2012/13	2013/14	2014/15			
SSQ1, 2, 3, 4, 5, 6, 7						
267,000						
Revenue Budget (£'000s)	2009/10 Budget	2010/11 Budget	2011/12 Budget	2012/13 Budget	2013/14 Budget	
<b>Expenditure</b>	8,266	9,054	2,854	0		
Employees	2,628	2,348	1,432			
Premises	185	181	79			
Transport	57	55	25			
Supplies and Services	5,020	6,080	872			
3rd party payments	59	19	1			
Transfer payments	1	0	0			
Support Services	284	340	413			
Depreciation	32	32	32			
<b>Income</b>	(6,192)	(7,042)	(1,748)			
Government grants	(4,764)	(5,961)	(1,109)			
Other reimbursements	(519)	(564)	(406)			
Customer and client receipts	(909)	(517)	(233)			
Reserves	-	-	-			
Capital Funded	-	-	-			
<b>NET BUDGET</b>	2,074	2,013	1,106	0		
<b>Capital Budget</b>						
<b>Finance Comments (Capital Budget or otherwise)</b>						

ACTION PLAN			
DESCRIPTION	BENEFIT	IMPACT	RISK
	Expected Benefit	Equalities	Other departments
	Delivery Risk	Reputational Risk	
SSQ1. New staffing structure in place	Reduction in costs , streamlined team with flexibility to respond to changes in school improvement landscape	Maintaining ESCA expertise	Reduced capacity
SSQ2. New ways of working with schools agreed	Good relationships with schools maintained, good school Continuing Professional Development maintained, school capacity developed, White Paper policies implemented; new commissioning partnerships established eg Parent Pav Sustainable funding established, schools supported		Some schools choose not to work with LA team
SSQ3. New SLA piloted	Improved options and outcomes for Merton young people; Merton secondaries more attractive to parents and pupils	Improved outcomes and options for BME, FSM, EAL groups	Schools do not buy in
SSQ4. Sixth forms embedded	Singlegate/ William Morris partnership successful in improving William Morris; Number of primary challenge groups increased; Support for weaker schools; increased capacity and confidence of stronger schools; White Paper policies implemented	Improved outcomes for key pupil groups in weaker schools	Schools do not recruit; outcomes not good enough
SSQ5. School partnerships established	Number of Merton Local Leaders of Education increased; Local schools supported to improve	Improved outcomes for key pupil groups in weaker schools	Partnerships fail to bring about improvement; schools choose not to work in partnership
SSQ6. Local leadership capacity developed	Strong Continuing Professional Development offer for Merton schools; 14-19 partner working develops capacity and brings benefits to secondary		Local Leaders of Education process limits number of Merton LLEs
SSQ7. Partnership work with Sutton in place			Pressures on Sutton or Merton make partnership uncertain
			Lower ofsted grades and lower outcomes
			As above
			LA support not highly thought of
			School reputations suffer



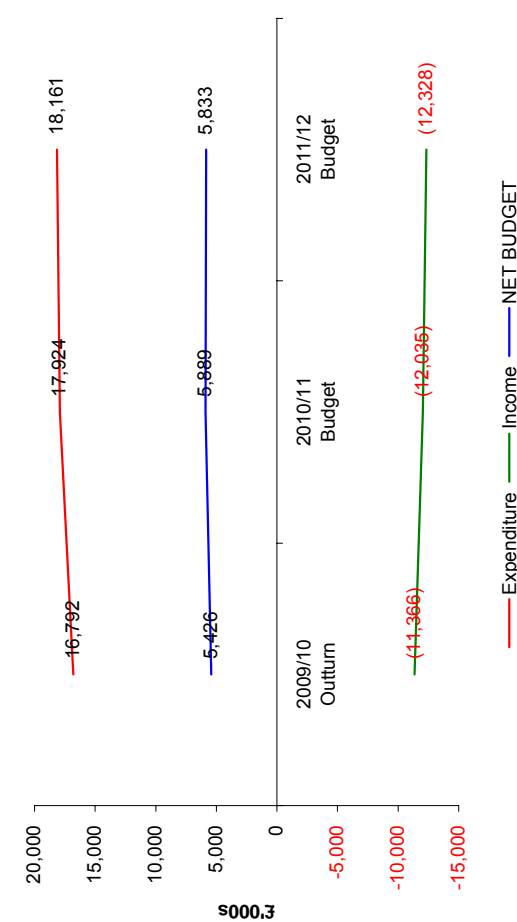


SPECIAL EDUCATIONAL NEEDS: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	CYPP, SEN and Inclusion Strategy	
Expectations for levels of service to increase.	4%				30% increase in birthrate over last 6 years		
Increase for requests for Statements of SEN	4%				Parental expectations and rights		
Continued demand for short breaks	Await Green Paper				Short breaks requirement in order to maintain in bor		
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>		
Integrated service development					Specialist support and statutory services - staff reten		
Centre of Excellence opening Spring 2011	20 places				Skilled workforce		
Increasing capacity of CGS	8				Service delivery of statutory obligations.		
PERFORMANCE MEASURES AND TARGETS							
Performance Measure/Target	2011/12	2012/13	2013/14	2014/15	Indicator Type	Impact if not met	
Provision of short breaks	↑ TBC				Outcome	Widen gap	
Narrowing the SEN and Non SEN gap. - KS2	↓				Outcome	Widen gap	
Narrowing the SEN and Non SEN gap. - GCSE	↓				Outcome	Widen gap	
Percentage of final statements issued within 2	↑ 89%				Business critical	Reduced customer	
Percentage of final statements issued within 2	↑ 89%				Business critical	Reduced customer servi	

BUDGET/RESOURCES		EXPECTED CHANGES				
	2011/12	2012/13	2013/14	2014/15		
SEN1. Lean Review						
SEN2. Changes to Statutory SEN Process following Green Paper						
SEN3. Early Intervention Grant & Implications for Aiming High & Short Breaks delivery.						
SEN4. Brightwell Outreach Review outcomes						
SEN5. SEN Transport						
SEN6. PCT restructure						
SEN7. Local authority & School funding & organisation changes						

ACTIONS AND SAVINGS						
	2011/12	2012/13	2013/14	2014/15		
SEN3, SEN4	150,000					
NET BUDGET	£150,000	£0	£0	£0		
Finance Comments (Capital Budget or otherwise)						

SPECIAL EDUCATIONAL NEEDS: SERVICE DESCRIPTION						
Transformation statement	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Special Educational Needs and Disabilities Integrated Service - 1. Early intervention and prevention 2. Direct support for schools and families 3. Best value local provision 4. Secure best outcomes for pupils locally where possible 5. Quality Assure existing and future provision						
<b>The purpose of this service is to:</b> is to adhere to ALL requirements of Children Act 1989, 2004 Sec 47, 17, 20 & 31, The Special Educational Needs Code Of Practice, Education Act 1996 & SEN Regulations 2001. To build the capacity of schools and settings to meet the needs of children and young people with SEND use of resources efficiently to further the capacity of the community and their families to meet the needs of children and young people with SEND.						
<b>SEN BUDGET</b>						
Revenue Budget (£'000s)	2009/10	2010/11	2011/12	2012/13		
Expenditure	16,792	17,924	18,161	0		
Income	(4,366)	(12,035)	(12,328)			
NET BUDGET	12,426	5,889	5,833	0		

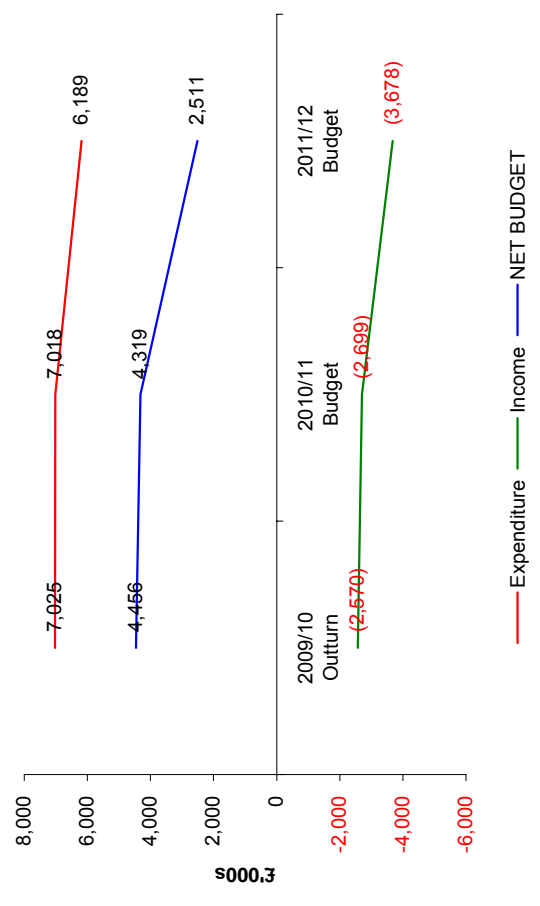


ACTION PLAN					
DESCRIPTION	BENEFIT Expected Benefit	IMPACT		RISK	
		Equalities	Other departments	Delivery Risk	Reputational Risk
SEN1. Lean Review	Increased service efficiencies within reduced	Considered in detail of plans	Whole of CSF		
SEN2. Green Paper changes	Not yet published			Short breaks criteria not met	
SEN3. E.I.P (new grant)	Final decisions on allocations not yet made	Detailed consultations to take	Possible link to adult social care for some families	Need to work closely with parent groups	Some families receive reduced overnight respite
SEN4. Brightwell Outreach and Review	Improved and more inclusive service	Each CYP considered	E+R		Statutory responsibilities will need to be met
SEN5. SEN Transport	Independent travel training Possible review of policy				
SEN6. PCT restructure	Changes to commissioning arrangements Need to establish good arrangements with new provider side and ensure children are well represented in the new service				
SEN7. School Organisation	Increased provision at St Ann's and Cricket Green New primary complex needs places developed			Risk to SEN provision of schools Capacity and Accomodation	



YOUTH INCLUSION: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY	
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	2011/12	2012/13	
Adolescent population	14,000				This is a flat figure - however large ethnicity changes			
Court disposals youth offending	575				This is a 70% rise in court disposals in 5 years			
Participation in positive activities								
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>			
Reduced commissioned youth provision								
Reduced funding for Youth Offending Team/police								
Reduced funding for connexions								
PERFORMANCE MEASURES AND TARGETS								
Performance Measure/Target	Polarity	2011/12	2012/13	2013/14	2014/15	Indicator Type	Impact if not met	
16-18 Year old NEET rate	↓	5.50%				Business Critical	Increased youth unemployment	
Permanent Exclusions for Schools	↓	0.15%				Business Critical	Reduced inclusion	
First Time entrants to Youth Justice system	↓	tbc				Outcome	Increase in offender costs	
Number of young people in secure	↓	tbc				Unit cost	Increased costs	
Youth Service Participation rate	↑	tbc				Unit cost	Reduced outcomes	
Residents Survey - Satisfaction with the	↑	n/a	1% increase			Perception	Reduced uptake	
Secondary School Persistent Absence (non ac	↓	4.50%				Outcome	Reduced outcomes	

BUDGET/RESOURCES		EXPECTED CHANGES				
	2011/12	2012/13	2013/14	2014/15		
<b>YOUTH INCLUSION BUDGET</b>						
YIS1 Youth Transformation						
YIS2 Connexions recommissioning						
YIS3 Youth justice payment by results						
YIS4 Behaviour support increasing buy back						
YIS5 Young people's health restructure						
YIS6 Participation restructure						

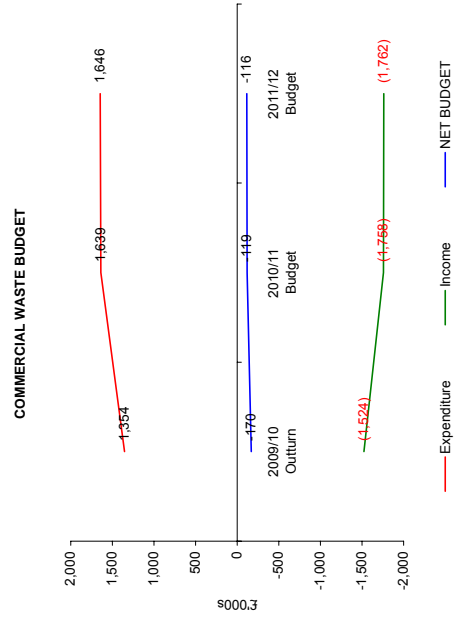


ACTIONS AND SAVINGS		2012/13	2013/14	2014/15
<b>Revenue Budget (£'000s)</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>Expenditure</b>	7,025	7,018	6,189	0
Employees	3,061	3,270	2,996	
Premises	184	205	170	
Transport	66	75	68	
Supplies and Services	1,493	1,292	1,901	
3rd party payments	1,791	1,802	679	
Support services	25	350	4	
Depreciation	283	20	350	
Transfer Payments	123	4	20	
<b>Income</b>	<b>(2,570)</b>	<b>(2,699)</b>	<b>(3,678)</b>	
Government grants	(1,653)	(1,574)	(2,927)	
Other reimbursements	(845)	(1,064)	(690)	
Customer and client receipts	(72)	(61)	(61)	
Grants				
Capital Funded	4,456	4,319	2,511	0
<b>NET BUDGET</b>	<b>4,456</b>	<b>4,319</b>	<b>2,511</b>	<b>0</b>
<b>Capital Budget</b>				
<b>Finance Comments (Capital Budget or otherwise)</b>				

ACTION PLAN			
DESCRIPTION	BENEFIT		RISK
	Expected Benefit	IMPACT	
	Equalities	Other departments	Delivery Risk
	Reputational Risk		
<p><b>YIS1 Youth Transformation</b> Merton Youth Participation agree re commissioning process: needs analysis; target stakeholder meetings; partners commitment ; recommitment/re provide and</p> <p><b>YIS2 Connexions recommitment</b> Agree with south london 6 borough partnership level of funding and configuration configuration of interim and future service - reduce universal service</p> <p><b>YIS3 Youth Justice quality assurance and payment by results</b> Restructure to increase Q and A function to reduce cost configuration of support to prevent reoffending and custody</p> <p><b>YIS4 Behaviour support - increasing buy back</b> Increase buy back from schools as income</p> <p><b>YIS5 Young people's health restructure</b> Align services to devolve new health promotion functions around teenage</p> <p><b>YIS6 Participation restructure</b> Align all services into a new team so that they deliver across CSF</p>	<p>Needs analysis</p> <p>Affects NEET vulnerable young</p> <p>Affects NEET vulnerable young</p> <p>Disproportionate improvement for</p> <p>Children with SEN have needs better met</p> <p>Vulnerable young people</p> <p>Vulnerable young people</p>	<p>Property, HR , legal</p> <p>Legal, schools, FE</p> <p>Schools, FE</p> <p>Safer Merton, police, cps, magistrates</p> <p>Schools</p> <p>Adult services</p> <p>Democratic services</p>	<p>Reduction in service level</p> <p>Requires community buy in</p> <p>Funding from YJB not clear</p> <p>High cost to authority under new</p> <p>School funding not clear</p> <p>Low</p> <p>Low</p>

COMMERCIAL WASTE SERVICES: SERVICE DESCRIPTION			PLANNING ASSUMPTIONS				STRATEGY DELIVERY	
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand			
Net Business Growth - Residual contracts	250				Health of Merton businesses			
Net Business Growth - Dry Recycling contract	250					Link to Graffiti service to cross sell services Merton has Enforcement powers to ensure the appropriate disposal of trade waste		
Anticipated Supply	2011/12	2012/13	2013/14	2014/15	Key driver of supply			
Additional crew - Recycling	0				Reduced vehicle resource	Merton's fleet maintenance policies		
Additional crew - Recycling	0					Draft Mayor's Municipal Waste Management Strategy		
Sales Officers	2							
PERFORMANCE MEASURES AND TARGETS								
Performance Measure/Target	Polarity	2011/12	2012/13	2013/14	2014/15	Indicator Type	Impact if not met	
Increase commercial waste income	↑	£ 190,000				OC	Less income	
No. commercial waste contracts with recycling element	↑	40%				OC	Increased cost. As at Dec. 10 = 31%.	
Municipal solid waste landfilled	↓	62%				OC	0910 = outturn 64%	
New contracts per month	↑	70				OC	Less income	
Pest Control increase in jobs booked per wk	↑	30				OC	Less income	
Health Safety - Accidents/Incidents	↓	5% red'n				OC	Increased cost.	
Days lost through sickness (FTE)	↓	14 days				OC		

BUDGET/RESOURCES		EXPECTED CHANGES			
		2011/12	2012/13	2013/14	2014/15
COMMERCIAL WASTE BUDGET					
CMW.1 - Increase commercial waste services income by £190,000	CMW.1 - Increase commercial waste services income by £190,000				
CMW.2 - Maximise diversion from landfill by increased recycling, including potential food waste collection	CMW.2 - Maximise diversion from landfill by increased recycling, including potential food waste collection				
CMW.3 - Employ 1 additional Commercial Waste Sales Officer	CMW.3 - Employ 1 additional Commercial Waste Sales Officer				
CMW.4 - Employ 1 additional Technical Support Officer	CMW.4 - Employ 1 additional Technical Support Officer				
CMW.5 - Examine operational delivery to maximise potential for business growth	CMW.5 - Examine operational delivery to maximise potential for business growth				
CMW.6 - Maximise usage of vehicle fleets by double shifting etc and adjust maintenance schedules accordingly	CMW.6 - Maximise usage of vehicle fleets by double shifting etc and adjust maintenance schedules accordingly				
CMW.7 - Improve IT working and access for all businesses and improve efficiency	CMW.7 - Improve IT working and access for all businesses and improve efficiency				
CMW.8 - to cross sell all commercial services offering flexibility to cater for their service requirements. Retention/Loyalty/Marketing.	CMW.8 - to cross sell all commercial services offering flexibility to cater for their service requirements. Retention/Loyalty/Marketing.				
See also CMW.9 - CMW.11 below	See also CMW.9 - CMW.11 below				



Revenue Budget (£'000s)		ACTIONS AND SAVINGS			
		2011/12	2012/13	2013/14	2014/15
Expenditure	1,354	1,639	1,646	0	
Employees	529	638.69	638.83		
Premises	4	5.71	5.82		
Transport	174	296.56	302.49		
Supplies and Services	47	61.82	63.05		
3rd party payments	562	592	592		
Overheads	38	43.11	43.11		
Asset Rentals	1	0.66	0.66		
Income					
Government grants					
Government reimbursements					
Costs for and client receipts					
Rentals					
Capital Funded					
NET BUDGET	-170	-119	-116	0	
Capital Budget					
		£0	£0	£0	£0
Finance Comments (Capital Budget or otherwise)					

ACTION PLAN				IMPACT		RISK	
DESCRIPTION	BENEFIT Expected Benefit	Equalities	Other departments	RISK			
				Delivery Risk	Reputational Risk		
CMW.1 - increase commercial waste services budget income to £190,000	Market growth/increase in profit	n/a	Low	Medium, in current economic climate	Medium		
CMW.2 - maximise diversion from landfill by increased recycling, including potential food waste collection	Market growth/increase in profit	n/a	Low	Medium	Medium		
CMW.3 - Employ 1 additional Commercial Waste Sales Officer	Market growth/increase in profit	Manage as part of recruitment process	Low	Low	Low		
CMW.4 - Employ 1 additional Technical Support Officer	Market growth/increase in profit	Manage as part of recruitment process	Low	Low	Low		
CMW.5 - Examine operational delivery to maximise potential for business growth	Reduced costs/improved productivity	Manage as part of process	Low	Medium	Medium		
CMW.6 - Maximise usage of vehicle fleets by double shifting etc and adjust maintenance schedules accordingly	Reduced costs	Manage as part of process	Low	Medium	Medium		
CMW.7 - improve IT working and access for all businesses and improve efficiency	Reduced costs	Manage as part of process	Significant	Significant	Significant		
CMW.8 - to cross sell all commercial services, offering flexibility to cater for their service requirements. Retention/Loyalty/Marketing	Not yet clear	Manage as part of process	Medium	Medium	Low		
CMW.9 - increase pest control diarised jobs per day from 7 to 10	Increased productivity/income	Manage as part of process	Low	Low	Low		
CMW.10 - action to contain rat/mice total visits per paid job to 3	Reduced cost/increased income	Manage as part of process	Low	Low	Medium		
CMW.11 - take account of May 2011 challenge review.							

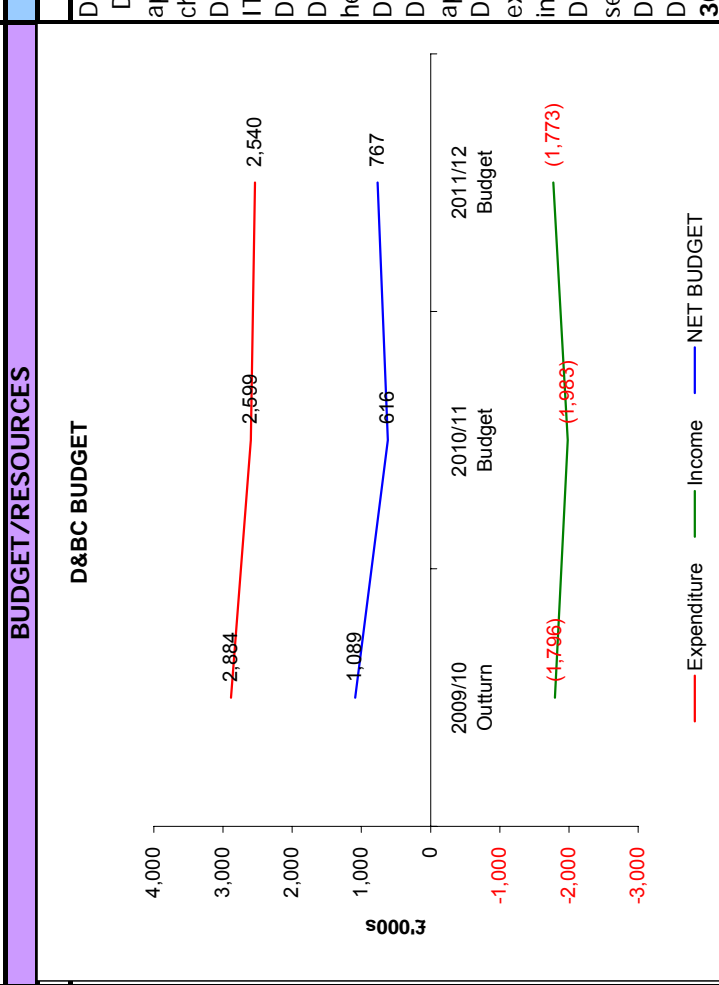
Development and Building Control		PLANNING ASSUMPTIONS				STRATEGY DELIVERY	
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand		
Enforcement cases	700				customer expectations	Considerable contribution to sustainability agenda. Delivering affordable housing in the borough. Economic development strategy. School building/expansion programme. Street improvements in the borough.	
More PD less planning applications	2000 aps				depends on national legislation		
BC applications	1,650				the economy and building industry		
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>		
No. of inspections complete (BC)	929						
Planning applications	2,000						
PERFORMANCE MEASURES AND TARGETS							
Performance Measure/Target	2011/12	2012/13	2013/14	2014/15	Indicator Type	Impact if not met	
% of Market share retained by LA (BC)	h 85 (75)				P		
% of projects completed (ie signed off)	h 60(73)				P or Q		
% of Major applications within 13 weeks	h 60 (63)				Q		
% of minor applications within 8 weeks	h 65(66)				Q		
% of other applications within 8 weeks	h 80(83)				Q		
number of enforcement cases closed	h 600				O		
appeals (% lost)	l 35 (29)				Q		
income	h 1,602K				BC		
(2011 to date figures in brackets)							

BUDGET/RESOURCES		EXPECTED CHANGES			
	2011/12	2012/13	2013/14	2014/15	
DBC3-staff restructure to enable savings					DBC2 - increase in planning applications as economy recovers
DBC-4 new charging for household applications and revise other pre-app charges					DBC10- increase working from home
DBC-5 Improved utilisation of M3 and other IT services					
DBC6- reduction in duty service to residents					
DBC7-redesign web pages to help customers help themselves					
DBC8- introduce DC app payment on line					
DBC12: Possible ability to set the planning application charges					
DBC13 Commercialisation of the service by extending the extent of the service to increase income (BC)					
DBC11 providing a party wall surveyor service(BC)					
DBC 14 rovide an energy assessment service					
DBC 15: <b>11/12 figures below include 300K growth bid</b> for realignment of					

Revenue Budget (£'000s)		ACTIONS AND SAVINGS				
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Expenditure</b>	<b>2,884</b>	<b>2,599</b>	<b>2,540</b>	<b>0</b>		
Employees	1,781	1,609	1,544			
Premises		0	0			
Transport	30	31	32			
Supplies and Services	276	228	233			
3rd party payments	0	0	0			
Support services	789	0	0			
Depreciation	8	0	0			
Transfer payments		2	2			
Overheads		729	729			
<b>Income</b>	<b>(1,796)</b>	<b>(1,983)</b>	<b>(1,773)</b>			
Government grants		(172)	(172)			
Other reimbursements	(56)	(73)	(73)			
Customer and client receipts	(1,739)	(1,723)	(1,513)			
Recharges		(15)	(15)			
Capital Funded						
<b>NET BUDGET</b>	<b>1,089</b>	<b>616</b>	<b>767</b>	<b>0</b>	<b>£0</b>	<b>£0</b>
<b>Capital Budget</b>						
income total		-1,983	-2,073			
grand total		616	767			

**Transformation statement**  
**Building Control and Development Control** both impact on the way in which the built environment is managed in order to provide an attractive, efficient, and sustainable environment. . These services will work in tandem to achieve improvements in service delivery and income generation, focusing on minimum statutory service provision. The introduction of additional services to provide additional income and surpluses will provide a more rounded service that could aid the competitiveness of the service preserving or extending the market share

**The purpose of this service is to:**  
 Building regulations regulate the Built environment to add to the sustainability initiative. Safety at sports grounds to ensure that the sports grounds in Merton are safe for occupation by spectators 24/7 Dangerous Structures service is provided to protect the residents . Development control assess and determine planning applications against the adopted policies for the built environment contained within the Councils UDP and LDF



Revenue Budget (£'000s)		ACTIONS AND SAVINGS				
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Expenditure</b>	<b>2,884</b>	<b>2,599</b>	<b>2,540</b>	<b>0</b>		
Employees	1,781	1,609	1,544			
Premises		0	0			
Transport	30	31	32			
Supplies and Services	276	228	233			
3rd party payments	0	0	0			
Support services	789	0	0			
Depreciation	8	0	0			
Transfer payments		2	2			
Overheads		729	729			
<b>Income</b>	<b>(1,796)</b>	<b>(1,983)</b>	<b>(1,773)</b>			
Government grants		(172)	(172)			
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Recharges		(15)	(15)			
Capital Funded						
<b>NET BUDGET</b>	<b>1,089</b>	<b>616</b>	<b>767</b>	<b>0</b>	<b>£0</b>	<b>£0</b>
<b>Capital Budget</b>						
income total		-1,983	-2,073			
grand total		616	767			

Finance Comments (Capital Budget or otherwise)



ACTION PLAN				
DESCRIPTION	BENEFIT		RISK	
	Expected Benefit	IMPACT		
		Equalities	Other departments	
			Delivery Risk	
			Reputational Risk	
DBC1- potential increase in permitted development rights through legislation	reduced number of applications submitted			impact on deliverability of key
DBC2 - increase in planning applications as economy recovers	increased income			
DBC3-staff restructure to enable savings 2011/12	reduced expenditure			
DBC-4 new charging for householder applications and revise other pre-app charges	increased income			
DBC-5 Improved utilisation of M3 and other IT services	improved efficiency			
DBC6- reduction in duty service to residents	managing service reduction			maintain service
DBC7-redesign web pages to help customers help themselves	reduce avoidable contact	easier access to information		reduction in service
DBC8- introduce DC application payment on line				
DBC9- complete DC portal connector agent link	reduce double inputting in systems			
DBC10- increase working from home	hot desking, office space savings			contact with officers
DBC11- Possible ability to set the planning application charges	possible assistance in meeting expenditure.			Dependant on legislation
DBC12 Commercialisation of the service by extending the extent of the service to	Provide a more comprehensive service for	Provide a more comprehensive		training of staff coping with
DBC13 providing a party wall surveyor service (BC)	Provide a more comprehensive service for	Provide a more comprehensive		training of staff coping with
DBC 14 Provide an energy assessment service (BC)	Provide a more comprehensive service for	Provide a more comprehensive		training of staff coping with
DBC 15 : 11/12 figures above include 300K growth bid for realignment of income				



ACTION PLAN			
DESCRIPTION	BENEFIT Expected Benefit	IMPACT	
		Equalities	Other departments
		Delivery Risk	Reputational Risk
ETL/1 - Responsibility for consumer law enforcement to become almost wholly the responsibility of Trading Standards Services following the merging of the OFT with the Competition Commission	Ability to introduce 'nighttime levy', suspend licences for non-payment, review policy every 5 years		Reduced funding/resources may affect capacity to deliver
ETL/2 - Police Reform and Social Responsibility Bill to extend provisions of Licensing Act 2003 and provide wider powers and more control	Agreement to be self-financing ie contribution from business	Civic & Legal Services - arrangement of and attendance at committees	Increased number of Licence reviews. Reduced resource to deal with increasing workload
ETL/3 - Opportunity to engage locally based 'national' businesses with a view to agreeing partnership across all regulatory services to improve consistency of advice and enforcement	Reduced consideration/processing costs, increased speed of decision making	Enforcement Policies will need to be changed to reflect the requirements of RESA	Resource intensive and may affect other activities of the service
ETL/4 - Delayed implementation of EUSD legal requirements to allow for wide ranging set of applications for permits/licences granted by authority to be made on-line	Proportionate response to enforcement, simplified rules & regulations, combined inspections (food hygiene and H&S)	Wide ranging set of applications covering different departments/divisions/sections. Significant IT input required	Failure to deal with some applications within deadline results in automatic grant of permission
ETL/5 - Growth of 'compensation culture' led to overzealous enforcement and has led to the need to redress the balance within the sector	Reduced inspection burden across regulatory suite of disciplines, lead functions?	Corporate Health & Safety	
ETL/6 - Amalgamation and unification of various national risk assessment schemes used across regulatory services to determine premises inspection intervals	Greater opportunity for 'multi-skilled' officers, reduced burdens on business		
ETL/7 - A web-based system (RDNA) to enable officer competency frameworks to be applied consistently across professional disciplines	Increased role for EHPs in health and well-being strategies and Licensing regarding problem drinking cultures/premises	Occupational Therapy - Community and Housing Dept	Diminished ability to undertake statutory responsibilities
ETL/8 - Capital funding from all departments to councils will fall by around 45% over the Spending Review period. Direct affect on Housing grant provision, Air Quality and Contaminated Land activities	Improved collection rates and debt management		Complexity of commissioning and joint working arrangements
ETL/9 - Creation of a new Public Health Service for England	More effective use of resources, enforcement targetting areas of highest risk	Financial Services - Corporate Services	Perception that not dealing with environmental issues
ETL/10 - Re-structuring of street trading licence periods and more efficient methods of invoicing and payment	Reduced noise and nuisance, improved quality of life and public realm		Health' will be considered as a local authority function, ineffective interventions, reduced protection
ETL/11 - Extension and development of existing arrangements re service request assessment and enforcement tasking			Will respond to all requests but will not take action on all matters
ETL/12 - Environmental Noise Directive requires authority to produce action plans for areas of borough identified by DEFRA monitoring		Transport Planning and Development Control	



SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY	
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	Key deliverables are set out in project plans for the following strategies: LDF Core Strategy, Economic Development Strategy, Transport TFL Local Implementation Plan, Regeneration Delivery Plan, Climate Change Action Plan, HCA Borough Investment Plan, Conservation Programme, Merton Partnership (Sustainable Communities & Transport) work plan		
Residents / Businesses / other Stakeholders	↑	↑	↑	↑	Increased Expectation	Key deliverables are set out in project plans for the following strategies: LDF Core Strategy, Economic Development Strategy, Transport TFL Local Implementation Plan, Regeneration Delivery Plan, Climate Change Action Plan, HCA Borough Investment Plan, Conservation Programme, Merton Partnership (Sustainable Communities & Transport) work plan		
Internal Customers	↑	↑	↑	↑	Increased Expectation			
Infrastructure Providers (TFL, PCT, HCA)	↑	↑	↑	↑	Increased Expectation			
Developers	↑	↑	↑	↑	Increased Expectation			
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>			
Technical Skills	↑	↑	↑	↑	More effective team structure / staff development			
Research & Development Knowledge	↑	↑	↑	↑	More effective team structure / staff development			
PERFORMANCE MEASURES AND TARGETS								
Performance Measure/Target	Polarity	2011/12	2012/13	2013/14	2014/15	Indicator Type	Impact if not met	
<i>Targets are non-numerical - relate to project plans and n</i>								
Adoption of LDF Core Strategy (after E.I.A)		May-11				Local / LDF	Local risk / delay to regeneration	
Adoption of South London Waste Plan		early 2012	tbc 2012			Sun-Regional	Political and sub-regional	
Morden Masterplan (AAP)		mid 2011				Local / LDF	Local risk / delay to regeneration & LBM Capital	
Submission of LIP2		370	370	370	370	TFL / GLA	Loss of funding for project	
Housing supply targets (370 p/a)		Start	Build	Complete	Complete	Gov't / GLA	Loss of housing grant and Regen Reputation	
Key Sites: Rowan & Brenley (HCA)		Start	Build	Build	Complete		Regen Reputation	
Key Site: Colliers Wood Tower		Start	Build	Build	Complete		Regen Reputation	
EXPECTED CHANGES								
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>				
Future Merton Team Transformation will be complete by 2011/12. Develop and agree a regeneration plan for the next 4 year period. Complete revised TFL Local implementation plan and LDF Core Strategy- see FUM's on Page 2		Action Points noted in Page 2 are a long list of the team's work/project plans. Plans will be adopted in 2011/12 with the ongoing work and targets rolling on from 2011/12 (long term project delivery)						

BUDGET/RESOURCES		2011/12					2012/13					2013/14					2014/15				
<b>FUTURE MERTON BUDGET</b>																					
Revenue Budget (£'000s)	2009/10	2010/11	2011/12	2012/13	2009/10	2010/11	2011/12	2012/13	2009/10	2010/11	2011/12	2012/13	2009/10	2010/11	2011/12	2012/13					
Expenditure	4,446	880	880	0	4,446	880	880	0	1,958	720	720	0	2,487	160	160	0					
Income	(2,008)	(105)	(776)	(342)	(2,008)	(105)	(776)	(342)	(713)	(72)	(72)	0	2,437	880	880	0					
<b>NET BUDGET</b>																					
Capital Budget																					
Merton Capital																					
Section 106																					
LIP																					

ACTIONS AND SAVINGS		2011/12					2012/13					2013/14					2014/15				
Employees	£420,000	Savings target achieved in 10/11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Salary Protection from 2011 cease			
Non-employee Costs	-	Savings target achieved in 10/11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Savings target achieved in 10/11			
Government grants																					
Other reimbursements																					
Customer and client receipts																					
Recharges																					
Fund Balances																					
<b>NET BUDGET</b>	£420,000		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£40,000			
Finance Comments (Capital Budget or otherwise)																					
Merton Capital	NB: 2010/11 Transformation achieved 39% revenue savings (£420,000) for the period to 2014/15 where salary protection ends and																				
Section 106																					
LIP																					

ACTION PLAN			
DESCRIPTION	BENEFIT		RISK
	Expected Benefit	Equalities	
		Other departments	Delivery Risk
			Reputational Risk
<p>FUM.1 Transformation of three teams: Spatial Planning, Transport Planning and</p> <p>FUM.2 - Delivery of Core Planning Strategy</p> <p>FUM.3 Deliverability of South London Waste Plan (with three other partner boroughs)</p> <p>FUM.4 Delivery of the Local Implementation Plan 2 (transport)</p> <p>FUM.5 Annual submission of LIP Funding Bid</p> <p>FUM.6 Economic Development Strategy project delivery</p> <p>FUM.7 Climate change projects</p> <p>FUM.8 Low Carbon Zone</p> <p>FUM.9 moreMorden development plan - delivery of</p> <p>FUM.10 Raynes Park enhancement plan delivery of</p> <p>FUM.11 Regeneration delivery plan</p> <p>FUM.12 delivery of framework for Mitcham</p> <p>FUM.13 Destination Wimbledon</p> <p>FUM.14 Delivery of Community Infrastructure Levy charging schedule</p> <p>FUM.15 Site developments (e.g P3 etc...)</p> <p>FUM.16 Asset management plan</p> <p>FUM.17 Smarter Travel Projects</p>	<p>Creates financial savings, more focused / Strategic planning framework for borough,</p> <p>Creates framework for waste management</p> <p>Creates strategic framework for transport</p> <p>Supports funding from Transport for London</p> <p>Strategic framework for economic</p> <p>Delivers carbon and financial savings,</p> <p>Delivers carbon and financial savings,</p> <p>Improves investment, public realm, capital</p> <p>Improves public realm, perception,</p> <p>Sets projects to deliver regeneration across</p> <p>Improves public realm, perception,</p> <p>Improves perception and access to</p> <p>Attracts funding to support borough-wide</p> <p>Improves investment, public realm, capital</p> <p>Improves investment, public realm, capital</p> <p>Support safe and sustainable travel</p>	<p>More joined up service, potential for Positive impact on Development Control</p> <p>Positive impact on Development Control</p> <p>Positive impact on Development Control,</p> <p>Positive impact on Development Control,</p> <p>Positive impact on Facilities</p> <p>Positive impact on Facilities Management</p> <p>Positive impact on Development Control</p> <p>Positive impact on Development Control</p> <p>Positive impact on Traffic &amp; Highways</p> <p>Positive impact on Environment and</p> <p>Positive impact on Environment and</p> <p>Positive impact on Property Management</p> <p>Positive impact on Environment &amp;</p>	<p>Fewer resources meaning Resources and new legislative Subject to independent Risk of no funding for transport Risk of no funding for transport</p> <p>Risk of higher energy bills if not</p> <p>Resources and asset</p> <p>Resources and asset</p> <p>Uncertainties around funding</p> <p>Lack of clarity on new legislation;</p> <p>Lack of clarity on impact of new Resources and funding</p> <p>Resources and funding</p> <p>High if fails</p> <p>High if fails - transport integral to</p> <p>High if fails - transport integral to</p> <p>Reputational risk - Merton well</p> <p>Reputational risk - with local</p> <p>Reputational risk if fails</p> <p>Reputational risk if fails -</p> <p>Reputational risk if fails -</p> <p>Reputational risk if fails</p> <p>Reputational risk if fails</p> <p>Reputational risk if fails</p> <p>High if fails - the perception of a</p>

Highways		PLANNING ASSUMPTIONS					STRATEGY DELIVERY
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	2011/12	
Reduce Carriageway and Footway defectiveness	64km				Members and Residents' expectations	Community Plan 2009-2019.	
Maintenance of 12,673 Street Lights and 5,000	12,673				Statutory Requirements	Climate Change Strategy.	
Maintenance of 16,500 trees, 275,000m2 grassed	16,500				Council Policies and Priorities	Public Realm Strategy.	
Gridding of 256 km of Network	256km				Agreed Levels of Service	Sustainable Modes of Transport Strategy.	
Skip Licences	2,500					Local Development Framework Core Strategy.	
Scaffold Licences	170					Local Implementation Plan 2011-2026	
Vehicular Crossover (Applications Processed)	250						
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>		
Highways Maintenance and Improvement Term							
Street Lighting Contract							
Grounds Maintenance Contract							
London Permit Scheme							
IT Systems (GIS, CONFIRM, Plan Web, AutoCad, PROACTIS)							
Performance Measure/Target	Polarity	2011/12	2012/13	2013/14	2014/15	Indicator Type	Impact if not met
The percentage of principal roads in poor	↓					National	
The percentage of non principal classified roads	↓					National	
Number of Insurance claims received	↓					Local	
Response time to repair defective street lights	↓						
Increasing sustainability	↑						
Effective and Efficient Operational Management			1000				
Additional Plis to be developed following outcome							

BUDGET/RESOURCES		EXPECTED CHANGES				
2011/12	2012/13	2013/14	2014/15	2014/15		
HIG.1 Reduction of £536,000 in Revenue Budget (includes reduction of 5.4 FTE).	New Highways Maintenance and Improvement Term contract.					
HIG.2 Re-Structure to deliver savings.						
HIG.3 Implement LEAN review outcomes.						
HIG.4 Maximise capitalisation of salary costs.						
HIG.5 Fill existing vacancies currently being covered by agency staff.						
HIG.6 Introduce London Permit Scheme.						

ACTIONS AND SAVINGS		2011/12	2012/13	2013/14	2014/15
Revenue Budget (£'000s)	2009/10	2010/11	2011/12	2012/13	2013/14
Expenditure	10,657	10,192	9,772	0	
Employees	1,538	1,489.38	1,354.44		
Premises	715	724.1	738.59		
Transport	94	91.37	93.2		
Supplies and Services	193	237.42	242.16		
3rd party payments	3,146	2,721.48	2,414.91		
Support services	845	800.79	800.79		
Depreciation	4,126	4,127.72	4,127.72		
<b>Income</b>	<b>(1,303)</b>	<b>(1,465)</b>	<b>(1,465)</b>		
Government grants		(546)	(546)		
Other reimbursements	(305)	(377)	(377)		
Customer and client receipts	(677)	(542)	(542)		
Recharges	(322)				
Capital Funded					
<b>NET BUDGET</b>	<b>9,354</b>	<b>8,727</b>	<b>8,307</b>	<b>0</b>	<b>£0</b>
<b>Capital Budget</b>					
Finance Comments (Capital Budget or otherwise)					

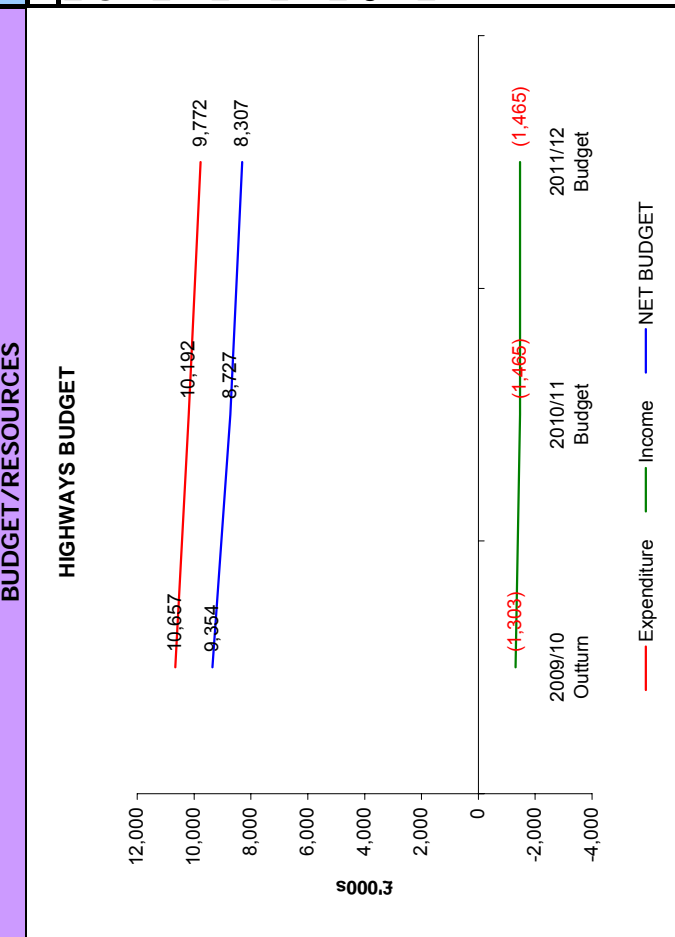
**Transformation statement**

**HIGHWAYS**

The service is currently being reviewed to identify more efficient and new ways of working to meet future challenges and demands. A new structure will be in place from April 2011 to deliver the Service priorities and objectives.

**The purpose of this service is to:**

- Discharge the Council's responsibilities as a Highway, Traffic and Parking Authority, assist with its responsibilities as a Local Planning Authority and to assist in the delivery of the Community Plan vision. The main aims of the Service are:
- To ensure the safe and expeditious movement of all traffic on the Highway Network.
- To improve the Public Realm.
- To improve the Street Scene.
- To improve the quality of life of local residents



ACTION PLAN					
DESCRIPTION	BENEFIT Expected Benefit	IMPACT		RISK	
		Equalities	Other departments	Delivery Risk	Reputational Risk
HIG.2 Re-Structure to deliver savings	Deliver savings				
HIG.3 Implement LEAN review outcome	Streamlined processes and new and efficient way				
HIG.4 Maximise capitalisation of salary costs	Reduce dependency on revenue budgets				
HIG.5 Fill existing vacancies currently being covered by agency staff.	Reduce burden on revenue budget				
HIG.6 Introduce London Permit Scheme	Income generation				



LEISURE DEVELOPMENT: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS						STRATEGY DELIVERY	
Transformation statement:		2010/11	2011/12	2012/13	2013/14	2014/15	Merton		
We will work in partnership to increase income over expenditure & bid for external funding to deliver sports, arts & physical activity. In so doing we will take on new health & well-being duties as required. We will seek to externalise the arts, sports & physical activity development functions providing this is affordable and the most cost effective solution. We will deliver more self service of bookings and work towards support being through a call centre. We will develop a 'thin client' method for contract monitoring.		↑	↑	↑	↑	↑	Olympic & Paralympic Games	Culture & Olympics in the Community Plan	
The purpose of this service is to:		↔	↔	↔	↔	↔	Healthier Communities & Children & Young People's Plans		
Engage local people in healthy living and lifestyle changes through increased involvement in sports, arts and physical activity. Contributing, in the future, towards the Health and well-being duties. Working with partners to increase the number, scope and quality of facilities and programmes available on offer in the borough. Leading on and delivering two key events in Merton in 2012 - the Queen's Diamond Jubilee and Olympic & Paralympic Games. Managing 3 Leisure Centres, 2 public halls, a watersports centre and Wimbledon Theatre and all of the booking functions (Pitch Hire; Cemeteries; Allotments; Activity Programmes; Pavilions; Halls; Memorials; etc) We anticipate that leisure services will be expected to meet shortfalls by Govt savings in other areas; population growth & impact of 2012 activities.		↑	↑	↑	↑	↑	Culture, Sport and Recreation within the Local Development Framework		
		↑	↑	↑	↑	↑	Merton Olympic & Paralympic Games Framework		
		↓	↓	↓	↓	↓	London 2012		
		↓	↓	↓	↓	↓	New Cultural Framework to be completed in 2011 to include sports & physical activity; arts and culture to replace previous 3 strategies		
		↓	↓	↓	↓	↓	Regional		
		↓	↓	↓	↓	↓	Mayor's Cultural Strategy		
		↓	↓	↓	↓	↓	Sport England & NGB's - Strategies & Plans		
		↓	↓	↓	↓	↓	Arts Council England - Strategies & Plans		
		↓	↓	↓	↓	↓	National		
		↓	↓	↓	↓	↓	Emerging legislation		
		↓	↓	↓	↓	↓	Departmental Plans (eg DCMS; DCSF; etc)		
BUDGET/RESOURCES		EXPECTED CHANGES							
LEISURE BUDGET		2011/12		2012/13		2013/14		2014/15	
<p>2009/10 Outturn (710)</p> <p>2010/11 Budget (12)</p> <p>2011/12 Budget (12)</p> <p>— Expenditure — Income — NET BUDGET</p>		LEI.1 Increased workload & activity with tight deadlines - finance from LDA to support some		LEI.1 Key & critical work area in 2012 until Autumn					
		LEI.2 Review resources and delivery mechanisms in light of new health & well-being legislation							
		LEI.3 & 7 Bids to various sources for key works							
		LEI.4 Less human resources available for adhoc activities. Team focus on income generation. Mentoring / coaching in business processes.							
		LEI.5 Public & business information, training and assistance required to implement							
		LEI.6 & 9 May require IT capital investment							
		LEI.8 A range of emerging options which the development officers could be combined with							
		LEI.10 Some partners may start asking for payment; increased payment, etc							
Revenue Budget (£'000s)		2011/12		2012/13		2013/14		2014/15	
Expenditure	2,020	1,838	1,825	0					
A. Employees	871	771.64	771.64						
B. Premises	35	44.18	45.07						
C. Transport	14	12.59	12.83						
D. Supplies and Services	341	303.69	224.67						
E. Third party payments	298	235.98	300.7						
F. Transfer Payments	2	5.94	6.05						
G. Overheads	100	108.13	108.13						
H. Asset Rentals	360	356.3	356.3						
Income	(710)	(512)	(512)						
P. Government grants	(222)	(128)	(128)						
Q. Other Grants & Contributions	(47)	(4)	(4)						
R. Customer and client receipts	(440)	(381)	(381)						
NET BUDGET	1,310	1,326	1,313	0					£0
Capital Budget		2011/12		2012/13		2013/14		2014/15	
Leisure Centre Improvement Wks	1,372	347.21	650	350					
Watersports Centre Repairs			28						
Climbing Wall & Tower			30						
Merton & Morden Assembly Halls	93.37	2.63							
New Wimbledon Theatre	550	550							
		£0		£0		£0		£0	
		Finance Comments (Capital Budget or otherwise)							





ACTION PLAN				RISK	
DESCRIPTION	BENEFIT	IMPACT		Delivery Risk	Reputational Risk
		Equalities	Other departments		
Expected Benefit	None	None	None	High	High
PAR.1 - Employ a traffic engineer to resolve the signs/lines and TMO deficiencies	Improve areas that are not enforceable and increase compliance through the issue of PCN's	None	None	High	High
PAR.2 - Use of section 106 monies to fund new CPZ's	Increase in the number of all types of permits issue, PCN's and income via P&D machines as compliance improves because of PCN enforcement.	None	None	Medium	Medium
PAR.3 - Lean training of parking services back office	Improvement in our methods of work	None	None	Low	Low
PAR.4 - Lean review of parking services back office	Identify areas of change that can improve output whilst delivering service delivery	None	None	Medium	Medium
PAR.5 - Scoping and market testing of the frontline and back office services	Reduction in overall costs of the 2 service areas without any reduction in performance	TUPE	None	Medium	High
PAR.6 - Reduce high level of absenteeism	Improve performance and customer satisfaction	None	None	High	Low
PAR.7 - Introduce mobile phone and credit and debit card payment for P&D parking	Improved customer satisfaction	None	None	Medium	Low
PAR.8 - Identify car parks with potential to be sold	Increased income recovery	None	None	High	Low
PAR.9 - Implement budget proposals regarding increase in charges	Improve the quality and quantity of PCN's issued and thus income recovery along with compliance.	None	None	High	High
PAR.10 - Review all frontline staff performance	Improve the quality and quantity of PCN's issued and thus income recovery along with compliance.	None	None	Medium	Medium
PAR.11 - Expand enforcement monitoring of bus lanes	Increase in the number of PCN's being issued with an impact increase income recovery along with compliance	None	None	High	High
PAR.12 - Review of 'On' and 'Off' Street Tariffs	Increased income recovery	None	None	Medium/High	Medium/High
PAR.13 - Identify commercialisation opportunities	Increase in income recovery or savings	None	None	High	Low
PAR.14 - Car park marketing campaign	Increased income recovery	None	None	High	Low
PAR.15 - CPZ expansion	Increased income recovery	None	None	Medium	Medium
PAR.16 - Expand existing mobile enforcement	Increased compliance and income	None	None	High	High
PAR.17 - Partners in parking	Increased savings through procurement	None	None	High	Low

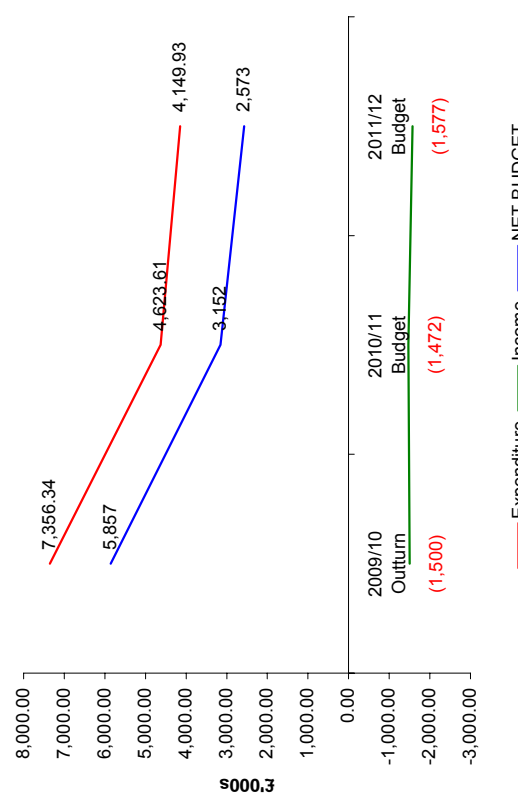


PARKS & GREEN SPACES: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY	
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	Sport Pitch Strategy to be completed in May 2011. Merton Open Spaces Strategy redraft. Local Development Framework.		
Increasing sport pitch demand	↗	↗	↗	↗	Sport Pitch Strategy			
Cemetery bookings increased	↗	↗	↗	↗	Sales & Marketing Plan			
Increased parks usage	↗	↗	↗	↗	Increased leisure time and local unemployment			
Increased attendance at outdoor community events	↗	↗	↗	↗	Sales & Marketing Plan; community aspirations			
Increased allotment demand	↗	↗	↗	↗	Economic climate			
Anticipated Supply	2011/12	2012/13	2013/14	2014/15	Key driver of supply			
Number of Green Flag parks	5	5	5	5	Available staff resources			
Number of outdoor events in parks	100	110	120	130	Available staff resources			
Number of allotment plots available for tenancy	1,300	1,350	1,350	1,350	Available staff resources			
PERFORMANCE MEASURES AND TARGETS								
Performance Measure/Target	2011/12	2012/13	2013/14	2014/15	Indicator Type	Impact if not met		
Resident satisfaction with parks & open spaces (ARS)	↑	68%			P	loss of reputation		
Young people's satisfaction with parks & open spaces (ARS)	↑	63%			P	loss of reputation		
Increase in cemeteries service income	↑	£80k			UC/P	loss of income		
Increase in income from outdoor events	↑	£25k	1000		UC/P	loss of income		
Increase in sports pitch utilisation/numbers	↑	2%			UC/P	loss of income		
Income from new products and services	↑	£30k			P	loss of income		
Number of Green Flag Parks	↗	5			Q	loss of reputation		
Percentage of allotments tenanted	→	94%	94%	94%	Q	loss of income		

BUDGET/RESOURCES		EXPECTED CHANGES			
	2011/12	2012/13	2013/14	2014/15	
<b>PARKS AND GREENSPACES BUDGET</b>					
PGS.1 - Changes to working practices/restructure of parks service					
PGS.2 - Changes to staff working practices in cemeteries service					
PGS.3 - Commercialisation of events service					
PGS.4 - Commercialisation of cemeteries service					
PGS.5 - Lean review of Greenspaces team					
PGS.6 - Sport pitch strategy implementation					
PGS.7 - Not locking parks at night					
PGS.8 - New products & services					
PGS.9 - Friends/community groups management of parks & open spaces within the Merton portfolio					
PGS.10 - Transfer of leisure/recreational services, including Greenspaces to not-for-profit organisation					

Revenue Budget (£'000s)	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Expenditure</b>	<b>7,356.34</b>	<b>4,623.61</b>	<b>4,149.93</b>			
Employees	2,608.15	2,500.36	2,015.27			
Premises	591.39	564.91	576.19			
Transport	217.89	209.44	213.60			
Supplies and Services	508.69	515.12	510.43			
3rd party payments	22.96	0.70	0.71			
Transfer payments		24.64	25.14			
Support services	651.67	619.21	619.21			
Depreciation	2,755.58	189.23	189.38			
<b>Income</b>	<b>(1,500)</b>	<b>(1,472)</b>	<b>(1,577)</b>			
Government grants	(51)	(51)	(51)			
Other reimbursements	(71)	(84)	(84)			
Customer and client receipts	(1,416)	(1,326)	(1,431)			
Recharges	(13)	(11)	(11)			
<b>NET BUDGET</b>	<b>5,857</b>	<b>3,152</b>	<b>2,573</b>			
<b>Capital Budget</b>						
Yes		£470,000	£250,000			

Finance Comments (Capital Budget or otherwise)	
	£0
	£0

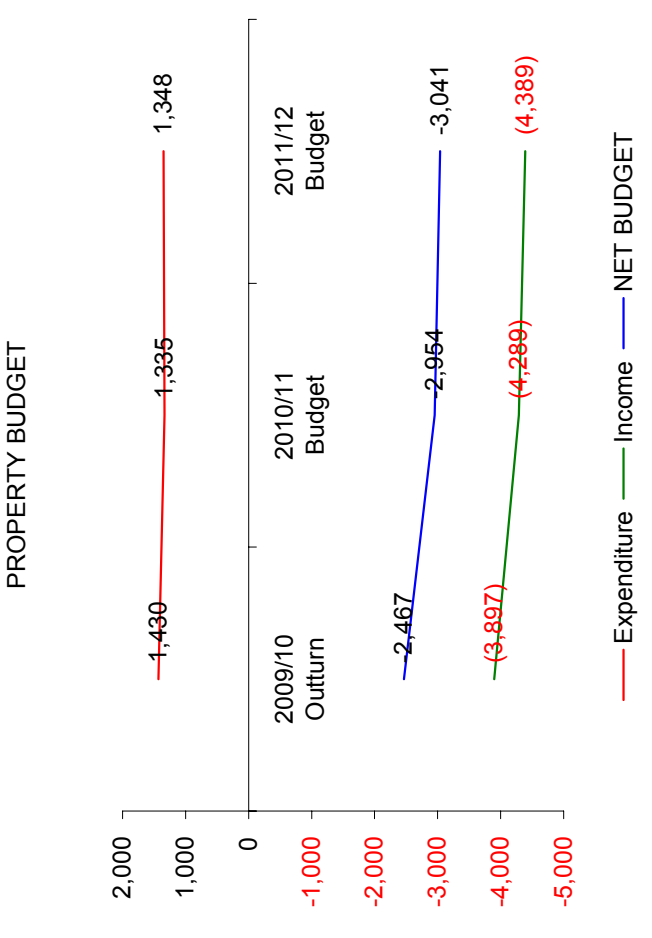


ACTION PLAN		IMPACT		RISK	
DESCRIPTION	BENEFIT	Equalities	Other departments	Delivery Risk	Reputational Risk
	Expected Benefit				
PGS.1 - Changes to working practices/restructure of parks service PGS.2 - Changes to staff working practices in cemeteries service PGS.3 - Commercialisation of events service PGS.4 - Commercialisation of cemeteries service PGS.5 - Lean review of Greenspaces team PGS.6 - Sports Pitch Strategy	Saving of £350k; reduction in agency staff Saving of £80k (TBC) Increased income Increased income Possible savings Increased income; increased usage	None None Possible reduction in some None None Unknown at this stage	None None Increased interdepartmental None Possible intra-departmental impacts None	Medium Medium Medium Low Low Low	High Medium Low High Low Low

PROPERTY: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY		
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	2011/12	2012/13	2013/14	2014/15
Property disposals	↑				Value for money & market. Increased expectation.				
Property letting	↑				Increased revenue & market.				
Rent Reviews	↑				Increased revenue & market.				
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>				
Staff	↑				Demand of disposal programme.				
Assets - Operational (£317m)	↑				Operational need				
Assets - Non-operational (£50m)	↑				Employment and demand for revenue income.				
PERFORMANCE MEASURES AND TARGETS									
Performance Measure/Target	Polarity	2011/12	2012/13	2013/14	2014/15	Indicator Type	Impact if not met		
Capital Receipts	↑	£1m				Local	Reduced ability to fund		
Vacant properties. Target may vary with market.	↓	5.50%	5.50%	5.50%	5.50%	Local	Reduced income		
% Debt. Target may vary with market.	↓	10%	10%	10%	10%	Local	Reduced income		

**EXPECTED CHANGES**

2011/12	2012/13	2013/14	2014/15
PRO.1 Asset Management Plan			
PRO.2 Digital mapping			
PRO.3 LABV			



ACTIONS AND SAVINGS		2011/12	2012/13	2013/14	2014/15
Invest to save. Non operational.	100,000				
Purchase ground lease & replace with lease at rent for land & buildings					
<b>Income</b>	<b>(3,897)</b>	<b>(4,289)</b>	<b>(4,389)</b>	<b>(4,389)</b>	<b>(4,389)</b>
Government grants	(72)	(373)	(373)	(373)	(373)
Other reimbursements					
Customer and client receipts	(3,660)	(3,765)	(3,865)	(3,865)	(3,865)
Recharges	(165)	(150)	(150)	(150)	(150)
Capital Funded					
<b>NET BUDGET</b>	<b>-2,467</b>	<b>-2,954</b>	<b>-3,041</b>	<b>-3,041</b>	<b>-3,041</b>
<b>Capital Budget</b>					
<b>Finance Comments (Capital Budget or otherwise)</b>					

**The purpose of this service is to:**  
 Provide the Corporate Property Officer role. Ensure that all property transactions provide value for money and comply with statutory control. To maintain an accurate record of the property assets of the Council. To provide asset valuations to support the Council's accounts. To manage the Council's investment portfolio to maximise income. To manage the Council's asset base to ensure that it has the accommodation necessary to support its services at a standard it can afford. To support regeneration. To deal with occupation of Council land by travellers.

**Transformation statement**  
 The service will continue to examine how it can provide the service in the most cost effective manner. Currently focusing on revenue generation and opportunities for asset transfer e.g. LABV.

ACTION PLAN		BENEFIT		IMPACT		RISK	
DESCRIPTION	Expected Benefit	Equalities	Other departments	Delivery Risk	Reputational Risk		
PRO.1 Digital mapping.	Improved property record	L	H	H	L		
PRO.2 Asset Management Plan	Improved value for money	L	H	H	M		
PRO.3 LABV	Improved value for money	L	H	H	L		

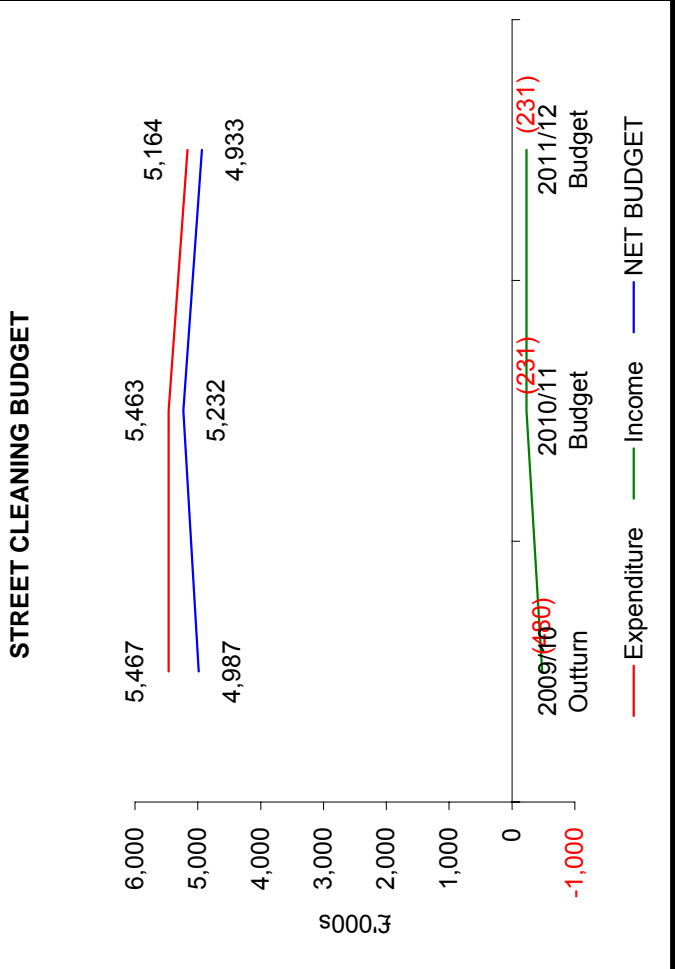


ACTION PLAN			
DESCRIPTION	BENEFIT Expected Benefit	IMPACT	
		Equalities	Other departments
		Delivery Risk	Reputational Risk
4. Remove the IDVA service	cost saving only	negative impacts to Children Schools and Families and Adult Social Care (Housing) will see an increase in vulnerable unsupported clients	not able to meet forthcoming government legislation, almost complete removal of service
3. Restructure of PPO/IOM	cost saving only	As above - main negative impacts on the partnership is the Police and Probation	not able to meet forthcoming government legislation, lack of any partnership support to the process
3. Restructure of ASB	cost saving only	Negative impacts on children schools and families - Police and Health	Less casework due to the removal of strategic and administrative support will require the caseworkers to do both strategy and admin rather than casework complainants that are
3. Restructure of Strategic Team	cost saving only	Negative impacts on children schools and families, adult social care, corporate services - Police, Probation, VS and Health	The partnership will be asked what we no longer do, lack of ability to bring in additional finance, support the partnership
			should there be a high profile case then yes massive reputational risk, risk of failure of the system (CJS) due to increase in crime, increase in fear of crime, risk of failure in the system less case work undertaken having to remove the offer of support to all complainants that are low level - increased political risks in not delivering or understanding Governmental agenda - reputational



STREET CLEANING: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY				
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	Key driver of demand	2011/12	2012/13	2013/14	2014/15	Key driver of supply	Impact if not met
Increased population	205,900				Increased population					Increased population	No survey in 2011/12
Increased housing density	80,890				Increased housing density					Increased housing density	Key target
Increased first language challenges					Residents' expectations					Residents' expectations	
Residents' expectations					Key driver of supply					Reduced resource	
Anticipated Supply	2011/12	2012/13	2013/14	2014/15	Key driver of supply					Reduced resource	
No of frontline teams	10										
No of caged vehicles	14										
No of mechanical sweepers	12										
<b>PERFORMANCE MEASURES AND TARGETS</b>											
<b>Performance Measure/Target</b>	<b>Polarity</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Indicator Type</b>					
Biannual Residents Survey	↑	n/a				Perception					
NI195 replacement - sites surveyed for litter	↓	1% improvement				Outcome					
No of fly tips reported	↓	3,500				Outcome					
Health&Safety - Accidents/Incidents	↓	5% improvement				Outcome					
Days lost through sickness	↓	14 days				Outcome					
Graffiti - sites surveyed	↓	6% target				Outcome					
Fly Posting	↓	2% target				Outcome					

BUDGET/RESOURCES		EXPECTED CHANGES				
STREET CLEANING BUDGET		2011/12	2012/13	2013/14	2014/15	
SCL.1 - embed £285K 2011/12 budget saving, with loss of 9 FTEs and reduced weekend and bank holiday working			2011/12 continued:			
AP2 - meet fly tipping challenges arising from closure of Weir Road HRRC and withdrawal of garden waste collection service			SCL.8 - implement results of waste collection scrutiny.			
SCL.3 - carry forward proposed changes to terms and conditions involving 4 day working over a standard 6 day week			SCL.9 - implement conclusions of Enforcement Review Task Group			
SCL.4 - implement October 2011 changes resulting from Agency Workers Directive 2010.			SCL.10 - improve IT working and access for citizens.			
SCL.5 - embed reduction of 1 Enforcement Officer			SCL.11 - work to ensure success of 2012 Olympics			
SCL.6 - embed working with new street cleaning vehicles			SCL.12 - work to develop Payback Team contribution			
SCL.7 - work through South London Waste Partnership formal agreement (Croydon, Kingston, Merton & Sutton) on efficiencies and						



ACTIONS AND SAVINGS		2011/12	2012/13	2013/14	2014/15
Revenue Budget (£'000s)	2009/10	2010/11	2011/12	2012/13	2013/14
Expenditure	5,467	5,463	5,164	0	
Income	(480)	(231)	(231)		
Government grants					
Other reimbursements	(10)				
Customer and client receipts	(469)	(230)	(230)		
Charges	(1)	(1)	(1)		
Capital Funded	4,987	5,232	4,933	0	
NET BUDGET	4,987	5,232	4,933	0	
Capital Budget					
Ally gates			50	50	
Litter Bins			5	5	
<b>Finance Comments (Capital Budget or otherwise)</b>					
		£0	£0	£0	£0

ACTION PLAN						
DESCRIPTION	BENEFIT		IMPACT		RISK	
	Expected Benefit	Equalities	Other departments	Delivery Risk	Reputational Risk	
SCL.1 - embed £285K 2011/12 budget saving, with loss of 9 FTEs and reduced weekend and bank holiday working	Reduced costs	Manage as part of process	Low	Low	Significant	
SCL.2 - meet fly tipping challenges arising from closure of Weir Road Household Reuse & Recycling Centre (HRRC) and withdrawal of garden waste collection service	Containing fly tipping	Low	Low	Significant	Significant	
SCL.3 - carry forward proposed changes to terms and conditions involving 4 day working over a standard 6 day week	Reduced costs	Manage as part of process	Manage as part of process	Significant	Significant	
SCL.4 - implement October 2011 changes resulting from Agency Workers Directive 2010.	Not yet clear. Could result in significantly increased costs per member of agency staff.					
SCL.5 - embed reduction of 1 Enforcement Officer	Reduced costs	Manage as part of process	Low	Low	Significant	
SCL.6 - embed working with new street cleaning vehicles	More efficient working	Low	Low	Low	Significant	
SCL.7 - work through South London Waste Partnership formal agreement (Croydon, Kingston, Merton & Sutton) on efficiencies and procurement opportunities.	More efficient working. Reduced costs.	Manage as part of process	Low	Significant	Significant	
SCL.8 - implement results of waste collection scrutiny.	Scrutiny to report in May 2011					
SCL.9 - implement conclusions of Enforcement Review Task Group	Work ongoing.					
SCL.10 - improve IT working and access for citizens.	Work ongoing.	Significant	Significant	Significant	Significant	
SCL.11 - work to ensure success of 2012 Olympics	Borough reputation	Significant	Significant	Low	Significant	
SCL.12 - work to develop Payback Team contribution	Borough reputation	Manage as part of process	Low	Low	Significant	





ACTION PLAN					
DESCRIPTION	BENEFIT	IMPACT		RISK	
		Equalities	Other departments		Delivery Risk
TFC.1 and 2 Re-Structure to deliver savings.	Expected Benefit				
TFC.3 Implement LEAN review outcomes.	Deliver Savings				
TFC.4 Maximise capitalisation of salary costs.	Streamline processes				
TFC.5 Fill existing vacancies currently being covered by agency staff	Reduce dependency on Revenue budgets Reduce burden on Revenue Budgets				

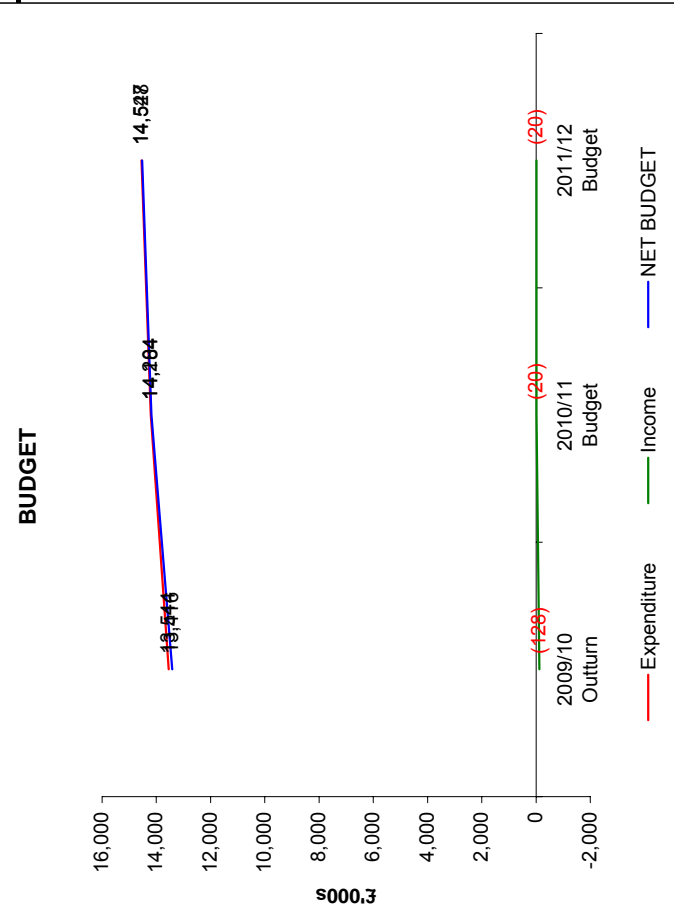
Transport		PLANNING ASSUMPTIONS							STRATEGY DELIVERY																			
Anticipated Demand	2011/12	2012/13	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15																				
C&H passenger journeys	163,280.00	162,000.00			PERSONALISED BUDGETS (C&H)																							
CSF passenger journeys in-house	61,620.00	61,700.00																										
CSF passenger journeys contractors	79,560.0	80,000.00																										
Fleet Vehicles	220.00	220.00																										
<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>																							
C&H passenger journeys																												
CSF passenger journey (total)																												
Fleet Vehicles																												
<b>PERFORMANCE MEASURES AND TARGETS</b>																												
<b>Performance Measure/Target</b>	<b>Polarity</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Indicator Type</b>	<b>Impact if not met</b>																					
Maintain the current 94.3% MOT pass rate.	↑	95%																										
Industry standard 73%																												
Veh Utilisation currently 60%	↑	65%																										
External 3rd party income	↑	1.13																										
To implement recommendations following Scrutiny review	↑	12																										
User satisfaction from scrutiny review	↑	97%	1000																									
Journey times from Scrutiny review	↑	85%																										
<b>EXPECTED CHANGES</b>																												
2011/12	2012/13	2013/14	2014/15																									
2011/12		2012/13	2013/14	2014/15																								
<b>TRANSFORMATION STATEMENT</b>																												
Following the recent comprehensive reviews of passenger transport services carried out by scrutiny and Transport Advisory Service (TAS) and the review of the fleet maintenance workshop by Association of Public Service Excellence (APSE). Management is implementing the recommendations from all three reviews to ensure that the final delivery service provides effective value for money while still meeting customer expectations.																												
<b>The purpose of this service is to:</b>																												
To provide a comprehensive efficient transport service, in support of user departments including CSF, C&H, Waste Operations and the rest of the Council who use transport or associated services. Ensuring legal compliance with all statutory requirements for road transport services including Operator Licence compliance requirements.																												
<b>BUDGET/RESOURCES</b>																												
<b>TRANSPORT</b>																												
<p>Legend: — Expenditure — Income — NET BUDGET</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Expenditure</th> <th>Income</th> <th>NET BUDGET</th> </tr> </thead> <tbody> <tr> <td>2009/10</td> <td>9,793</td> <td>0</td> <td>0</td> </tr> <tr> <td>2010/11</td> <td>8,984</td> <td>0</td> <td>0</td> </tr> <tr> <td>2011/12</td> <td>9,074</td> <td>0</td> <td>0</td> </tr> <tr> <td>2012/13</td> <td>9,074</td> <td>0</td> <td>0</td> </tr> </tbody> </table>									Year	Expenditure	Income	NET BUDGET	2009/10	9,793	0	0	2010/11	8,984	0	0	2011/12	9,074	0	0	2012/13	9,074	0	0
Year	Expenditure	Income	NET BUDGET																									
2009/10	9,793	0	0																									
2010/11	8,984	0	0																									
2011/12	9,074	0	0																									
2012/13	9,074	0	0																									
<b>ACTIONS AND SAVINGS</b>																												
2011/12	2012/13	2013/14	2014/15																									
TPT1 - Implement recommendations from the TAS review																												
TPT2 - Implement recommendations from APSE review																												
TPT3 - Implement new staffing structure																												
TPT4 - Current 6 bay workshop increase to 9																												
TPT5 - Sutton Kingston partnership for minicab provision ending, new framework arrangement using Pro Contract																												
<b>NET BUDGET</b>																												
Income	(9,793)	(8,984)	(9,074)	(9,074)																								
Government grants																												
Other reimbursements	(7,914)	(7,337)	(7,411)	(7,411)																								
Customer and client receipts	(1,880)	(1,647)	(1,664)	(1,664)																								
Reserves																												
Capital Funded																												
<b>NET BUDGET</b>	0	0	0	0																								
<b>Capital Budget</b>																												
Capital Budget	2009/10	2010/11	2011/12	2012/13																								
Replacement programme		500K	500K																									
<b>Finance Comments (Capital Budget or otherwise)</b>																												

ACTION PLAN					
DESCRIPTION	BENEFIT Expected Benefit	IMPACT		RISK	
		Equalities	Other departments	Delivery Risk	Reputational Risk
TPT1 - implement the recommendations from TAS review TPT2 - Implement recommendations from APSE review TPT3 - Implement new staffing structure	Greater transparency in passenger service. Subject to budget ability to maintain increased provision Greater transparency in passenger service provision and commissioning, overall reduction in direct management cost	N/A N/A	dependant on demand improved downtime on vehicles	dependant on demand	

WASTE MANAGEMENT: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY	
<p><b>Transformation statement - Waste Management</b></p> <p>We will: implement the results of South London Waste Partnership (Slwpp) procurement Phase B re residual waste; explore thoroughly all opportunities to collaborate with neighbouring boroughs via the Slwpp and will market test assuring that the preferred delivery mechanisms drives out cost; ensure any change of waste collection method (ie wheeled bins + full food waste collection) results in higher levels of recycling resource recovery and lower residual waste; balance the use of vehicles, IT and labour to ensure the most cost effective service delivery; and improve the efficiency of citizen reporting</p> <p><b>The purpose of this service is to:</b></p> <p><b>Waste Collection &amp; Disposal directly from Households:</b> as a unitary authority, Merton is responsible for both household waste collection and disposal.</p> <p><b>Household Reuse &amp; Recycling Centres:</b> Merton is required to provide facilities for the disposal of excess household and garden waste free of charge.</p>		<b>Anticipated Demand</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of demand</b>	Key deliverables from related strategies 22% growth in London households by 2031 - Mayor's Strategy prediction  Mayor's Draft Municipal Waste Management Strategy  South London Waste Partnership Phase B procurement outcome
		Increased population	205,900			Increased population		
		Increased housing density	80,890			Increased housing density		
		Household waste tonnage	71,000			Increased first language challenges		
		Increased first language challenges				Residents' expectations		
		<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>	
		No of RCVs (domestic + commercial)	25			Reduced vehicle resource		
		No of RCV domestic crews	18					
<b>PERFORMANCE MEASURES AND TARGETS</b>								
<b>Performance Measure/Target</b>		<b>Polarity</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Indicator Type</b>	
Bi-annual Residents Survey -Refuse Colln		↑	n/a				Perception	
% Household Waste Recycled		↑	36%				Outcome	
Residual Waste per Household per annum		↓	600kg				Outcome	
Municipal solid waste landfilled		↓	64%				Outcome	
Missed bins per 100,000 collected		↓	70				Outcome	
Food waste per household per week		↑	1.15kg				Outcome	
Health&Safety - Accidents/Incidents		↓	5% reduction				Outcome	
Days lost through sickness per FTE		↓	14 days				Outcome	

BUDGET/RESOURCES		EXPECTED CHANGES				
		<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	
WMT. 1 - implement the saving of £350K in waste disposal costs		2011/12 continued:				
WMT. 2 - implement the closure of the Garth Road Waste Transfer Station, negotiating alternative options with Viridor Waste		WMT. 8 - implement results of waste collection scrutiny.				
WMT. 3 - implement the stopping of Garden Waste Collection from residents homes		WMT. 9 - continue to contribute to supporting the Slwpp (Croydon, Kingston, Merton & Sutton) Phase B procurement for residuary				
WMT. 4 - implement the closure of the 36 Weir Road Household Reuse & Recycling Centre, subject to contract negotiations		WMT. 10 - implement the outcome of the Slwpp Phase B procurement, including managing any changed pattern of waste				
WMT. 5 - implement the reduction of 1 post in the Communities Engagement Team		WMT. 11 - work through Slwpp formal agreement on efficiencies and procurement opportunities.				
WMT. 6 - carry forward proposed changes to terms and conditions involving 4 day working over a standard 6 day week (NOTE: this may result from Agency Workers Directive 2010.		WMT. 12 - improve use of vehicle fleet by double shifting etc and adjust maintenance schedules accordingly (NOTE: this may be a result from Agency Workers Directive 2010.				
WMT. 7 - implement October 2011 changes resulting from Agency Workers Directive 2010.		WMT. 13 - improve IT working and access for citizens.				

WASTE MANAGEMENT: SERVICE DESCRIPTION		PLANNING ASSUMPTIONS					STRATEGY DELIVERY	
<p><b>Transformation statement - Waste Management</b></p> <p>We will: implement the results of South London Waste Partnership (Slwpp) procurement Phase B re residual waste; explore thoroughly all opportunities to collaborate with neighbouring boroughs via the Slwpp and will market test assuring that the preferred delivery mechanisms drives out cost; ensure any change of waste collection method (ie wheeled bins + full food waste collection) results in higher levels of recycling resource recovery and lower residual waste; balance the use of vehicles, IT and labour to ensure the most cost effective service delivery; and improve the efficiency of citizen reporting</p> <p><b>The purpose of this service is to:</b></p> <p><b>Waste Collection &amp; Disposal directly from Households:</b> as a unitary authority, Merton is responsible for both household waste collection and disposal.</p> <p><b>Household Reuse &amp; Recycling Centres:</b> Merton is required to provide facilities for the disposal of excess household and garden waste free of charge.</p>		<b>Anticipated Demand</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of demand</b>	Key deliverables from related strategies 22% growth in London households by 2031 - Mayor's Strategy prediction  Mayor's Draft Municipal Waste Management Strategy  South London Waste Partnership Phase B procurement outcome
		Increased population	205,900				Increased population	
		Increased housing density	80,890				Increased housing density	
		Household waste tonnage	71,000				Increased first language challenges	
		Increased first language challenges					Residents' expectations	
		<b>Anticipated Supply</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Key driver of supply</b>	
		No of RCVs (domestic + commercial)	25				Reduced vehicle resource	
		No of RCV domestic crews	18					
<b>PERFORMANCE MEASURES AND TARGETS</b>								
<b>Performance Measure/Target</b>		<b>Polarity</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Indicator Type</b>	<b>Impact if not met</b>
Bi-annual Residents Survey -Refuse Colln		↑	n/a				Perception	
% Household Waste Recycled		↑	36%				Outcome	
Residual Waste per Household per annum		↓	600kg				Outcome	
Municipal solid waste landfilled		↓	64%				Outcome	
Missed bins per 100,000 collected		↓	70				Outcome	
Food waste per household per week		↑	1.15kg				Outcome	
Health&Safety - Accidents/Incidents		↓	5% reduction				Outcome	
Days lost through sickness per FTE		↓	14 days				Outcome	



Revenue Budget (£'000s)		2009/10	2010/11	2011/12	2012/13
<b>Expenditure</b>		13,544	14,204	14,547	0
Employees		3,778	3,541	3,172	-
Premises		181	182	185	-
Transport		1,622	1,866	2,053	-
Supplies and Services		315	368	375	-
3rd party payments		6,886	7,590	8,104	-
Transfer Payments		-	2	2	-
Overheads		665	558	558	-
Asset Rentals		97	97	97	-
<b>Income</b>		(128)	(20)	(20)	-
Government grants		-	-	-	-
Other reimbursements		(95)	-	-	-
Customer and client receipts		(33)	(20)	(20)	-
Reserves		-	-	-	-
Capital Funded		-	-	-	-
<b>NET BUDGET</b>		13,416	14,184	14,528	0

ACTION PLAN				RISK	
DESCRIPTION	BENEFIT Expected Benefit	IMPACT		Delivery Risk	Reputational Risk
		Equalities	Other departments		
WMT.1 - implement the saving of £350K in waste disposal costs	Reduced costs	n/a	Low	Low	Low
WMT.2 - implement the closure of the Garth Road Waste Transfer Station, negotiating alternative options with Viridor Waste Management under existing Slwp contract	Reduced costs	Manage as part of process	Low	Medium	Low
WMT.3 - implement the stopping of Garden Waste Collection from residents homes	Reduced costs	Manage as part of process	Low	Medium	Significant
WMT.4 - implement the closure of the 36 Weir Road Household Reuse & Recycling Centre, subject to contract negotiations	Reduced costs	Manage as part of process	Low	Medium	Significant
WMT.5 - implement the reduction of 1 post in the Communities Engagement Team	Reduced costs	Manage as part of process	Low	Low	Low
WMT.6 - carry forward proposed changes to terms and conditions involving 4 day working over a standard 6 day week <b>(NOTE: this may be a 2012/13 action)</b>	Reduced costs	Manage as part of process	Significant	Significant	Significant
WMT.7 - implement October 2011 changes resulting from Agency Workers Directive 2010.	Not yet clear. Could result in significantly increased costs per member of agency staff.				
WMT.8 - implement results of waste collection scrutiny.	Scrutiny to report in May 2011				
WMT.9 - continue to contribute to supporting the Slwp (Croydon, Kingston, Merton & Sutton) Phase B procurement for residuary waste.	Reduced longer term costs. Outcome of procurement due autumn 2011.	Manage as part of process	Low	Medium	Significant
WMT.10 - implement the outcome of the Slwp Phase B procurement, including managing any changed pattern of waste disposal points for Merton collection vehicles	Reduced longer term costs. Outcome of procurement due autumn 2011.	Manage as part of process	Low	Medium	Significant
WMT.11 - work through Slwp formal agreement on efficiencies and procurement opportunities.	More efficient working. Reduced costs.	Manage as part of process	Low	Significant	Significant
WMT.12 - improve use of vehicle fleet by double shifting etc. and adjust maintenance schedules accordingly <b>(NOTE: this may be a 2012/13 action and is linked to AP6)</b>	Reduced costs	Manage as part of process	Medium	Medium	Medium
WMT.13 - improve IT working and access for citizens.	Work ongoing.	Significant	Significant	Significant	Significant