

Merton Council

Budget/Council Tax Meeting Agenda

Membership:

The Mayor, Councillor Martin Whelton

The Deputy Mayor, Councillor Krysia Williams

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

The Budget/Council Tax meeting of the Council will be held on Wednesday 4 March 2009, commencing at 7.15pm at Merton Civic Centre, London Road, Morden, Surrey in the Council Chamber

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

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Budget/Council Tax Meeting Agenda

4 March 2009

1. Apologies for Absence
2. To Approve the Minutes of the Council Meeting held on 4 February 2009 3
3. Declarations of Interest ¹
4. Budget 2009/10, and Medium term Financial Strategy 2009-2012, and Capital Programme/Strategy 2009-12 (Forward Plan ref: 740) 59

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

- Receive a Presentation of the Budget/Council Tax Report from the Relevant Officers
- Officers to Respond to Questions from Members via the Mayor
- To receive remarks from the Cabinet on the Report
- Council to Debate the Report and take any Motions or Amendments

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

5. Business Plan 2009/12 (Forward Plan ref: 671) 297
6. Housing Revenue Account Budget (Forward Plan ref: 680) 409

¹ Members are advised to make declarations of personal or prejudicial interests they may have in relation to any item on this agenda. Members may make their declaration either under this item or at any time it becomes apparent that they have an interest in any particular item. To facilitate the recording of declarations members are asked to complete the pro-form attached to this agenda and hand it to the Democratic Services Officer in attendance. If a Member believes that their interest is prejudicial they should leave the meeting while the item is discussed. If in doubt, Members are advised to seek advice from the Head of Civic and Legal Services prior to the meeting.

ORDINARY COUNCIL

4 February 2009

(7.15pm – 10.05pm)

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

1 DECLARATIONS OF INTEREST (Agenda Item 2)

Members Questions – Question No.38

Councillor Pearce on the basis of his being the Chair of F.I.S.H and the fact that reference is made to the organisation in the question.

2 MINUTES (Agenda Item 3)

RESOLVED: That the Minutes of the meeting held on 26 November 2008 are agreed as a correct record.

3 ANNOUNCEMENTS (Agenda Item 4)

Mayor's Announcements

I would like to offer my sympathy to Councillor Debbie Shears upon the death of her mother, Councillor Peter McCabe upon the death of his father and Councillor Tariq Ahmad upon the death of his father. May they rest in peace. I would also like to let councillors know that former councillor Maria Bentley Dingwall has been admitted to St George's Hospital. She is making good progress and should make a full recovery.

Since the last Council meeting, the major event for me has been the New Year's Day Parade. As you aware, 2009 got off to a winning start, with "Winter Wonderland" winning first prize, along with £7500 for my charities. It was a wonderful event and an amazing moment and I am so proud of everybody who worked on our entry,

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especially Cllr Linda Kirby, who wrote the music, Cllr Geraldine Stanford, children from Wimbledon Chase Primary School, people from the Wimbledon Guild and Merton and Morden Guild and everybody else who was involved with the winning entry.

I would also like to thank everyone who attended the Christmas Carol Service at Sacred Heart and those who attended the Christmas Dinner at Gino's. On 14 February we have the ball at the All England club, and we have theatre night tomorrow.

The past two months have been extremely busy and it was fantastic to visit so many schools and voluntary organisations during that period. It has been a very busy time, but I am enjoying it greatly.

Chief Executive

I would like to draw to the Council's attention the hard work of many officers in the Council to respond to the recent inclement weather. We know we have a considerable way to go to clear all of the roads and pavements but officers have been working extremely hard on your behalf and I wanted to mention that to you today.

Councillor Stephen Alambritis

Can I add my thanks to the efforts of the staff. I have been warned that there are still some problems on footways in Mitcham town centre. Can I have the Chief Executive's assurance that footways in Wimbledon and Mitcham town centres will be treated in the same way.

Councillor David Simpson

Can I just add my thanks to officers as well. I think staff have worked wonderfully well during a really trying time, especially those on the front line, such as those gritting and collecting waste. I think we should extend our thanks to them.

4 QUESTIONS FROM THE PUBLIC (Agenda Item 5)

The questions, supplementary questions and answers may be found at Appendix 1 attached to these minutes.

5 QUESTIONS FROM COUNCILLORS (Agenda Item 6)

The questions, supplementary questions and answers may be found at Appendix 1 attached to these minutes.

6 STRATEGIC OBJECTIVE REVIEW – STRONGER COMMUNITIES (SAFER MERTON) (Agenda Item 7)

The questions, supplementary questions and answers may be found at Appendix 1 attached to these minutes.

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Following consideration of the questions under this objective, the cabinet member for Community Safety and Engagement, Councillor Tariq Ahmad, introduced the report.

Motion 1 – Labour

It was moved by Councillor John Dehaney and seconded by Councillor Gregory Udeh that

“Council notes that while the risk of becoming a victim of crime has fallen sharply in recent years, the fear of crime remains a problem. While in 1995 the risk of becoming a victim was 40%, by 2008 it had fallen to 22% (Source: Crime in England and Wales 2007/08) – and Merton is consistently in the top seven safest boroughs in London. However, the recent Annual Residents Survey shows that, despite this fall in actual crime, fear of crime in Merton increased in 2008 from 36% to 43%, a rise of 7%.

Council acknowledges the reassurance impact of the government’s Safer Neighbourhood Teams which have seen the return of a visible police presence on our streets. Every community now has its own dedicated neighbourhood police team, easily contactable by the people who live in that community and working with them to agree local priorities and deal with people’s concerns. In addition, police numbers are up by more than 14,000 since 1997, alongside the more than 15,000 Community Support Officers. In Merton this means 120 extra police and police community support officers on the beat, in addition to nine schools liaison officers.

However, Council acknowledges that there has been much research which attributes the continued fear of crime to neglect of particular areas, with environmental concerns left unaddressed, contributing to feelings of unsafety and fear – the so called “broken windows” syndrome.

Council therefore notes with concern that there are plans to cut the graffiti education and abandoned vehicle budgets. Council regrets this retreat on previous advances in tackling enviro-crime in Merton.

Council reiterates the importance of prioritising the following in order to reduce the fear of crime amongst Merton residents:

- Fly-tip prevention and removal
- Graffiti prevention and removal
- Removal of abandoned vehicles
- Regular and reliable refuse and recycling service
- Regular street sweeping service which is scheduled to reduce refuse collection detritus.

Council resolves to ensure that performance on these environmental concerns, and any remedial action, is prominently reported in every issue of My Merton so that residents’ fear of crime can be addressed.”

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Conservative Amendment to Labour Motion

It was moved by Councillor David Simpson and seconded by Councillor Tariq Ahmad that the motion is amended to read:

“Council notes that while the risk of becoming a victim of crime has fallen sharply in recent years, the fear of crime remains a problem. While in 1995 the risk of becoming a victim was 40%, by 2008 it had fallen to 22% (Source: Crime in England and Wales 2007/08) – and Merton is consistently in the top seven safest boroughs in London. However, the recent Annual Residents Survey shows that, despite this fall in actual crime, fear of crime in Merton increased in 2008 from 36% to 43%, a rise of 7%.

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However, Council acknowledges that there has been much research which attributes the continued fear of crime to neglect of particular areas, with environmental concerns left unaddressed, contributing to feelings of unsafety and fear – the so called “broken windows” syndrome.

Council notes that there are savings proposals for the graffiti education and abandoned vehicle budgets but that the relevant scrutiny panel did not refer these to the Overview and Scrutiny Commission for further scrutiny or return them to Cabinet for further explanation.

Council recognises the achievements of the administration in prioritising and improving the following in order to reduce the fear of crime amongst Merton residents:

- Fly-tip prevention and removal
- Graffiti prevention and removal
- Removal of abandoned vehicles
- Regular and reliable refuse and recycling service
- Regular street sweeping service which is scheduled to reduce refuse collection detritus.

Council welcomes the proactiveness of the administration in recently introducing a community safety page, in addition to the existing environment page, in every issue of My Merton so that residents’ fear of crime can be addressed.”

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

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vote of 29 for the amendment, 25 against and 5 abstentions.

The Mayor put the motion as amended to the meeting and it was duly agreed.

Therefore, it was RESOLVED: That

Council notes that while the risk of becoming a victim of crime has fallen sharply in recent years, the fear of crime remains a problem. While in 1995 the risk of becoming a victim was 40%, by 2008 it had fallen to 22% (Source: Crime in England and Wales 2007/08) – and Merton is consistently in the top seven safest boroughs in London. However, the recent Annual Residents Survey shows that, despite this fall in actual crime, fear of crime in Merton increased in 2008 from 36% to 43%, a rise of 7%.

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Council welcomes the proactiveness of the administration in recently introducing a community safety page, in addition to the existing environment page, in every issue of My Merton so that residents' fear of crime can be addressed.

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Motion 2 – Conservative

It was moved by Councillor Simon Withey, seconded by Councillor Jeremy Bruce and upon the motion being put to the meeting

RESOLVED: That

This Council notes that overall crime in Merton has fallen by over 5% between 1 April 2006 and 31 December 2008 and that Merton remains one of the safest boroughs in London. This Council therefore congratulates the Safer Merton partnership, including officers, Members and partner agencies, on its many successes, including falling rates of vehicle crime and robbery, and acknowledges the good working relationship between the borough's police and the local community.

However, as crime was residents' top concern according to the 2008 Annual Residents Survey, this Council therefore welcomes the various measures being taken by Safer Merton and its partners to tackle fear of crime amongst local residents, which include:

- Increased funding for CCTV equipment and close co-operation between CCTV operatives, police and street wardens resulting in the monitoring and apprehension of suspects;
- Promotion of strong working relationships and close co-ordination between Safer Neighbourhood teams and local community groups;
- Using the Annual Strategic Assessment, which this year received 956 responses, to help determine local crime and disorder priorities;
- Problem solving initiatives to tackle environmental crime such as graffiti;
- Launching Action in Merton (AIM) which involves the council, Safer Merton, the Metropolitan Police, the London Fire Brigade and the local Primary Care Trust working together to help build residents' confidence in local public services, including through use of a reassurance bus;
- The junior warden scheme delivered successfully in co-operation with Merton Abbey Primary School and aimed at promoting good citizenship and preventing crime and anti-social behaviour in the future;
- Projects at a grass roots level to try to eradicate homophobic and race crime;
- Securing funding for a project to help engage young BME people as special constables and promote the police force as a possible career;
- Using the results of the Annual Residents Survey to increase policing focus on locations, like Merton's town centres, and on those groups, such as the elderly, for whom the fear of crime tends to be higher;
- Continued expansion of Neighbourhood Watch schemes in Merton, which now consist of 394 coordinators and over 24,400 members across the borough;

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- Running local media campaigns designed to counter perceptions about crime levels in the borough.

This Council also welcomes the scrutiny review on 'fear of crime' currently being undertaken by the Overview and Scrutiny Commission and looks forward to its recommendations.

In line with its aim to put the needs of Merton residents first, this Council resolves to redouble efforts, in conjunction with its partners, to alleviate the fears of local people about crime.

7 NOTICES OF MOTION (Agenda Item 8)

The Mayor sought the agreement of the meeting, duly given, to allow Motion 3 under this agenda item to be taken as first business.

Motion 3 – Labour

Members had regard to the 'Background Information' to this item attached to the supplementary agenda for this meeting.

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

"Since taking minority control in 2006, Merton's Conservatives have hiked council tax by 3.6% and 3.9% at the same time as cutting crucial services. This is also taking place whilst they needlessly stash away money into 'reserves', with £11.4m being projected at the end of 2008/09.

Instead of stashing away residents' money, Merton Council should help people by acting now. Therefore, in line with Part 1, Section 2 of the Local Government Act 2000, this Council will give each household paying Council Tax an immediate £100 rebate, in the form of a £100 reduction in the next Council Tax payment."

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

Voting for the motion 25: Councillors Agatha Akyigyina, Stephen Alambritis, Mark Allison, Mark Betteridge, David Chung, John Dehaney, Nick Draper, Philip Jones, Andrew Judge, Linda Kirby, Sheila Knight, Patricia Lewis, Edith Macauley, Russell Makin, Maxi Martin, Peter McCabe, Ian Munn, Dennis Pearce, George Reynolds, Judy Saunders, Zenia Squires-Jamison, Geraldine Stanford, Gregory Udeh, Leighton Veale, Richard Williams.

Voting against the motion 33: Councillors Tariq Ahmad, John Bowcott, Margaret Brierly, William Brierly, Jeremy Bruce, Angela Caldara, Richard Chellew, David Dean, Chris Edge, Corinna Edge, Karin Forbes, Samantha George, Maurice Groves, Marc Hanson, Stephen Kerin, Brian Lewis-Lavender, Gilli Lewis-Lavender, Barbara Mansfield, Denise March, Krystal Miller, Diane Neil Mills, Oonagh Moulton, Henry Nelles, Linda Scott, Rod Scott, Deborah Shears, David Simpson, Peter Southgate, Jonathan Warne, David Williams, Krysia Williams, Ronald Wilson and Simon Withey.

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Abstentions: 1 (the Mayor)

The Mayor declared the motion to be lost.

Motion 1 – MPWIR

It was moved by Councillor Peter Southgate, seconded by Councillor Rod Scott and upon the Mayor putting the motion to the meeting

RESOLVED: That

This council confirms its commitment to the role of scrutiny in Merton as set out in the Review of Scrutiny, unanimously adopted by the council in March 2006 and subsequently endorsed by the Cabinet in June 2006.

In adopting the review the council agreed to a total of 38 recommendations, including the first three key recommendations:

1. Recognise that the role of overview and scrutiny is to hold the executive to account... and is committed to supporting overview and scrutiny to perform this role effectively.
2. Recognise the contribution of an effective overview and scrutiny function to the corporate health of the organisation and the need for overview and scrutiny to be independent from the executive.
3. Agree that the status of the executive and the overview and scrutiny function should have a parity of esteem across the organisation.

This council undertakes to continue its support for overview and scrutiny in the performance of these roles.

Motion 2 – Conservative

It was moved by Councillor Diane Neil Mills, seconded by Councillor Chris Edge and upon the Mayor putting the motion to the meeting

RESOLVED: That, on a vote of 32 for the motion, 0 against and 24 abstaining

This Council understands that many businesses in Merton are facing difficult times as a result of the current economic recession and that many Merton residents are employed in local businesses.

This Council further recognises that Business Rates are the largest cost facing local businesses after rents.

This Council is therefore surprised by the government's plans to increase the NNDR (Business Rate) by 5% in April this year - taking the average bill nationally to £12,000 a year and to over £13,100 for businesses in Merton – at a time of falling inflation.

Accordingly, this Council resolves to support businesses in Merton by writing to the Secretary of State for Communities and Local Government urging her to abandon proposals to increase Business Rates by 5%.

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8 APPOINTMENT OF AN INTERIM MONITORING OFFICER (Agenda Item 9)

It was moved by Councillor Samantha George, seconded by Councillor David Williams and, upon the Mayor putting the recommendation to the meeting it was

RESOLVED: That Ms Fiona Thomsen is appointed as the Council's monitoring officer until such time as a new Head of Civic and Legal Services takes up office.

9 MERTON CIVIC AWARD SCHEME (Agenda Item 10)

It was moved by Councillor David Williams, seconded by Councillor Margaret Brierly and upon the Mayor putting the recommendation to the meeting it was

RESOLVED: That

1. approval is given to a 'Merton Civic Award Scheme';
2. a 'Merton Civic Awards Group' is established to administer the Scheme and to select successful applicants against agreed criteria; and
3. the Scheme be promoted and established and that the proposed Merton Civic Awards Group be given full authority to determine the allocation of the awards as they see fit and that such awards are presented at an event at the beginning of May 2009.

10 NOMINATION FOR THE OFFICE OF MAYOR FOR THE MUNICIPAL YEAR 2009/10 (Agenda Item 11)

It was moved by Councillor Stephen Alambritis and seconded by Councillor Andrew Judge that Councillor Nick Draper is nominated for the office of Mayor for the Municipal year 2009/10.

Following debate:

It was moved by Councillor Peter Southgate and seconded by Councillor David Williams that, pursuant to Part 4A and paragraph 7(k) of the Council's constitution, the debate on this matter is adjourned to the Council meeting of the 25 March at which time the Council will be presented with a Merton Park Ward Independent Resident nominee.

The Mayor put the motion to the meeting and it was

RESOLVED: That, on a vote of 31 for the motion and 26 against, pursuant to Part 4A and paragraph 7(k) of the Council's constitution, the debate on this matter is adjourned to the Council meeting of 25 March at which time the Council will be presented with a Merton Park Ward Independent Resident nominee.

11 PETITIONS (Agenda Item 12)

Councillor Judy Saunders and Councillor Stephen Alambritis presented petitions submitted by local residents opposed to Sita's plans for an Eco Park at Benedict

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Wharf, Church Road Mitcham.

12 BUSINESS FOR THE NEXT ORDINARY MEETING (Agenda Item 13)

The Leader of the Council advised that Children and Young People would

13 CONSTITUTION OF COMMITTEES AND RELATED MATTERS (Agenda
Item 14) (Addendum Agenda)

Reason for urgency:

The legal requirements for Access to Information have not been met. The Mayor has approved the urgent submission of this item to assist the Council in carrying out its business by allowing appointments to be made to vacant positions on committees at the earliest opportunity.

It was moved, seconded and

RESOLVED: That

1. Councillor Oonagh Moulton is appointed to the posts of Chairman of the Licensing Committee and Vice Chairman of the Overview and Scrutiny Commission;
2. Councillor Corinna Edge is appointed Vice Chairman of the Corporate Capacity Overview and Scrutiny Panel;
3. Councillor Andrew Judge is appointed to the Appointments Committee; and
4. the membership changes approved under delegated powers are noted.

APPENDIX 1

Agenda Item 5 – Public Questions

1. From: Dr Jean Mooney

To: Councillor William Brierly, Cabinet Member for Planning and Traffic Management

Question:

"Will Council confirm, and record within its minutes that the Commonsides East site is no longer considered as a site of potential housing redevelopment, and

as such will be excluded from the Local Development Plan (2009) and the London-wide Strategic Housing Land Availability Assessment exercise (2010 – 2025)?"

Reply

"I can confirm that the Merton housing assessment for our Local Development Framework will exclude this site from further study.

The study is preparatory work which informs the London wide housing capacity study and we will recommend that the GLA excludes the site from the London wide study that it will be carrying out during this spring. The GLA has yet to finalise its methodology and this Council will therefore have to influence the GLA regarding sites such as this.

Government requires that all councils regularly survey and review potential new housing sites as part of the Development Plan process and if we do not do this work the Borough is at risk of not having its planning decisions upheld at planning appeals.

Supplementary

"When will the London Borough of Merton be writing to each of the householders who received a letter on 26 November 2008 which alerted the householders of the Council's intention to include the Commonside East site within the list of areas suitable for potential housing redevelopment, and confirm to them that the Commonside East site has been dropped from consideration for all housing redevelopment during the period 2009-2025"

Reply

"I can't give you a specific date now, but it is our intention to write to everyone to whom we wrote in the first place to give an update on the facts. It is only relevant to do this when we have agreed the Housing Strategy, which I anticipate it happening in the next couple of months. I will make sure I get a date to your ward councillor."

2. From: Mr Gerard Smith

To: Councillor William Brierly, Cabinet Member for Planning and Traffic Management

Question:

Re: Commonside East

"Would you please set out the criteria on which areas were selected for potential development and to whose residents the questionnaire was distributed?"

Reply

The criteria include those set out in the Merton Unitary Development Plan (UDP),

sites proposed for housing in the UDP and sites with planning permission but not yet built. Other planning criteria are set out in the London Plan which were used to exclude sites from the study area, for example; metropolitan open land, Green Corridors and spaces, sites of special scientific interest and nature conservation, land liable to flood, conservation areas, and land used for employment purposes. If land is not affected by these criteria it is then assessed as suitable for further study, and hence the list of some 70 potential sites was drawn up for investigation.

The questionnaire was sent to residents throughout the Borough including Colliers Wood, Mitcham, Morden, Raynes Park and Wimbledon. A list of all addresses is attached for your information.

Supplementary

“I have a general reply to my question. These criteria could apply to almost any properties in the borough and I am sure that the council has looked all across the borough to find cheaper sites. However, I am at a loss to see where sites with private residential properties are in and around the Wimbledon area. Can you tell me why?”

Reply

“In terms of gathering the data, no sites across the borough have been ruled out. When you start this exercise you start by eliminating those areas where it would be impossible to achieve development and whittle your way down. You will see it’s a very comprehensive list and I can’t account for specific sites, but you will see the list covers every ward in the borough, and has not been put together in any way to pick off certain areas.

Can I just explain slightly further. We are in a challenge here. We have to develop a document to set out how in theory we could deliver the spaces to meet our housing targets over the next 25 years. It’s not a short term thing and the problem is you can’t really establish clearly where you will deliver in the next 25 years because those sites haven’t arisen yet. We do have to use evidence to come to a conclusion about how we will deliver our targets, that is the role of the evolving LDF. What we are discussing now is an issue of gathering data. The particular example of Commonsides East is a prime example of where we have consulted. I know local residents have been concerned by the consultation. We have consulted because that is what we should do. I know that local residents have shouted and will continue to shout very loudly that they don’t believe that the area should be having developments put on it, and I have to say they have done the right thing. The evidence they have given us is the evidence we need. That is what allows us an authority to be able to say that we don’t intend to be proceeding further. That obviously needs to be agreed when the specific documents are agreed in Council and Cabinet. I know that it is frustrating to them, but there is a purpose. I promise that this has not been done with any political process in mind, and I hope that in the end they will conclude that we have done the right thing.”

3. From: Ms Susan Smith

To: Councillor William Brierly, Cabinet Member for Planning and Traffic Management

Question:

Re: Commonside East -

How many areas have been selected for circulation of your questionnaire and where, in the London Borough of Merton, are they located?

Reply

As I have just replied to Mr Smith we have studied some 70 areas which are spread through out the Borough, mainly located around our town centres and the list of locations is attached

(See schedules at the end of these minutes)

4. From: Ms Gaynor Youl

To: Councillor William Brierly, Cabinet Member for Planning and Traffic Management

Question:

“Concerning plans for possible redevelopment of housing at 187-251 Commonside East and 6-12 Cedars Avenue, is the Council going to write to the individual householders affected confirming that the plans will not be taken forward and that the aforementioned dwellings will be removed from any development proposals of this type?”

Reply

Yes , we will be writing to householders to explain our decisions for all of the sites through out the Borough, and in my reply to Dr Mooney I have confirmed that this Council not be considering the site further.

5. From: Mr Mark Curant

To: Councillor William Brierly, Cabinet Member for Planning and Traffic Management

Question:

“Can we and the residents of the above properties have written assurance that the potential redevelopment plans of 187-251 Commonside East and 6-12 Cedars Avenue will not be taken forward, and have removed the above homes and gardens from the development proposals.”

Reply

Yes, as I have said to Dr Mooney , we will not be considering this site any further and we will be recommending that the GLA do likewise.

6. From: Mrs Kelly Curant

To: Councillor William Brierly, Cabinet Member for Planning and Traffic Management

Question:

“What measures will be put in place in future to stop un-researched letters containing incorrect information being sent to residents and to let all neighbours know of any proposals or meetings in ample time to give them an opportunity to respond in writing or to attend the meetings.”

Reply

We have to work within frameworks and guidance given to us by Central and Regional Government, even including the way surveys are carried out. Such a process is in place so that an audit trail can be shown at planning appeals when developers seek to reverse the Council's planning decisions.

However, we will work with the Greater London Authority (GLA) to improve consultation processes for the forthcoming London wide housing capacity study .

Please look at our web site for the timetable of all public council meetings, so that you are informed about what is happening.

7. From: Mr Keith Hunter

To Councillor David Simpson, Cabinet member for the Environment

Question:

A mature sycamore tree on the pavement outside the Big Yellow Storage Company's Morden Road depot was removed by TfL last week, apparently because it was diseased. Is the council willing to replace the tree?

Reply

This is a red route owned by TfL. Following a tree safety survey, they removed it because of its poor condition.

TfL have indicated that a replacement tree and an additional tree will be erected during the 2009/10 planting season and this work could be completed as early as the end of March 2009.

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Questions from Councillors (Agenda item 6)

- 1 From Councillor Barbara Mansfield to the Cabinet Member for Children's Services

In light of the launch of the national ContactPoint database this year, can the Cabinet member tell me how many of Merton's contact details will be shielded?

Reply

All initial shielding must be completed by the 13th of March 2009. An early estimate, which will be adjusted as the shielding continues, is that Merton will shield around 250 records.

The categories of children that are the key focus of this work are those being dealt with by Children's Social Care and those residing in refuges where knowledge of their current whereabouts could place them at risk.

There are additional negotiations with the local police being undertaken throughout February to ensure that any other potential sources of information about vulnerable children are identified and action is taken to shield where necessary.

Supplementary

Could the Cabinet Member also outline what criteria will be used to shield children's records.

Reply

We are working to all Government guidelines. Two officers have now been trained in shielding, and will be using the national criteria.

- 2 From Councillor Richard Williams to the Leader of the Council

To ask the Leader of the Council if he will apologise to the residents of 187 to 251 Commonsides East who received the Council's letter of 26 November, and their neighbours, for the distress and upset caused by a letter which stated that their homes and gardens were being considered as a 'potential housing development site' and that if land owners did not respond within three weeks they would be regarded as supporting the inclusion of their properties.

Reply

I understand the distress caused to residents but I hope they can now appreciate that this is work that we have to do in order to keep our Development Plan up to date. If we do not, we would be vulnerable to challenge at planning appeals when builders wish to challenge our planning decisions and it puts us in stronger position to lobby the Greater London Authority about where development should not happen in Merton. The strong objections from residents, such as those living in Commonsides East, help our position.

As regards those people who did not respond we will look further at the sites and consider whether to study them any further. A lack of response will not in itself be decisive in relation to the long term planning status of the site.

Supplementary

Can I thank the Cabinet Member for talking to the residents. I am glad that he recognises this has caused distress. I don't think he recognises how much distress the letter has caused. Can the Cabinet Member confirm that the council does not intend to take forward any redevelopment proposals or offer up this site in any way at all. He said he will write to residents, but will he very clearly apologise for the distress caused?

Reply

It is clear that we will not be proceeding any further. We have got the evidence we need and we will make sure that we shout loudly to the GLA that they should do nothing with this site either. This is a lobbying issue but you have that from me. In terms of apologies, I don't have an issue with apologising. However, this was a thought through exercise and I think it's a little insincere to be apologising when the genuine view is that this was the right thing to do. It's led to the opportunity to show that this is not an appropriate site. I would say we would have failed in our duty if we'd done the opposite, but if we'd kept it quiet and not sent it out with bright lights, residents would not have had the opportunity to do what they have done. Of course I apologise for the distress, but I have to point out we are doing what we are expected to do. The response is the right one, and without this exercise it would not have been.

3 From Councillor Peter Southgate to the Cabinet Member for Community Safety and Engagement

How is my faith and my sexuality relevant to the renewal of my Annual Visitor Parking Permit?

Reply

A person's faith and/or sexuality has no relevance to their actual application for an annual visitor permit. However, included with the renewal reminder is a customer parking permit survey form asking the resident to comment on the level of service that we provide, and this form also includes a number of questions for equalities monitoring.

Through monitoring we can find out if certain groups of people are not using particular services, or are less satisfied with the service that is being provided, and if this is the case we can take action to ensure everyone gets equal access – regardless of their gender, race, disability, religion/ belief, age or sexual orientation.

Examples of changes to services as a result of considering equality sexuality implications include:

- Housing Benefit now produces guidance leaflets for those in same sex relationships;
- Registrars have received training on sexual orientation and guidance from a funeral director who undertakes funerals for a variety of faiths to give them a greater understanding and awareness of specific faith needs;

- Staff forums have been established to support various groups, including the Workright co-ordinator (enabling placements for disabled candidates) and the Ambassadors programme (encouraging more BME applicants for council jobs); and
- The Communications Team consider information about the make-up of service users, such as knowing what languages are used, to increase the effectiveness of their campaigns to achieve behavioural change, for example recycling, littering, etc.

Any information provided to us is confidential under data protection legislation, and it is not passed onto anyone else. People are not obliged to provide this information to us, but it is important that we ask all the questions so we are able to ensure that services are accessible to all. Perhaps more important is that we ask these questions in the right way. Officers will review the equalities monitoring section included in questionnaires to make sure that it is clear why we are asking these questions and that responding to the questions is entirely at their discretion.

I have reviewed the renewal letter and the survey form and I cannot find any comments that could be interpreted in a manner that suggests that the monitoring form is relevant to the issue of the parking permit. The only comment is that we ask that they return the form with their permit renewal, to encourage a higher rate of return and minimise the inconvenience of posting it separately.

Supplementary

I accept that we have data against which to benchmark people's faiths, but to the best of my knowledge we have no benchmark data recording people's sexuality against which to test whether our residents are accessing these services equally, or if they are in some way disadvantaged. I wonder if the Cabinet Member would agree with me that in the absence of any benchmarking data, questions on sexuality merely demonstrate an unhealthy prurience on the part of officers?

Reply from the Leader

My understanding is that from 1 April 2009, we are going to be required to collect more data than has previously been statutorily our responsibility. As we seek to go towards Equalities Standard 5 we do need to collect data of this character. What I think isn't clear is that the provision of that data back to the council is purely discretionary on the part of the person who is asked for it, and more particularly you may know that in 2011, the National Census will include a question on sexuality.

4 From Councillor Angela Caldara to the Cabinet Member for Corporate Resources

I have received complaints from my constituents about the withdrawal of hard copies of the various Committees Agendas from Public Libraries.

Can you please let me have the following information in connection with the above:

- 1) Whose decision was it?
- 2) How much money does the "Leader of the Council/Cabinet member/whoever"

estimates this is going to save? (Based on the current number of copies provided)

Reply

Democratic Services have been promoting a move to electronic documents for some years now. All statutory record copies of agendas and minutes have been paperless since May 2006. This reduces the Council's costs and supports our green agenda. Electronic copies are more inclusive as they are accessible for users with visual impairments and can still be printed out easily by people who want to have a paper copy.

Democratic Services make all public agendas available on the Council's public web site. They have recently introduced a system of email alerts which anyone can sign up for. This issues notifications of agenda publications and links to the published reports. All press organisations who previously received paper copies have signed up for email alerts as have some officers. 22 Councillors have also taken advantage of this provision instead of requiring printed copies of some agendas. All provision for non-Council organisations (except where the organisation is a member of a committee – i.e. CADAP, JCC) has been withdrawn.

The only remaining provision is for Councillors, co-opted members of Committees and some officers.

The specific decision to cease provision of paper copy agendas to public libraries was part of a wider review of printing costs incurred by the Council's democratic services unit arising from this drive to modernise the service and use modern communications techniques. This was put forward as part of the 2008/09 budget by the Director of Corporate Services and was approved at Cabinet and subject to scrutiny.

The budget for printing provision was £46,000 in 2007/08 and was overspent by £3,000. The 2008/09 budget reduced this to £35,000 and this was one of a number of measures put in place to ensure this activity is carried out within the resources available. The cost of making paper provision to the library service was nearly £3500 in 2006/07.

Report authors have been encouraged to reduce the size of reports and in particular to assess whether large appendices are really required or whether a summary of information would suffice.

The library service provides public web access which people can use to obtain copies of committee papers. Any member of the public still has the option of inspecting agendas at libraries by using the public access computers. They can also print a copy to take away at cost. Library staff will assist members of the public in using these facilities when their other duties allow. The only difference between this provision and the previous position is that we are using the web to provide the reference copy rather than a paper copy.

Supplementary

I understand that there are eight libraries in Merton, if there was one copy of each agenda, how much would that cost? This would be more friendly to those who do not have computers. I was speaking to my colleagues, Councillors Alambritis and

Southgate and I would ask again that the Cabinet reconsiders providing one copy of each agenda in every library in the borough.

Reply

As my previous answer describes, the cost of making the paper provision of agendas to the libraries was previously £3500. The change was brought in with a view to promoting the council's green agenda, with the added result of reducing costs. There is assistance available within libraries for people to be helped in accessing the computer record, but many people are very much au fait with computers, now we are in the 21st century.

5 From Councillor Oonagh Moulton to the Cabinet Member for the Environment

Can the Cabinet member update me on the progress of the proposed upgrade of the path through Wimbledon Park, connecting Revelstoke Road with Wimbledon Park Road, which is being carried out by the council in partnership with Sustrans?

Reply

Progress on this path is now at a very advanced stage. The construction programme began in early January and by the end of the month the tarmac had almost entirely been laid throughout the length of the route, despite the adverse weather conditions. This project should be completed and the path fully operational before mid-February, weather permitting.

Supplementary

Can the Cabinet Member highlight the advantages in having a mixed path for both walkers and cyclists?

Reply

It is quite simple. Where a path is clearly marked down the centre, it does encourage cyclists to cycle past more quickly. It is better to have a mixed path where both parties can move safely.

6 From Councillor Stephen Alambritis to the Cabinet Member for Community Services

Why was the cabinet member for community services not more supportive of Goals Soccer Centres on learning that the company was posting a profits warning and announcing it would be developing fewer new sites and what does he wish for now?

Reply

Our investigations have confirmed that this company has sufficient funds to complete their scheme in Morden Park and although completion of the development will take longer than originally expected it is not one of the four schemes mentioned in the article concerned.

Supplementary

Does the cabinet member wish that, should Goals survive this global recession, they continue to go ahead with their plans for Morden Park Playing Fields, and that they will continue to be profitable and raise money through alcohol sales? Can he confirm that he is fully behind any hopes that soon they will put in their full planning application to the Council?

Reply

Obviously we support small businesses, as undoubtedly you do, and you obviously have many comments to make on the Chancellor's handling of the economy of late. We hope that Goals carry on trading for many years. I am sure that as you rightly say, the credit crunch won't last forever and they will resume their place at the top of the tree and we will have to wait and see what they put forward with their planning application. I assure you Councillor Alambritis, you will be the first to know, I will write to you personally.

7 From Councillor Brian Lewis-Lavender to the Cabinet Member for Community Services

I am pleased to see that Morden Park Pool has recently reopened. Can the Cabinet member update me on the latest developments, including any recent improvements to the facilities?

Reply

I am delighted to say that the pool reopened on time after it was forced to close at the beginning of December when the boilers failed. During this unexpected close down the Council seized the opportunity to work with GLL to bring forward repairs and maintenance schedules and add in further improvements to the fabric of the facilities. This work was all delivered within a one month close down which included a planned and already published closure of the centre over the Christmas and New Year period thus causing minimum disruption to our customers. We thank customers for their patience and are sure they welcome the improvements we have made.

Supplementary

I am glad to see that after 16 years of under-investment by Labour, Morden Park Pool is benefiting from some investment. Can the Cabinet Member outline what improvements are being made to the borough's other two leisure centres?

Reply

With pleasure. If you look at question 12, we have outlined the whole list of repairs that we've made to this pool, and the other pools in the borough. Also, very soon, you will see the new sauna opening in Wimbledon Baths. We have allocated about £500k to the pools at the moment and have every intention of making them permanently available to every resident in the borough.

8 From Councillor Patricia Lewis to the Cabinet Member for Housing, Adult

Care and Health

Does the Cabinet Member share my concern that the current economic crisis will only increase the vulnerability of our older people, many of them already at risk due to loneliness and isolation? Why are you cutting funding to some of the groups they go to? Are you prepared to use council resources and officers to offer the same level of support to vulnerable older people that FISH currently offers in my ward?

Reply

Adult services are responsible for funding services from a range of funding streams including revenue budgets and specific grants. Each of these had been managed by different officers and had been awarded independently of each other. There was no consistent approach to these awards, with some groups having their funding rolled over annually on a historical basis without a formal process being followed.

Over the last 18 months, work has been on-going to establish greater uniformity of practice across the different funding streams in the areas of application, award and monitoring processes. Developments have been carried forward in conjunction with third sector representatives and in line with the 'Third Sector Strategy' developed in 2008. The application form that was used requested similar information to those used by other Council Departments and outcomes were set in line with Corporate and Departmental priorities. This work was undertaken to ensure there is a clear and transparent policy in place for the grant application process, and for officers to ensure that public money is spent wisely, and furthers achievement of national outcomes.

The scoring matrix used was weighted in favour of the questions relating to outcomes / benefits to service users, service user involvement in planning & delivery of services, and quality assurance. The maximum score was 115 and the threshold set at 80. An impact assessment was carried out on those organisations that scored below 80.

Organisations were offered training/support in completion of the forms. In addition, those organisations that had a reduction in grant funding for 2009-10 have been offered support through MVSC to seek alternative funding sources as necessary. The reduction in funding will take effect from September 09 to allow time for alternative funding, if necessary, to be sought.

Increasingly, mainstream council resource i.e. officers and care staff have to be targeted to those in highest need (those that meet the eligibility criteria at critical or substantial level).

Reductions in grant funding were not targeted towards any specific groups and the process was applied consistently across all those who applied for funding.

Supplementary

I feel that my question has not been fully answered. Friends in St Helier, or FISH, does invaluable work with elderly residents. For example, it provides a place where they can meet, socialise and lunch together. For many it's a lifeline. Can the Cabinet Member confirm that when and if funding is withdrawn from organisations

like FISH and Asian Elderly that the Council has Plan B, by which these groups can continue to exist.

Reply

The whole point about making savings in this area was that there was no uniformity in the process of dealing with funding groups. But it's very important to note that the funding application format was developed using a template from the Department of Health, with some tweaking in accordance with voluntary groups' wishes. All groups were offered help, and more importantly, the voluntary groups were asked how they would prefer savings to be made and they opted for priority as a fair and transparent process. As regards the organisations you refer to, only two out of 20 applications were referred as having not met the criteria for funding after September 2009. All efforts will be made to help them find funding. There are many other resources for funding and it is the council's priority to do everything it can with officers to help all vulnerable groups.

9 From Councillor Ron Wilson to the Cabinet Member for the Environment
Can the Cabinet member outline the benefits for Merton residents aged 60 and over of now being able to use their Freedom Pass on Transport for London services free of charge for 24 hours a day, every day of the week, as a result of the Mayor of London fulfilling his election pledge to extend the hours that free travel is available for older Freedom Pass holders in the borough?

Reply

Extending the availability of the Freedom Pass to 24 hours a day will be of great benefit to elderly people and will mean that there are no constraints on the times they can travel on London Transport services free of charge. This will enable elderly people to use their Freedom Pass for example to get to early morning hospital or other appointments.

Supplementary

We've all heard Labour's slurs about the Freedom Pass being a threat to the Conservative Mayor. Do these latest developments mean that the Freedom Pass is in very safe hands with us?

Reply

Clearly the London Mayor is right that the Freedom Pass is here to stay and is not under threat from him.

10 From Councillor Mark Allison to the Leader of the Council
Can the Leader confirm whether he has had any meetings with Councillors from Kensington & Chelsea in the last three months?

Reply

Not at Kensington & Chelsea or in relation to any matter between Merton and Kensington & Chelsea but I have been at London Councils meetings with Kensington & Chelsea councillors, notably the Leader, Cllr Merrick Cockell and Deputy Leader, Daniel Moylan

Supplementary

I am pleased to see that the Leader has been in the same room as Kensington and Chelsea councillors who support our idea of a council tax rebate which he opposes. Given his well known tendency to get a bit annoyed when he doesn't get his way, can he just reassure me that he was at least civil to them?

Reply

I am always civil to people from Kensington and Chelsea.

11 From Councillor Chris Edge to the Cabinet Member for Regeneration

Given the current recession, would the Cabinet member outline what action the council is taking to support businesses, particularly retailers and small businesses, across the whole of Merton?

Reply

The council has included a special page on the website publicising the small business rate relief scheme and focussing on the support and advice available from business support agencies including the council-managed Mitcham Means Business project (which can be accessed by businesses across the borough) and generator, Merton Chamber of Commerce, the London Development Agency and Government schemes.

Retailers who are eligible for the Town Centre Improvement Grant scheme, for which there is currently funding available in the east of the borough, are being offered supplementary loans to meet the match funding requirement, although take-up remains low. The first stage of the Economic Development Strategy will focus on enhancing town centre management resourcing across the borough. As a first step the council has recently agreed to contribute funds to the Chamber-led Wimbledon Going for Gold initiative which will promote the town centre as a place to visit and shop.

The council has taken steps to ensure that all local suppliers will be paid within 21 days and has invited partners, particularly large public sector employers, to review their local procurement and employment initiatives.

We are only just beginning to understand the scale and scope of the potential far reaching impacts of the downturn, and it will take time to work out realistic responses to achieve our aspirations for Merton as a whole. Besides meeting the challenge, we need to plan for the opportunities which will arise from the recovery and position Merton as a place for investment. Work to prepare Economic Development and Skills Strategies are starting and a first stage report and action plan is planned for March. The Skills strategy will seek to encourage fast and flexible access and be targeted on local employer and resident needs.

12 From Councillor Dennis Pearce to the Cabinet Member for Community Services

Could I ask the Cabinet Member whether he saw the recent Wimbledon Post front page which was headlined "Kids turned up to cause a splash after the reopening of

the newly refurbished Morden Park pool”? Would the cabinet member like to tell us:

- How much the refurbishment cost
- How long it took
- What is the new life expectancy of the pool?

Reply

The refurbishment of Morden Park Pool included

- Male changing rooms, cubicles, showers, floor, fixtures & fittings
- Female changing rooms, cubicles, showers, floor, fixtures & fittings
- Flooring was extended from the original spec. to replace other worn flooring
- New accessible changing facilities installed.

The cost at of these works was in the region of £250,000

This work took five months to complete, July to November 2008. This included the extra flooring work and allowed the centre to remain open and fully operational during the works.

Further to this other improvement works have been done including:-

- Picnic area has been repaired and refurbished
- replacement of the lighting in the teaching pool
- teaching pool has been re-grouted
- Main pool has been cleaned
- some of the Main Pool has been re-grouted
- one of the portholes has been filled in
- main stairwell has been repainted
- teaching pool changing rooms have been deep cleaned
- doors around the centre have been repaired
- boiler controllers have been fixed
- various other minor works around the centre
- Emergency lighting checks and repairs
- Archaeological inspections and reports
- Porthole inspections
- Installation of ceiling netting
- Lightening conductor inspection and remedial works
- Chimney inspections and remedial works

- Calorifier repairs
- Pressurisation unit repairs
- Calorifier replacement
- Chimney remedial works to 3 centres
- Assorted pump replacements
- New chemical dosing system
- Air handling motors
- New flooring in the reception area

All of this work has been carried out in partnership with our contractors GLL with each party contributing to the costs in accordance with the contractual arrangements. The Council's contribution has been contained within the allocated capital budgets.

As this answer shows, the Council continues to invest in repairs to keep the pools open for residents. The Leisure Strategy is also subject to continuous review and the Council will continue to consider the possible options for the future of the pools in the light of these deliberations.

13 From Councillor Simon Withey to the Cabinet Member for Children's Services

Can the Cabinet member tell me whether the extra demand for primary school places we are currently experiencing in the borough is being aggravated by an increasing number of parents choosing Merton's rapidly improving schools over private schools?

Reply

Our primary school roll is rising mainly due to birth rates rising from approximately 2600 to 3250 within 5 years, but we are also experiencing more of a retention from birth to primary roll which is prominent from this years applications, where we have received over 170 additional application when the corresponding birth data would indicate only 80.

It is not possible to know the exact reason for this but it is expected part of this is due to more people applying for Merton schools who would previously only have opted for the private sector due to the economic position/fear of their economic position, but also due to a greater confidence in the quality our schools.

14 From Councillor Philip Jones to the Cabinet Member for Housing, Adult Care and Health

The Cabinet Member for Planning and Traffic Management has been nominated to respond to this question

In reply to my question about the Ravensbury Garages site at the July Council Meeting, the Cabinet Member gave an assurance that an outline planning

application for private housing would be ready shortly. Such an application was indeed made – and subsequently withdrawn. Can she please inform us of what progress, if any, is being made towards bringing this derelict site back into use, and whether she will reconsider the possibility of its development for social housing?

Reply

The planning application was withdrawn as the Environment Agency required more information on the escape route in the event of significant flooding than they originally indicated. Without this further information it was unlikely that the application would be successful. The application will be re submitted once the additional information is obtained.

15 From Councillor Oonagh Moulton to the Leader of the Council

What is the protocol with regard to visits by government ministers and the role of council staff in such events?

Reply

Although there is no formally approved protocol, there is an understanding that officers would be expected to alert the Leader, Chief Executive, relevant Cabinet member and Director to any proposed visit which was not a purely private occasion and where the minister was a guest of the Council; the character of the visit should be approved by the relevant Director in consultation with the others mentioned; officers would be expected to facilitate any visit to council premises; officers would not approve or facilitate any visit which appeared designed to affect support for a political party in whole or in part; special rules would apply in the so called “purdah” period (between writ and election).

Officers may however facilitate bookings of Council premises for councillors or local MPs in their representational roles, if requested.

I will ask the Chief Executive to draw up a protocol for formal approval based on the principles I’ve outlined

16 From Councillor Maxi Martin to the Cabinet Member for Housing, Adult Care and Health

In reply to Councillor Judge’s question about affordable housing at the Council meeting of 26 November, the Cabinet Member stated: “There are currently no 16/17 year olds housed at Hall Place.” However it has come to my attention that there are (at least at time of writing) one young mum and child plus emergency placement of 16 year old being housed at Hall Place. Could the Cabinet Member explain the discrepancy and explain how she will ensure under 18s are no longer housed in Hall Place which is unsuitable for their needs.

Reply

Whilst it is unfortunate that we have two young people staying at Hall Place this should be viewed in a wider context. The Council has the lowest number of households living in temporary accommodation in any London borough and furthermore have been successful in achieving the 2010 temporary accommodation

target. The two cases that are currently staying at Hall Place have been placed there as emergencies. One had been evicted from a supported housing scheme. As far as the second case is concerned attempts to rehouse the young person to a supported environment have not been successful due to the complexities and challenges that the case presents. Both young people do however benefit from support at Hall Place by the provision of floating support. Housing staff are continuing to explore other housing options for these young people. Whilst every effort is made to avoid placing a young homeless person in Hall Place there will always be emergencies where it will not be possible. Both cases currently occupy self contained accommodation and do not share communal facilities with other residents.

17 From Councillor Gilli Lewis-Lavender to the Deputy Leader and Cabinet Member for Corporate Resources

During this time of recession, we are likely to see increased demand from residents for services such as adult social care and housing. Is the council looking to make budgetary provision for this?

Reply

The council is looking at the impact of the recession of the Authority's finances. Detailed information was contained in a report on "Impact of the Recession" which went to cabinet on 12th January 2009. Appendix 4 of the report addresses specifically the issues that may impact on adult social care and housing. These include:

- cost pressures on providers
- reduction in individuals' income levels with a potential reduction in income to the council from charges
- reduction in individuals who are able to self-fund the provision of care
- potential increase in the numbers of people losing their homes and presenting themselves as homeless

The full report details more generally the expected impact on the Authority and is available.

In addition to general growth for additional service requirements, the following items have been included in the budget setting process to address specific pressures:

1. Projections were made using trend data for each care group and projected demographic growth to forecast anticipated demand for 2009/10.
2. A reasonable allowance for inflation.
3. The number of clients paying full cost for services are expected to reduce, partly as a result of the economic downturn.

In addition to these specific growth items above, the Authority also increased its contingency from £1.6m to £2m to better address any unexpected items.

The impact of the recession is ongoing and any specific issues re adult social care

will be factored into any further trend analysis.

In terms of housing, one of the key reasons we are consulting our tenants on the proposal to transfer their homes to a new, local housing association is to secure the significant investment required to bring their homes up to fully modernised standards and sustain this in the longer term. In terms of new homes, we have a very good track record of working with the Housing and Community Agency (formerly the Housing Corporation) and RSL partners in the borough to build new affordable housing and we will, once again, exceed our target in this area.

18 From Councillor Sheila Knight to the Cabinet Member for Housing, Adult Care and Health

Would the Cabinet Member agree that in times of economic crisis, mental health needs rise? Could she comment on reports that Merton admissions to Springfield are rising and could she explain why she has proposed no significant increase in funding for Mental Health Services for next year to take this into account?

Reply

The growth put into the budget for 2009-10 reflects the likely demographic changes and increases in the number of placements required based on detailed trend analysis.

The impact of the recession is ongoing and any specific issues re adult social care will be factored into any further trend analysis.

19 From Councillor Richard Chellew to the Cabinet Member for Children's Services

Following the recent public meetings on the proposals for Sixth Form provision in those Merton secondary schools currently without it, can the Cabinet member advise whether the meetings were generally supportive of these proposals, and whether any consensus of views was expressed at the meetings?

Reply

The closing date for the consultation is Feb. 2nd 2009. The responses will be collated during the week beginning Feb 2nd. The five consultation meetings have been very positive and there has been broad consensus in support of the proposals.

20 From Councillor Judy Saunders to the Cabinet Member for Housing, Adult Care and Health

Would the Cabinet Member agree with Local Government Association Housing spokesman, Councillor Paul Bettison, who recently stated: "With the banks overstretching their credit facilities it could well mean that in the coming months that councils will have to help pick up the pieces." Could she explain why, in this context, she proposes to cut 1.5 posts in Housing Needs?

Reply

Despite the recent economic downturn the council has not experienced a rise in the number of households applying for accommodation under the current homeless legislation because of rent or mortgage arrears. However, we are taking steps to minimise such an occurrence and are currently working with Merton CAB and Tower Homes regarding Government's mortgage rescue scheme. In addition the council has developed, with funding from government, a rent and mortgage rescue scheme to help a small number of families facing homelessness because of the non payment of their housing costs. The proposed savings of 1.5 posts were carefully considered taking regard of the need to make savings across the council. One post is in housing strategy which is not front line and accordingly will have a minimal impact upon service delivery. It is not expected that the reductions in staffing will affect the overall performance of the service

21 From Councillor Stephen Kerin to the Deputy Leader and Cabinet Member for Corporate Resources

Can the Cabinet member outline the council's approach towards Merton residents in council tax arrears?

Reply

The approach for this year has generally not changed from previous years. We must issue a bill with instalments, we will then issue a reminder if two instalments are missed, if the account is bought back up to date then the instalments remain in place. Further missed instalments will result in a second reminder and then a final notice being issued.

If the account is not bought up to date at any stage then a summons will be issued for a hearing at the Magistrates Court. At this stage the right to pay by instalments is lost and the full amount for the year is due plus summons costs. However, we will enter into special payment arrangements to clear the debt.

At the Magistrates Court we are granted a Liability Order, which gives us additional powers to collect the debt, such as, attachment to earnings, attachment to benefit, using a bailiff or bankruptcy.

If we have not made a special payment arrangement and the debt remains outstanding we will issue a letter advising the case will be passed to the bailiff in 14 days – even at this stage we will still enter into special payment arrangements to clear the debt – if no contact is made we pass the case to the bailiff team to try to collect.

The bailiff will attend the property to try to secure the debt against goods. At this stage the bailiff will give between 5 and 10 days for full payment and may, depending on the circumstances enter into short-term arrangements.

On occasion we progressed cases through bankruptcy. This is only done for larger debts, often debts over several years, as there are some taxpayers who only respond once this stage has been reached. We write and advise the taxpayer of our intention – at this stage we will make arrangements to clear the debt – if no

contact is made we will commence bankruptcy proceedings against the debtor in order to protect council services and the interests of the majority of council taxpayers.

The Council understands that given the economic downturn, some taxpayers are genuinely struggling through no fault of their own Any resident who feels they are struggling, should contact the council at the earliest opportunity to discuss their situation on 020 8274 4904

22 From Councillor John Dehaney to the Cabinet Member for Regeneration
Could the Cabinet Member outline what progress has been made by the Mitcham Means Business Project in helping to set up businesses in Mitcham. Could she tell me how many new businesses have been set up as a result of the project.

Reply

The London Development Agency funded Mitcham Means Business project has assisted 157 existing businesses (against a target of 150). Although there were no targets in relation to start-ups when the project started, as the funding was secured with a focus on paving the way for redevelopment in Mitcham, 225 people who have expressed an interest in starting their own business have been advised. As part of the evaluation process, as the LDA funding comes to an end, contact is being made with these potential entrepreneurs to ascertain how many have successfully set up in business. This information will be provided as soon as it is available. The project has provided employment and skills advice to 495 people, also exceeding the LDA target (465).

The project has also implemented environmental improvements as part of a programme of complementary initiatives including creating a new Market Square; providing 3 information boards (including one electronic sign to improve the information flow to local people); improving the ancient green area of Fair Green through refurbishing the clock, replacing redundant and damaged street furniture and lavender planting; and organising events such as the successful Enterprise Week programme.

23 From Councillor David Dean to the Cabinet Member for the Environment
Can the Cabinet member confirm that the council remains on track for the introduction of the new waste collection service later this month?

Reply

The council is indeed on track to implement the changes that were agreed by Cabinet and the Sustainable Communities Scrutiny Panel. A comprehensive communications plan is being implemented and residents, members and the press will be hearing more about the changes over the next couple of weeks. As well as most residents experiencing a change in collection day, the new service will make the process of recycling even easier, as householders will be able to mix their materials into one box. Anyone interested in finding out more are encouraged to attend the open day here in the Civic Centre on 11 February where both officers and Merton's waste reprocessing partners will be on hand to answer queries.

24 From Councillor Gregory Udeh to the Cabinet Member for the Environment
An effective management of the streets helps in the delivery of a habitable community where parents feel safe to let their children walk to school. It also facilitates the development of an environment where residents would want to use our public areas; where graffiti, vandalism, litter and dereliction are not tolerated. Such a street scene fosters a sense of local community and mutual responsibility for members of our borough.

What is the Council's vision for Street Scene services; and how does it hope to deliver this vision?

Reply

The Council's vision for street scene services is outlined in the newly-agreed Public Realm Strategy and Street Design guide which is due to be launched in the spring. The agreed vision is:

"For Merton's public realm to be unified by the rediscovery of the borough's green character and the simplification of its design to create an environment of real quality"

Key to the strategy is ongoing management and maintenance of the street scene, where improvements are already being seen, demonstrated by the improved customer satisfaction levels – up 5%.

Another important area of support is our street scene enforcement teams who secured 132 successful prosecution for envirocrimes including graffiti and flytipping, and neighbourhood wardens, with their visibility assisting in reducing envirocrime and the fear of crime. Appropriate use of CCTV and lighting also has a positive effect in managing a cleaner, safer environment.

25 From Councillor Gilli Lewis-Lavender to the Cabinet Member for Housing, Adult Care and Health

Can the Cabinet member update me on progress being made towards the launch of a single point of contact for adult social care services in Merton?

Reply

Officers have been continuing with the work required to establish a Single Point of Contact for adult social care services. Staffing appointments have been made, with staff expected to take up post by March. Plans for publicising the service have been made and work is ongoing in relation to establishing the telephony and IT arrangements. The plans are for the Single Point of Contact to be based at Gifford House but this may be revised pending further discussions.

26 From Councillor Richard Williams to the Leader of the Council

To ask the Leader of the Council when the Council intends to (a) formally acknowledge receipt of; (b) respond to, the petition delivered to the Civic Centre by residents of 187 to 251 Commonsides East and neighbouring roads on 19 December 2008.

Reply

Officers are currently responding to all representations including the petition and these responses will be considered by the Borough Plan Advisory Committee when it considers the Local Development Framework's Core Strategy , a date for which is currently being arranged.

27 From Councillor Denise March to the Deputy Leader and Cabinet Member for Corporate Resources

Despite low interest rates, many people are faced with the prospect of taking out loans with a high rate of interest. Can the Cabinet member tell me how the council is progressing with plans to set up a credit union for Merton residents, particularly those on low incomes?

Reply

Officers are working with Sutton and Croydon to develop a cross-borough credit union which will extend the services of the current Croydon Savers Credit Union across the 3 boroughs.

A partnership working group is steering the development process to seek approval from the Financial Services Authority (FSA) including a needs assessment, gaining evidence of support for the proposed credit union and preparing a business plan. The aim is to submit an application by Autumn 2009 with a view to launching the scheme in the Winter immediately following approval.

A Merton steering group is marketing the proposed Credit Union, collecting pledges of support from people who live or work in Merton and letters of support from organisations; and shaping the proposed credit union so that it will meet the needs of those who live or work in Merton, such as the provision of access points and outreach, in particular to support those with low or no income to access the credit union.

28 From Councillor Sheila Knight to the Cabinet Member for Housing, Adult Care and Health

I note that the Cabinet Member proposes to amend the Business Plan so that we are no longer "Increasing the range of social care services for older people in high need" but instead will be "Improving access to the range of social care services for adults in need." Could the Cabinet Member explain why we are no longer going to be "increasing the range" and are instead limiting ourselves to "improving access" without increasing the range. Could she also explain why she no longer sees older people in high need as a priority area, despite the fact that the population of older people is increasing as people are living longer?

Reply

Older people in high need do continue to be a priority and the growth put into the budget for 2009-10 reflects the likely demographic changes and increases in the number of placements required based on detailed trend analysis.

Adult services are leading on the changes that will be required in relation to the national Putting People First agenda. One of the key principles within this agenda is enabling people to have much more choice and control over the services they receive. People entitled to receive services under the eligibility criteria (FACS) will be given an up-front allocation of money – a personal budget – and they will be given the opportunity to decide for themselves how they wish to spend that money to meet their agreed outcomes. Commissioning and purchasing of services will need to change in light of this and it would not be prudent to increase the number (and cost) of services at this stage. People will be able to use their personal budgets to access services that traditionally they may not have been able to and therefore the range of services available will be improved.

29 From Councillor Maxi Martin to the Cabinet Member for Housing, Adult Care and Health

I understand the Jan Malinowski Centre no longer offers hot meals to centre users. Could the Cabinet Member update me on the take-up of the cold meals compared to previously. Could she also explain how the loss of the kitchen where people could prepare their own meals assists in promoting service users' independence. Could she further update us on the heating problems that occurred before Christmas and what steps she has taken to ensure this is not repeated.

Reply

A decision was taken to remove catering in Learning Disability Day Services as from April 2006. The decision was taken against a background of declining numbers of service users taking hot meals, and concerns about the quality of meals provided. We were concerned also about the cost of the service.

This was also a move intended to aid modernisation of our day services along the lines set out by Valuing People and guidance set by the Department of Health. Set meals were felt to reflect institutional practice.

Service users bring in packed lunches, meals that can be re-heated at the centre, take part in cookery sessions or go to local community settings to eat.

The services all benefit from having more freedom to organise community based activities without the rigidity of returning to the centres for set lunch times. An interesting by product of the removal of the meal service at JMC has been a decline in incidents involving aggression, many of which happened in the hall at lunchtime.

To confirm, the main kitchen was closed, but the training kitchen kept open, and this is used on a daily basis. Users are also encouraged to attend cookery classes at Whatley Avenue.

The heating problem at JMC dates back to when the centre was rebuilt in 1991, and will only be fully rectified with a huge investment in effect replacing the whole heating circuit. Last year the boilers were replaced and we are seeking to upgrade other parts of the system as funds allow.

30 From Councillor Mark Allison to the Cabinet Member for Regeneration
Would the Cabinet Member agree that in this time economic crisis, small business

start-ups will find it hard to get credit from banks and will rely on initiatives such as the Merton Loan Fund. Would she therefore agree that we should be seeking to publicise the loan fund and can she explain how she is going about this? Could the Cabinet Member also list full details of the number and amount of loans paid out by the Merton Loan Fund for each year 2002-date?

Reply

The Merton Loan Fund is publicised through a number of different channels including Merton's website. Additionally, a very successful seminar was hosted by Merton Council in October 2006 for entrepreneurs at which the loan fund, as well as alternative forms of funding, were promoted.

A year by year breakdown of all loans granted is not available at this time but work is underway to provide the data and will be forwarded upon completion. On an aggregate basis, since 1998, the Merton Loan Fund has provided 49 loans totalling £371,115 (average £7,500). It has a good record of repayment compared with other similar funds for both loans and business survival rates because of careful husbanding of the resources, supporting only sound business ideas to mitigate the risk of being a lender of last resort. Loans have also been offered very recently to make up the match funding element of the town centre improvement grants available in more deprived areas, but take-up remains low.

As part of the review of the council's economic development strategy, programmes providing assistance for new start-ups are being reviewed in order to ensure that the programmes operate efficiently and that the council's resources are leveraged wherever possible. A report dealing with the council's economic development strategy is expected to go to cabinet in 2009. As part of this review, the council is examining the potential support for the establishment of a credit union.

31 From Councillor Stephen Alambritis to the Cabinet Member for the Environment

Is the Cabinet Member for the Environment happy with the " how to vote " options given to residents in Ravensbury on the parksvote competition as part of Boris Johnson's scheme to help 10 open spaces across the capital?

Reply

This local authority was not party to the process of designing the voting options that have been adopted for this initiative and to the best of my knowledge this equally applies to the other local authorities involved in the scheme. The voting options were determined by the Mayor and includes options for voting via a website, by mobile telephone text and via a request postal vote form. We have not been privy to the mechanisms that will be adopted in analysing the voting returns, but it would appear that these mechanisms have been selected in order to simplify this process.

The local authority has used numerous channels, including the local press and media and its own website in an effort to maximise awareness of the scheme and to mobilise the public to vote for the extremely worthy project at Ravensbury Park.

32 From Councillor Richard Williams to the Leader of the Council

To ask the Leader of the Council to list the sites, such as 187 to 251 Commonsides East, which are being considered as 'potential housing development sites' as part of the preparation of the LDF.

Reply

(See the schedules at the end of these minutes)

Ordinary Council Meeting – Wednesday 4 February 2009

Strategic objective Safer Merton- Questions from Councillors (Agenda item 7)

33 From Councillor Marc Hanson to the Cabinet Member for Community Safety and Engagement

I'm sure the Cabinet member will join me in welcoming the official opening of the Pincott Road Safer Neighbourhoods Team office for Abbey and Colliers Wood Safer Neighbourhoods Teams taking place on 5th February. Can he outline how this will further help tackle fear of crime amongst the local community?

Reply

I am delighted to see another SNT office opening. Having these policing teams visibly based near to the people they serve in itself helps to reassure our communities.

A principal purpose of SNTs is to build trust and confidence with the communities that they serve by listening and responding to local issues. The SNTs are continuing their work at building relationships with local people to better understand and deal with the issues that are most important to them.

SNTs have over the past months been 'reassurance mapping' their wards. This means speaking to residents in every street to understand how safe they feel in their area, and to what extent they feel their police team understands and is dealing with the issues important to them. The reassurance mapping results from all wards is not yet complete. However, police will share this information with ward panel chairs so they can start to use it to assist in choosing the ward priorities that they want their police team to focus on.

The government has agreed with all police forces that it will set a single 'top down' measure of police performance over the next year. This single top down measure will be an indicator of how confident communities are in their local police. Confidence is inexorably linked to fear of crime.

Merton Police have already provided additional training and support for all of its SNTs on the things that they need to do to increase public confidence. Merton police believe that local measures of public confidence in police are required so they can better understand where they have achieved success and where they face challenges. Merton police is actively seeking to develop just such a measure of community confidence.

The continuing work by the SNTs to reassure our communities will continue and flourish under the new focus provided by the national government. I am sure that we will therefore see improved community confidence, and consequently reduced fear of crime, amongst our communities.

Supplementary

I would ask the Cabinet Member if he agrees that the expansion of a Neighbourhood Watch scheme also has a part to play in reducing the fear of crime.

Reply

I think with all schemes when it comes to safety, we are looking to ensure that we do so from a local perspective and have teams operating, whether Police or resident groups, from the centre of local areas. Of course Neighbourhood Watch schemes are central to ensuring a stronger and safer Merton.

34 From Councillor Nick Draper to the Cabinet Member for Housing, Adult Care and Health

If the Cabinet Member is serious about creating stronger and cohesive communities, why is the council targeting groups that deliver services to, or work on behalf of, Black, Asian and Minority Ethnic residents in its cuts to voluntary sector funding?

Reply

Merton enjoys a strong and cohesive community; 85% of people believe that people from different backgrounds get on well together in their local area. Furthermore, 86% of people from Black backgrounds and 85% of people from Asian backgrounds, also agreed that people from different backgrounds get on well together in their local area. We are committed to ensuring that this continues and improves further.

With this in mind, it is very important to emphasise that the council is not targeting groups that deliver services to, or work on behalf of, Black, Asian and Minority Ethnic (BME) residents in its cuts to voluntary sector funding.

Along with many other budgets across the council, funding pots available for voluntary sector grants have been examined as part of the budget-setting process for 2009/10. Given the challenges in coming to a balanced budget, unfortunately we were unable to maintain the same level of funding for a number of the voluntary sector grant streams.

Over the last 18 months, all departments have been working to establish greater consistency across voluntary sector funding streams with regard to application, award and monitoring processes. This work has been undertaken in conjunction with third sector representatives and in line with the council's Third Sector Strategy to ensure there is a clear and transparent process in place, and that public money is spent wisely and focuses on outcomes for local people.

The Compact Funding and Procurement Group was advised of the likelihood of changes to the funding available and consulted on how best to manage achieving the saving with minimal impact on the voluntary sector. The very clear message given was that groups should not be top sliced as this would be damaging to the sector and that the case for funding each organisation needs to be considered individually.

The various voluntary sector grant funding streams have been through their allocation process over recent months, inviting applications from groups across the sector and considering each application on its merit in line with the agreed process. All of the groups that bid for funding delivered services to, or worked on behalf of,

BME residents. Therefore as part of this process, equality impact assessments have been undertaken to assess the impact of funding or not funding the bids put forward.

The outcome of this process was that some groups who bid for voluntary sector grants have not been funded. No groups were targeted in any way and the processes outlined above were applied consistently across all those who applied for funding.

Those organisations that have either not been funded or have had a reduction in grant funding have been offered feedback on the reasons why their bids were not successful and, where appropriate, support to build capacity in applying for other funding streams or managing their resources as efficiently as they can.

35 From Councillor Jonathan Warne to the Cabinet Member for Planning and Traffic Management

Like me, I am sure that the Cabinet member will be delighted that, following our local campaign, proposals by South West Trains to cut the hours of operation of Motspur Park station ticket office are to be scaled back. What benefits does he believe this decision will have for the safety and security of local residents using the station?

Reply

The visible presence of a 'manned' station ticket office has a critical role to play in raising passengers' perception of personal safety, especially the elderly and women with young children who tend to feel more vulnerable. Would-be offenders are also more likely to be deterred if there is an increased chance of being caught.

It is therefore hardly surprising that research shows the travelling public wants to see increased presence by station staff and not less.

This administration wants to see a reduction in the hours that Merton's stations are unmanned. I therefore congratulate local residents and ward councillors on their campaign to defeat the original proposals from South West Trains dramatically to reduce the ticket office opening hours at Motspur Park station.

Supplementary

Whilst I appreciate the Cabinet Member's support for the campaign led by Stephen Hammond MP and other ward councillors, can he assure me the Council will be making representation against any future attempts by the train companies to close or reduce the opening hours of any ticket offices, including the current threat in Haydons Road Station?

Reply

Yes, I can.

36 From Councillor Maxi Martin to the Cabinet Member for Housing, Adult Care and Health

Rather than cut funding to voluntary groups, did the council not instead consider

continuing funding these groups for a further year, whilst putting in intensive capacity building to enable these organisations (often run by volunteers with limited time to complete council funding applications) to submit acceptable funding bids next year?

Reply

Funding streams for voluntary sector grants have been examined as part of the budget-setting process for 2009/10 and we have been unable to maintain the same level of funding for a number of the voluntary sector grant streams.

At the earliest opportunity officers advised the Compact Funding and Procurement Group of the likelihood of changes to the funding available. The group were consulted on how best to manage achieving the saving with minimal impact on the voluntary sector.

With regard to the Infrastructure Grant Funding managed by the Chief Executive's Department, the groups currently funded were coming to the end of 3-year grant funding and therefore have known for some time that they would need to prepare funding applications for subsequent funding in 2009-12. The Infrastructure Grant budget is proposed to be reduced by 10% to give a total pot for 2009-12 of £620k p.a. When officers consulted the Compact Funding and Procurement Group on changes to this funding stream one of the proposals put forward by officers was that the deadline for applications could be extended into 2009 to allow groups more time to draft their bids. The Compact Funding and Procurement Group recommended that the deadline should remain as mid-December 2008 so that groups would have a decision on their funding allocations by the end of 2008. In preparing the application form for the Infrastructure Grant funding stream, Compact Funding and Procurement Group members and groups currently receiving funding from this pot were consulted on the criteria against which applications would be judged, and the notes accompanying the application form clearly set out how applications would be considered by the grants panel.

A £50k saving is proposed for the Children, Schools and Families commissioning budget, which will impact on the local voluntary and community sector. Nevertheless, CSF has recently aligned a series of funding streams (for example the children's fund, children's centres, carers' grant, youth services commissioning) into a single commissioning process. A prospectus was produced and circulated to the local third sector and over £1million of preventive/ early intervention/ positive activities services will be provided by the sector from April 2009.

Adult services are responsible for funding services from a range of funding streams including revenue budgets and specific grants. Where groups have received a reduction in funding from these grant streams officers have arranged for the funding changes to take effect from September 2009 to allow groups more time for alternative funding, if necessary, to be sought.

Over the last 18 months, all departments have been working to establish greater consistency across voluntary sector funding streams with regard to application, award and monitoring processes. This work has been undertaken in conjunction with third sector representatives and in line with the council's Third Sector Strategy

to ensure there is a clear and transparent process in place, and that public money is spent wisely and focuses on outcomes for local people.

In addition to the proactive involvement of the voluntary and community sector outlined above, for each funding stream officers have offered support and advice to bidding groups and training and advice on drafting successful funding bids is available for third sector groups through Merton Voluntary Services Council.

Those organisations that have either not been funded or have had a reduction in grant funding have been offered feedback on the reasons why their bids were not successful and, where appropriate, support to build capacity in applying for other funding streams or managing their resources as efficiently as they can.

Supplementary

I would just say that I wanted a straightforward reply. Would the Cabinet Member reconsider her decision to cut the funding to groups like FISH until further alternative funding has been found, allocated and secured? What's the rush to end the funding?

Reply from Councillor David Williams

I would say that MVSC do offer a great deal of help to organisations to enable them to fill in these forms. I think the process of considering the applications was very robust, and it's been seen as a very fair process by the voluntary sector. Clearly there are some people who feel that they've lost through that, but then it isn't fair to expect those who do their job properly to be penalised. Going forward it is important that we capacity build these smaller groups and give them the support that is available through MVSC.

37 From Councillor Brian Lewis-Lavender to the Cabinet Member for Community Safety and Engagement

Further to the question put to him at the November council meeting, is the Cabinet member able to give an update on the success of the various measures taken by Safer Merton to tackle incidents of anti-social behaviour in the borough around the time of Halloween and Bonfire Night last autumn?

Reply

For two years in a row the Safer Merton Anti-social Behaviour team have led a multi-agency approach, through the Fire Misuse Group, to tackling incidents of anti-social behaviour around Halloween and Bonfire night. This has been a highly successful initiative with a reduction of 26% in incidents in 2007 and a further 18% reduction of incidents in 2008 (as measured over the recognised two week period that covers Halloween and Fireworks night).

Government Office for London praised us on our 2007 work and were further impressed to see that not only did we sustain that position but we reduced further the incidents of ASB in 2008.

Supplementary

Does the Cabinet Member have any feedback on the success of the Safer Merton

campaign over Christmas, to tackle alcohol fuelled anti-social behaviour in our town centres?

Reply

I have yet to see a detailed report of the campaign. However, from initial conversations with officers, we ran a very successful communication campaign, which was reasonably well received, despite the artistic talents of one particular resident. Nevertheless, the message about sensible drinking during the festive period was well received. When I have the full report it will be shared across the chamber.

38 From Councillor Dennis Pearce to the Cabinet Member for Housing, Adult Care and Health

Is the Cabinet Member happy that she is ultimately responsible for cutting budgets to communities and community groups that foster a sense of community cohesion and deliver to some of the most vulnerable in our borough?

Reply

Adult services are responsible for funding services from a range of funding streams including revenue budgets and specific grants. In the past, each of these was managed by different officers and decisions on grant allocations were made independently of decisions for other streams. There was no consistent approach to these awards, with some groups having their funding rolled over annually on a historical basis without a formal process being followed.

Over the last 18 months, work has been on-going to establish greater uniformity of practice across the different funding streams in the areas of application, award and monitoring processes. Developments have been carried forward in conjunction with third sector representatives and in line with the 'Third Sector Strategy' developed in 2008.

The application form that was used requested similar information to those used by other Council Departments and outcomes were set in line with Corporate and Departmental priorities. This work was undertaken to ensure there is a clear and transparent policy in place for the grant application process, and to enable officers to ensure that public money is spent wisely, and furthers achievement of national outcomes.

The scoring matrix used was weighted in favour of the questions relating to outcomes/ benefits to service users, service user involvement in planning & delivery of services, and quality assurance. The maximum score was 115 and the threshold set at 80. An impact assessment was carried out on those organisations that scored below 80.

Organisations were offered training/ support in completion of the forms. In addition, those organisations that had a reduction in grant funding for 2009-10 have been offered support through MVSC to seek alternative funding sources as necessary. The reduction in funding will take effect from September 09 to allow time for

alternative funding, if necessary, to be sought.

Increasingly, mainstream council resource (i.e. officers and care staff) have to be targeted to those in highest need (those that meet the eligibility criteria at critical or substantial level).

Reductions in grant funding were not targeted towards any specific groups and the process was applied consistently across all those who applied for funding.

Supplementary

I have to declare an interest as the chair of this organisation (FISH). However, I would like to ask the Cabinet Member where this help has come from, as I have made two arrangements for meetings that have both been cancelled, and is she aware that these organisations do lots of things that cannot be listed on forms, and officers must be more hands-on to avoid damaging the communities we are supposed to be supporting.

Reply

May I add again that this process was done in an attempt to have uniformity across the borough. The forms were drawn up according to a template given by the Department of Health. Voluntary groups were consulted. They were offered help to complete the forms and only two applications were turned down. We have to have rigour when we are dealing with taxpayers' money. We have to have uniformity of application across the borough. As I said in my previous answers, it is incumbent upon us as a council to make sure that there is transparency across the borough. We are not targeting any particular group; we want to support groups as much as possible, and will work towards doing so.

39 From Councillor Simon Withey to the Cabinet Member for Community Safety and Engagement

What measures are being taken to tackle youth crime in Merton and, in particular, to bring down re-offending rates amongst young people?

Reply

The Youth Justice Service (a multi-agency partnership) sits within the Social care and Youth Inclusion division of the Children, Schools and Families Department. It has a specific purpose of preventing crime and reducing reoffending amongst young people within the Borough. It reports both to the Children's Trust and Safer and Stronger Thematic Partnership. The Youth Justice Service supervises about 250 young people on community orders each year, and a further 100 children and young people via its Prevention Project (Turnaround).

We know that there is a plethora of reasons why young people commit offences, and it is vital that a full and comprehensive assessment is carried out on each young person to consider their likelihood of reoffending and the possible harm they might cause in the community. This assessment helps determine the nature and extent of interventions with that young person, and indeed with the wider family. All victims of offences are offered the opportunity to take part in any restorative justice process. The multi-agency nature of the service enables interventions from,

amongst others, Mental health, Education, and substance misuse workers.

In recent years the Youth Justice Service has increased its range and variety of projects and interventions available. In addition to individual supervision, a range of groupwork programmes take place, as have programmes with parents. A group to address offending behaviour /Healthy Living programme/ First Aid Course/ 'Baretruths' drama and art intensive programme and LIFE Course (with the Fire Brigade), have all enhanced the YJS's response to different needs and age groups. Our work with Foundation4Life Programme is focused upon our high risk group of young people, many of whom have gang affiliations. A multi-agency panel meets every six weeks to review the work with this high risk group of young people. In addition the Prevention Board coordinates support from the Youth Service targeting at risk young people, police intervention (such as operation Blunt to prevent knife crime), and anti-gang work. The Virtual Behaviour service also ensures effective joined up work to prevent young people from offending in the first place.

The Youth Justice Service is required by the Youth Justice Board to monitor 'cohorts' of Young people each year to measure re-offending rates after a 12 month period. Usually about 100 young people are in the cohort. The Service is able to report progress in recent years from a high in 2004 of 46% after 12 months, to a marked reduction in 2005 / 2006 of about 30%. This exceeded the performance of our 'statistical neighbours' by 10%, and nationally by 8%. There are of course fluctuations within the cohorts, but the reoffending trend in recent years within the borough has been positive. In the future it is likely that the number of offences committed by the cohort rather than the number of young people reoffending will be measured.

40 From Councillor Sheila Knight to the Cabinet Member for the Environment
At the recent Seniors' Forum, a key cause of the fear of crime among older residents was people cycling on the pavements. Will the Cabinet Member agree to putting "no cycling on the pavement" signs up throughout the borough to protect older and disabled residents in particular?

Reply

We need to consider both the newly agreed Public Realm Strategy that seeks to reduce street clutter, and the prohibitive cost of installing borough wide signage.

In that context, there are better ways to deal with this matter. As far as enforcement is concerned, the new Police Community Support Officers are available to target key problem areas in the borough. If there is a particular Ward or area where there is a known problem, then a request can be made for them to concentrate their resources into such areas. Additionally, as part of the Council's ongoing cycle training and safety education programme, child and adult cyclists are briefed in detail regarding the issues surrounding cycling on the pavement. The Council is also implementing a network of borough wide cycle routes with the aim of providing safe and secure facilities for cyclists which minimises conflict with other road users.

Supplementary

I would like to know if the Cabinet Member really understands that this is a result of

a very recent consultation and how can the answer be justified when this is what people are saying? He seems to be complacent about the present situation. How much does it cost to put up a notice on the pavement?

Reply

The whole question of signage across the borough relates to the Public Realm Strategy which has been recently agreed. Clearly I understand the fears and concerns, particularly of older residents, where people cycle on the pavement. You have got the assistance of your Safer Neighbourhood Teams, and it is those people to whom this question should be addressed, as they have the opportunity to enforce the law, which is quite clear about cycling on pavements. It will behove councillors in Colliers Wood and across this Chamber, to use the powers they have to talk to their Safer Neighbourhood Teams and make sure the enforcement takes place.

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

Can the Cabinet member outline the major aims of the junior warden scheme delivered by Safer Merton in conjunction with Merton Abbey Primary School?

Reply

Early 2008 in Merton there was an increase in young people under 11 years involved in anti-social behaviour, such as setting fire in bin sheds. This led to a Problem Solving Process, which identified engaging with young people as part of the solution to this issue.

The Merton Junior Warden scheme, piloted in Merton Abbey Primary School as part of a local initiative by the Neighbourhood Wardens, was designed to address these issues with children at an early stage. The scheme aimed to help the children:

- increase awareness of anti social behaviour and its impact on the community;
- learn how to enjoy their play without causing anti-social behaviour which affects the community around them;
- understand the consequences of dropping litter and creating graffiti;
- build respect for the local environment and understanding of how to report environmental issues such as graffiti, flytips, and abandoned vehicles;
- increase their personal safety, fire safety and how to recognize dangerous situations and appropriate responses;
- learn about the local community and Council services; and
- overall, help to create a safer Merton.

Other partners included in the scheme have given presentations on road safety, anti-social behaviour, fire safety, CCTV awareness, litter and graffiti, and housing estate services.

Feedback from Merton Abbey Primary has been exceptionally positive. A second scheme is already being planned for Benedict School, with other schools showing interest.

Across the country, the Junior Warden scheme has been heralded as a viable tool in preventing children under 11 from coming to attention of the community safety teams. It is now seen by the Home Office as best practice in engaging young people and tackling and preventing youth crime and anti-social behaviour.

42 From Councillor Sheila Knight to the Cabinet Member for Housing, Adult Care and Health

At the recent Seniors' Forum older people reported feeling unsafe due to uneven pavements throughout the borough. Can the Cabinet Member commit to an audit of the borough's pavements and can she undertake to focus funding on uneven paving as a matter of priority in order to increase feelings of safety amongst our older people?

Reply

The Council has a routine inspection regime where all adopted footways and carriageways are inspected in order to identify and repair faults that exceed the current intervention levels.

In addition, the Council's Highways Engineers undertake and commission regular surveys on the condition of the footway and carriageway network. This information is used to develop the forward plan for major works, which is updated and reviewed at frequent intervals.

Supplementary

I would like to know if the Cabinet Member really considers that this is an adequate answer in the light of complaints and concerns of older people, and does the Cabinet Member realise that if older people fall down, it may well be very expensive for the Health Service to get them back up again?

Reply

Yes, of course we want to try and prevent as many accidents as possible, because as you have so pertinently said, once there is a fall, then more and more distress ensues. As regards uneven pavements in the borough, according to officers in Environment and Regeneration, if there are any streets or particular parts of a street that have uneven pavements, then a call to Environment and Regeneration will have an inspector sent out immediately. The inspector will send out a team if the area is deemed to be potentially dangerous. If not immediately dangerous, a team will be instructed to attend to it within seven days. That is the last information I was given by Environment and Regeneration. Perhaps we should take it up with them at a later date.

43 From Councillor Corinna Edge to the Cabinet Member for Planning and Traffic Management

I note that the Mayor has announced - in line with his pledge to fund more police

officers for outer London train stations – that a team of British Transport Police officers will be based at Wimbledon station. How does the Cabinet member believe these additional police officers will help tackle low-level crime and disorder at our local stations?

Reply

British Transport Police staff work on the mainline trains only, and their jurisdiction ends at the boundary of rail-owned property. However, they work in close partnership with the Council, Safer Transport Police Teams (who cover buses, trams and tubes), and the local policing teams.

Merton's Safer Transport Police Team (STPT) work closely with partners in the British Transport Police and the Safer Merton. The STPT is shortly to be augmented - the team will be expanded from one inspector two sergeants and eighteen PCSOs, to one inspector three sergeants and twenty-one PCSOs, and the STPT inspector will have their portfolio reduced to focus on sole responsibility for managing the team. The team is jointly funded by transport for London and the Metropolitan police service.

STPT identification of priorities is based on consultation and engagement with the community that uses our travel network. In their regular reviews of performance Merton's STPT is one of the most successful in London - they have achieved significant measurable reductions in crime and disorder.

44 From Councillor Dennis Pearce to the Cabinet Member for Housing, Adult Care and Health

Does the Cabinet Member realise that in areas such as St. Helier the Safer Neighbourhood Teams regularly visit groups in the area to satisfy themselves that safety is high on the agenda with older people and they are taking all the precautions necessary to secure their safety?

Reply

Yes I am pleased to see how the SNTs are working well with their communities, specifically those that are most vulnerable. The cabinet member is also aware that the SNTs now visit victims of crime to offer advice and support through a harrowing time. The SNTs are also available on every ward to residents should they need advice or reassurance.

Whilst the concept of SNTs is still a fairly new one, it was something that our communities wanted and seem to be welcoming with open arms. We continue to work closely with the police to ensure that this initiative goes from strength to strength.

Supplementary

This is a similar question. There is also with these organisations a safety aspect, where if members would have read the email I sent out, when we have extreme weather and FISH cannot operate, we went in to investigate because there were no officers around. How do you propose to fill that gap?

Reply

I did read your email. From all reports this week, all the officers were dealing with the most contentious and high priority areas. I must admit I am quite horrified that there was a gap and I can assure the councillor that I will investigate this and make every effort to see what we can do in order to fill that gap as soon as possible.

45 From Councillor Nick Draper to the Leader of the Council

Over the last three weeks I have learned from a property company that the Council has been discussing possible new sites with them for Colliers Wood library; from the local Police that Merton Council now has an Emergency Planning Officer working in Colliers Wood; from a chance email that Colliers Wood has had a (temporary) Town Centre Manager for the last three months; and from a public meeting that signage for Colliers Wood that I've been lobbying for years may now be provided, albeit without any local consultation.

I'm quite sure there is a more or less plausible reason why each of the above didn't get communicated to us, but it would have been more transparent, more open and much more polite to tell the Colliers Wood ward councillors about them properly in the first place. And these are only examples: it makes me wonder what else we're going to find out accidentally, and from what source.

I don't believe for a minute that this is an experience unique to Colliers Wood. What will the Leader do to ensure that essential ward matters such as these are properly and personally communicated in good time to ward councillors in future so that we can fulfil our role as community champions?

Reply

The important role of ward Councillors is fully recognised and the recently revamped arrangements for community forums aim to increase and strengthen the opportunities for ward councillors to be involved with local residents, businesses etc. It is still early days, particularly for the new Colliers Wood forum, and further publicity and other measures to increase attendance are being considered. I can assure you that delays in informing you were certainly not deliberate or intentional.

In response to the specific instances raised which demonstrate significant activity on a range of issues in his ward;

a) Colliers Wood Library

Potential options for alternative provisions for Colliers Wood library have only been explored since last October. Some have already been rejected as impracticable. Those remaining still require considerable information to be assembled including preliminary costs. When there are some definite and realistic options to consider, discussions will be arranged with ward councillors.

b) Emergency Planning Officer

The council only has two emergency planning officers working across the borough who liaise with agencies such as the police and fire brigade to deal with emergency incidents such as the recent burst water main in Colliers Wood. Cllr Draper has

recently been invited to visit the Emergency Planning office in the Civic Centre.

c) Town Centre Management

A temporary town centre project manager has been appointed who is focussing on implementing specific projects in Colliers Wood and Morden, pending the review of town centre management resourcing in the forthcoming first stage of the Economic Development Strategy. He is not undertaking more generic operational town centre management.

d) Signposting

The proposed small scale wayfinding scheme meets long recognised need to improve the environment for pedestrians in and around the commercial areas in Colliers Wood. The specific proposals were only developed very recently and are being shared via a walkabout and a consultation leaflet.

Supplementary

Obviously I dispute the reply. I just found out from a member of the public tonight that a similar letter to Councillor Briery's letter to Commonsides East residents was delivered to Colliers Wood residents as well. This is another example of how we find out things by accident that we should find out about as a matter of course and courtesy. In that respect I would ask the Leader to answer the question I asked the first time. What will the Leader do to ensure that essential ward matters such as those I mentioned, are communicated properly and in good time to ward councillors?

Reply

With regard to the issue about housing sites, I understand all members of the councillor were circulated information, but I suspect that occasionally we are all deluged with so many emails and items of information that we don't necessarily recognise the significance of them. Can I say that when I was Leader of the Opposition, we faced a situation where Councillor Makin had made a decision to close The Downs for European Car Free Day, and the first I knew about it was when residents told me about it because my name had been put on a leaflet that I had not seen. I think that it's extremely important to improve our processes to the point where if a councillor's name is put on a leaflet or any reference is made to that councillor, he or she should be made aware of it before the leaflet goes out. As to the generality, I am sure that officers are listening to the point you make. It is important that we are all able to do our jobs effectively and I would wish to think that you will not need to ask the question again.

46 From Councillor Gregory Udeh to the Cabinet Member for Community Safety and Engagement

The fear of crime is a particularly difficult problem to overcome in our borough and other parts of the country. Although overall levels of actual crime have reduced significantly, many residents continue to live their lives in fear.

This fear can have a serious and paralysing effect on people within our communities; and it is especially the vulnerable ones - older people, disabled

people, young people etc - who are most affected.

Can the Cabinet Member enlighten us on what the Council is doing to reduce the fear of crime in our borough?

Reply

All the work of Safer Merton has the ultimate aim of reducing the fear of crime and ant-social behaviour, which are often linked. We undertake specific awareness raising campaigns around how safe Merton really is. We also inform our communities about our successes, and we engage with our communities to reassure them (via SNTs, Wardens and specific consultation events and programmes).

All of the Safer Merton project management boards and workstreams considers the impact and positive messages that they can disseminate in order to increase the confidence of people that they live in a Safe borough. In addition there is a specific multi-agency communications board which each delivers a 'reassurance' campaign aimed at reducing fear of crime, raising awareness of the real safety of the borough, and promoting specific campaigns, such as the 'be safe be sensible be social' campaign aimed at reducing drinking and the anti-social behaviour associated with drinking, launched recently over Xmas 2008.

47 From Councillor John Dehaney to the Leader of the Council

Could the Leader outline the measures that have been taken to implement the Sustainable Communities Act in Merton.

Reply

The Sustainable Communities Act 2007 is intended to provide a channel for local people to ask central government to take action to enable local issues to be addressed. It also is a way for local authorities to ask central government to take action which it believes would better enable it to improve the economic, social or environmental well-being of their area. An example of this may be to propose a transfer of the functions of one public body to another.

The process to develop proposals to put forward to central government are as follows:

- Ideas generated by local communities and will be fed through a community panel which is representative of the local area for discussion and consultation.
- Proposals will then be put forward to the Local Government Association, who act as the 'selector' to consider the proposals and shortlist options to be put to central government.
- The shortlist of proposals will be considered by the Local Government Association and the Secretary of State and a decision is taken on which proposals will be agreed.
- The agreed proposals will then be implemented.

In tandem with process, Government will publish Local Spending Reports by 23 April 2009, which will set out all of the public sector spend in each locality. It is intended that this information will assist local communities to consider whether these resources could achieve more by being spent in a different way.

Local authorities have been invited to submit proposals for how local spending could be better used to improve local services and quality of life. These proposals should be put forward to the LGA by 31 July 2009. Local authorities are not required to submit proposals; however, it is an opportunity to influence policy in the local area.

Central government will provide local authorities with another opportunity to put forward proposals after 31 July 2009, but this deadline has not been announced yet.

We are well-sighted on the provisions within the Sustainable Communities Act and would welcome any suggestions from local people on how they think Merton could benefit from this new process. Any suggestions should be sent to Kate Martyn, Stronger Communities Manager, at kate.martyn@merton.gov.uk or 020 8545 3857.

Schedules relating to Public Question No.3 and Member Question No.32

<p>London Borough of Merton</p> <p>Strategic Housing Land Availability Assessment</p> <p>Potential Housing Sites – Availability Consultation</p>
<p>WIMBLEDON CHASE 1</p> <p>Triangular domestic garage site on west side of Rothesay Ave Wimbledon Chase (north of 54 Rothesay) bordering the railway line reserve.</p>
<p>WIMBLEDON 1</p> <p>Rear gardens of 65-69 Woodside Wimbledon</p>
<p>WIMBLEDON 2</p> <p>63A, 63B, 63C, 65 & 67 Hartfield Road Wimbledon</p>
<p>WIMBLEDON 3</p> <p>Flats 1-9 Warrington Court, 95-97 Hartfield Road Wimbledon</p>
<p>WIMBLEDON 4</p> <p>Flats 1-12, 115-117 Hartfield Road Wimbledon</p>
<p>WIMBLEDON 5</p> <p>Row of 5 bungalows at 19-21 Russell Road Wimbledon, and 15-17 Russell Road</p>
<p>WIMBLEDON 6</p> <p>Flats 1-9, 55-57 Griffiths Road Wimbledon</p>
<p>WIMBLEDON 7</p> <p>Holy Trinity Vicarage, 1, 3 & 5 Trinity Road Wimbledon.</p>
<p>WIMBLEDON 8</p> <p>Rear of 99, 101, 103, & 105, South Park Road and domestic garages fronting Bridges Road Mews Wimbledon.</p>
<p>WIMBLEDON 9</p> <p>71-75 Hartfield Road Wimbledon</p>
<p>WIMBLEDON 10</p> <p>11 Strathearn Road and nursery to rear, Wimbledon</p>
<p>RAYNES PARK 1</p> <p>Rear of Flats 1-5, 127 Durnham Road, rear of 131 Durnham Road and 4 garages at end of Panmuir Road Raynes Park</p>
<p>RAYNES PARK 2</p> <p>Part of 20 Melbury Gardens & rear of 75A, 75B and 75C Cottenham Park Road Raynes Park.</p>

<p>London Borough of Merton</p> <p>Strategic Housing Land Availability Assessment</p> <p>Potential Housing Sites – Availability Consultation</p>
<p>RAYNES PARK 3</p> <p>Backland between Cambridge Rd & Richmond Rd to rear of Totham Lodge Raynes Park, comprising rear of 43, 45, 47, Flats 1-15 53 Cambridge Road, and rear of 55, 57, 71, 75, 77, 79, 87 & 95 Cambridge Road, and rear of 33 & Flats 1-30, 45-51 Richmond Road and 53 Richmond Road Raynes Park.</p>
<p>RAYNES PARK 4</p> <p>185 Worple Rd & land to rear of 18, 20, 22, 24 & 26 Pepys Rd Raynes Park</p>
<p>RAYNES PARK 5</p> <p>Rear of Bushey Mansions at junction of Bushey Rd & Grand Drive Raynes Park comprising rear of 117-133 Bushey Road, garages to the rear of 109-115 Bushey Road, 57 Grand Drive and domestic garages to rear of 55 Grand Drive Raynes Park.</p>
<p>RAYNES PARK 6</p> <p>Adjacent to 69 Approach Rd at junction with Grand Drive Raynes Park</p>
<p>PLOUGH LANE 1</p> <p>Garages to rear of 197 Queens Road, 199 and 197c Queens Road and rear of 199A & 199 Queens Road Wimbledon</p>
<p>MORDEN 1</p> <p>Kenley Road (Kendor Gardens) car park Morden</p>
<p>MORDEN 2</p> <p>28, 30, 32, 34, 34a, & 34b Aberconway Road & 38, 40, 42, 44, 46 & 48 Abbotsbury Road Morden</p>
<p>MORDEN 3</p> <p>37, 39, 41, 43 & 45 Abbotsbury Road & 2, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24 & 26 Aberconway Road & land to rear (20 Morden Hall Road) Morden</p>
<p>MORDEN 4</p> <p>26, 28, 30, 32, 34, 36, 38, 40 & 42 Morden Hall Road Morden</p>
<p>MORDEN 5</p> <p>Iceland/Lidl, 31-37 Aberconway Road Morden</p>
<p>MORDEN 6</p> <p>2-44 London Road Morden</p>

NOTE: List excludes Council owned sites for disposal and unimplemented allocated sites for housing in the Merton Unitary Development Plan (approximately 20 sites) as these sites were assumed to be available and therefore not included in the consultation exercise.

<p>London Borough of Merton</p> <p>Strategic Housing Land Availability Assessment</p> <p>Potential Housing Sites – Availability Consultation</p>
<p>MORDEN 7</p> <p>74-80 Windermere Avenue Morden</p>
<p>MITCHAM 1</p> <p>Car park adjacent to 21-23 Bond Road Mitcham</p>
<p>MITCHAM 2</p> <p>St. Mark's Vicarage, Lock's Lane Mitcham</p>
<p>MITCHAM 3</p> <p>Raleigh Gardens surface car park Mitcham</p>
<p>MITCHAM 4</p> <p>Garages to rear of 394-410 London Road, Mitcham</p>
<p>MITCHAM 5</p> <p>St Barnabas Vicarage, 46 Thirsk Road, Mitcham</p>
<p>MITCHAM 6</p> <p>1 Lexden Road Mitcham</p>
<p>MITCHAM 7</p> <p>1 Beverley Road Mitcham</p>
<p>MITCHAM 8</p> <p>Land rear of 20, 22, 24, 26 & 28 Mortimer Road & land rear of 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 58, 60, 62, 64, 66, 68 & 70 Eveline Road & land rear of 66, 68, 70, 72, 74, 76 & 78 Lavender Avenue Mitcham</p>
<p>MITCHAM 9</p> <p>Domestic garages rear of 38 Inglemere Road North Mitcham</p>
<p>MITCHAM 10</p> <p>Domestic garages between 25 & 27 Mitcham Park, Mitcham</p>
<p>MITCHAM 11</p> <p>Commonside East Site comprising residential properties and associated back gardens at 187, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 209, 211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249 & 251 Commonside East & 6, 8, 10 & 12 Cedars Avenue Mitcham</p>
<p>COLLIERS WOOD 1</p> <p>23 & 25 Palestine Grove Colliers Wood</p>

NOTE: List excludes Council owned sites for disposal and unimplemented allocated sites for housing in the Merton Unitary Development Plan (approximately 20 sites) as these sites were assumed to be available and therefore not included in the consultation exercise.

<p>London Borough of Merton</p> <p>Strategic Housing Land Availability Assessment</p> <p>Potential Housing Sites – Availability Consultation</p>
<p>COLLIERS WOOD 2</p> <p>Rear gardens of 70, 72, 74, 76, 78, 80, 82 & 84 Cavendish Road Colliers Wood</p>
<p>COLLIERS WOOD 3</p> <p>Rear gardens of 2, 4, 6 & 8 Marlborough Road Colliers Wood</p>
<p>COLLIERS WOOD 4</p> <p>Rear of gardens of 32, 34, 36 & 38 Park Road & part of 5 Marlborough Road Colliers Wood</p>
<p>COLLIERS WOOD 5</p> <p>Car park between terraces at 167-169 Boundary Road Colliers Wood</p>
<p>COLLIERS WOOD 6</p> <p>Car park adjacent to 55 All Saints Road Colliers Wood</p>
<p>COLLIERS WOOD 7</p> <p>No. 191 Haydons Road Colliers Wood.</p>
<p>COLLIERS WOOD 8</p> <p>Land in front of entrance to Holmes Place health club, North Road Colliers Wood, comprising Battle Close, entrance to Holmes Place Health Club and 1 & 3 Autumn Close.</p>
<p>COLLIERS WOOD 9</p> <p>No.83 Haydons Road Colliers Wood & garages to rear .</p>
<p>COLLIERS WOOD 10</p> <p>Flats 1a, 1b, 1c & 1d Palestine Grove Colliers Wood.</p>
<p>COLLIERS WOOD 11</p> <p>2-26 Valley Gardens Colliers Wood</p>
<p>SOUTH WIMBLEDON 1</p> <p>Flats at Nos. 22, 24, 26, 28, 30, 32, 34, 36, 38, 40 Kingston Road South Wimbledon.</p>
<p>SOUTH WIMBLEDON 2</p> <p>Rear of pub - The Princess Royal 25 Abbey Road South Wimbledon & adjacent parking garages.</p>
<p>SOUTH WIMBLEDON 3</p> <p>Rear gardens of Nos. 24, 26 & 36 Norman Road South Wimbledon</p>

NOTE: List excludes Council owned sites for disposal and unimplemented allocated sites for housing in the Merton Unitary Development Plan (approximately 20 sites) as these sites were assumed to be available and therefore not included in the consultation exercise.

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Committee: Council

Date: 4th March 2009

Agenda item: 4
Wards: All
Subject: Budget 2009/10, Medium Term Financial Strategy 2009-2012, Capital Programme 2009-12 and Capital Strategy 2009-12

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Councillor Samantha George, Cabinet Member for Corporate Resources

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

Contact officer: Andy Wood

Recommendations:

1. That the Council agrees:
 - the General Fund Budget;
 - the Council Tax Strategy for 2009/10, being an increase in 2009/10 of 2.5% for the local element (equating to a Band D Council Tax of £1,118.78);
 - the Medium Term Financial Strategy (MTFS) for 2009-2012;
 - the Capital Investment Programme;
 - the Capital Strategy (Appendix 14);
 - the Treasury Management Strategy (Appendix 15), incorporating the Prudential Indicators.

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

2. That the Council agrees to the addition of the 2008/09 budget for Single Status to the earmarked reserve of £2.2m at 31/03/08, as set out in paragraph 3.13 of the submitted report, and to the transfer of the resulting £3.2m into a revenue budget in 2009/10 to enable the Single Status

Agreement to be implemented during 2009/10, along with the transfer of other earmarked reserves (paragraph 3.13.8) to revenue budgets to enable them to be released for the purpose for which they were set aside for; and note that, in regard to the Transformation programme in particular, Members will be involved in budget decisions relating to the transformation programme.

1. Purpose of report and Executive Summary

1.1 At its meeting on 23rd February, 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 2009/10
- the Council Tax Strategy for 2009/10
- the Medium Term Financial Strategy (MTFS) for 2009-2012;
- the Capital Investment Programme;
- the Capital Strategy (Appendix 14); and
- the Treasury Management Strategy (Appendix 15), incorporating the Prudential Indicators.

2. Introduction

2.1 This report summarises the work that has been undertaken since April 2008 towards formulating the Business Plan and Budget for 2009/10. It describes the steps taken to ensure that business planning is integrated with financial planning. It sets out details of how the budget has been structured to ensure that a balanced budget is set. A separate section is provided for Schools budgets. The HRA is considered elsewhere on this agenda.

2.2 The report also sets out the draft Capital Programme 2009-2012. It details the work that has been undertaken to produce a programme that is aligned with business planning requirements and also integrated with the revenue budget.

2.3 Finally, the Medium Term Financial Strategy (MTFS) is updated to reflect the Council's anticipated financial outlook over the period 2009-2012.

2.4 The Cabinet considered the various responses from scrutiny bodies to the initial draft budget proposals. Initial proposals in relation to the budget were considered by Cabinet on 15th December 2008, and following that meeting, copies of them were served on the Chair(s) of the Overview and Scrutiny Commission and Panels in accordance with Part 4-C (2(a)) of the constitution. The constitution requires that Cabinet will consider the initial proposals further at least six weeks after service of the notice on the Chairs and consideration at Cabinet on 23rd February fulfilled this requirement. An

update report on the budget was also considered by Cabinet on 12th January and by the Overview and Scrutiny Commission and Panels in the January cycle of meetings.

- 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 2009-2012.
- 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 2009/10 and Medium Term Financial Strategy for 2009-2012 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, including the Housing Revenue Account capital 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.
- 2.4 There is also a separate report on the agenda in respect of the Housing Revenue Account budget, both revenue and capital.

2.5 The Scrutiny Function

- 2.5.1 During the January 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	14 January
Children and Young People Overview & Scrutiny Panel	20 January
Corporate Capacity Overview & Scrutiny Panel	22 January
Healthier Communities & Older People Overview & Scrutiny Panel	27 January
Overview and Scrutiny Commission	29 January

2.6 Feedback from Scrutiny Process

The references and comments from the Overview and Scrutiny Panels are summarised in Appendix 2(i). Appendix 2(ii) contains the outcomes and

comments of the Overview and Scrutiny Commission and responses to the issues raised.

- 2.7 This report incorporates the outcome of the final Local Government Finance Settlement. Appendix 1 provides the Council Tax resolutions.
- 2.8 The meeting of the Council, to set the Council Tax, General Fund and HRA budget (revenue and capital) for 2009/10, will be on 4th March 2009.
- 2.9 Delivery of the budget and service plans will be monitored throughout the year in line with the corporate Performance Management Framework.

3. Business Planning

- 3.1 The business planning process for 2009/10 is nearing completion, with officers having considered potential changes to the existing Business Plan. The Business Plan for 2009-12 is included elsewhere on the agenda. The process has been undertaken using a series of proformas to encourage officers to consider the factors - both local and national - that may influence or affect the work of their departments over the next three years.

4. Financial, resource and property implications

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

5. Legal and statutory implications

- 5.1 The law on the setting of the budget for the Council and the determination of Council tax levels is contained in the Local Government Finance Act 1992.
- 5.2 The legal and statutory implications are contained within the report. The Council's processes for the development and adoption of its budget are set out in the Budget and Policy Framework Procedure Rules contained in Part 4C of the Constitution.

6. Human Rights, Equalities and Community Cohesion Implications

- 6.1 In identifying spending reductions, services where at all feasible, have sought to minimise the impact of the reductions on traditionally disadvantaged groups. The proposed budget reflects the Council's spending priorities for the year and the Council's core commitment to equal opportunities in employment and service delivery. The Council has a corporate policy of endeavouring to redeploy staff affected by reorganisation

and other staffing changes. Every effort is therefore made to redeploy any staff affected by spending reductions.

- 6.2 A number of meetings with Staff Side have taken place and they have been advised of the Council's savings proposals and consultation is ongoing.
- 6.3 It is anticipated that the Budget will be set at a level which enables the Council to continue to be Human Rights compliant.
- 6.4 Equality and community issues are also addressed in specific capital items e.g. Disability Discrimination Act – Access to buildings, and in the strategic themes which formed the basis on which the Capital Strategy & Asset Management Group approached the prioritisation of bids.

7. Risk Management and Health and Safety Implications

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

8. Consultation undertaken or proposed

- 8.1 Regular reports have been made on progress on the MTFS and Budget to Cabinet on 23rd June 2008, 1st October 2008, 15th December 2008 and 12th January 2009.
- 8.2 In addition:-
 - All members were invited to attend a business planning/budget seminar on 7th October 2008;
 - Scrutiny Panels and the Overview and Scrutiny Commission have had two rounds of scrutiny on the proposed budget and Business Plan;
- 8.3 In accordance with statute, a specially convened consultation meeting was arranged with business ratepayers on 23rd February. Unfortunately, no businesses attended the meeting.

- 8.4 In addition, regarding the capital programme, meetings of the Capital Strategy & Asset Management Group were held, consisting of key officers from each department.

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

SECTION 1: Revenue budget

- Appendix 1: Draft Resolutions to Council
Appendix 2: Outcomes of Overview & Scrutiny Panels and Commission, along with Cabinet response. feedback
Appendix 3: Local Government Finance Settlement 2009-2011
Appendix 4: Collection Fund
Appendix 5: Corporate and technical adjustments in the MTFS
Appendix 6: Analysis of the transition
Appendix 7: Statement of Council Tax requirements and balances
Appendix 8: Revised MTFS incorporating proposed changes
Appendix 9: Reserves
Appendix 10(a): Analysis of Growth and Savings, and Risk Matrix
Appendix 10(b): Indicative Summary by Cabinet Portfolio
Appendix 11: Details of Growth proposals
Appendix 12: Details of Savings proposals
Appendix 13: Details of Specific and Area Based Grants

SECTION 2: Schools budget

No appendices

SECTION 3: Capital budget

- Appendix 14: Draft Capital Strategy and Capital Programme 2009-12
- including details of draft Capital Programme 2009-12
Appendix 15: Treasury Management Strategy

SECTION 4: Medium Term Financial Strategy

10. **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

11. **Contacts**

- Report author:
 - Grant Miles, Head of Finance
 - Tel. 020 8545 3458
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 - email: press@merton.gov.uk
 - Tel: 020 8545 3181
- London Borough of Merton:
 - Address: Civic Centre, London Road, Morden, SM4 5DX
 - Tel: 020 8274 4901

12. **Useful links**

- 12.1 Merton Council's Web site: <http://www.merton.gov.uk>
- 12.2 Readers should note the terms of the legal information (disclaimer) regarding information on Merton Council's and third party linked websites.
<http://www.merton.gov.uk/legal.htm>
- 12.3 This disclaimer also applies to any links provided here.

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SECTION 1:

THE GENERAL FUND REVENUE BUDGET AND COUNCIL TAX STRATEGY

1. **Background to Financial Planning**

1.1 Building on the approach adopted for previous years, the Council made an early start to the budget process for 2009/10 in April 2008. As reported to Cabinet in June 2008, officers carried out a review of the process adopted in 2008/09 and Chief Officers Management Team (CMT) proposed ways to improve the process, including:-

- starting earlier by introducing the budget process as early as possible at Council level with a report to Cabinet on 23rd June 2008
- continuing to review information regularly;
- continuing to focus on performance and financial information links;
- closer linking with the business plan targets and impacts; and
- Capital programme and any proposed changes to be integrated from the beginning.

The MTFs agreed by Council in March 2008 showed that the Council would be faced with the increasing challenge of endeavouring to maintain a low council tax whilst minimising the impact on front-line services and increasing customer satisfaction with the value for money they are getting. However, it was important to be realistic about the level of savings that could be achieved through efficiency savings without impact on service.

<u>3 Year Forecast:</u>	Forecast 2008/09	Forecast 2009/10	Forecast 2010/11
	£m	£m	£m
Revenue Budget brought forward from previous year	137.185	144.935	146.034
Less: Levies	(0.568)	(0.676)	(0.676)
Revenue Budget brought forward exc. levies	136,617	144.259	145.363
Technical and Corporate adjustments	12.821	11.205	9.651
Savings (including full year effects of 2007/08)	(8.580)	(1.448)	(0.540)
Growth (including full year effects of 2007/08)	3.401	1.593	0.214
Forecast Budget Requirement (inc. Growth and Savings)	144.269	155.609	154.688
Add: Levies	0.676	0.676	0.676
Forecast Budget Requirement	144.935	156.285	155.359
Formula Grant (RSG and Business Rates)	(65.652)	(66.751)	(67.733)
Council Tax (3.9% increase 08/09, 09/10 & 10/11 0%)	(79.283)	(79.283)	(79.283)
Total Resources	(144.935)	(146.034)	(147.016)
Savings/Income to be identified	0.000	10.251	8.343

- 1.2 The Council needed to continue to look for innovative ways of reducing costs, and maximising income achieving this e.g. efficiency savings derived from sharing good practice, simplifying delivery processes, reducing administration/overhead costs. Value for Money initiatives are being embedded as an approach.
- 1.3 One of the key aims of the budget preparation methodology was to ensure that it most effectively addresses the Council's business priorities.
- 1.4 Approach to identifying Savings
- 1.4.1 With the longer term budgeting framework introduced with the MTFs and the three year Local Government Finance Settlement for 2008-2011, departments have been encouraged to look to their budgets over the period of the MTFs and beyond. This year's budget process is a multi-year approach that looks at the total costs of the service, including contracts, over the period 2009-2012.
- 1.4.2 Departments have identified savings proposals from their controllable budgets and these have been reviewed for acceptability, feasibility and risk to determine the level of savings in each department.
- 1.4.3 This approach has tested departments' plans against corporate priorities. It has also tested how robust each department's budget planning has been, identified whether risk has been addressed, questioned the level

of value for money being achieved and so on. It has provided a high level, focused approach to resource allocation, prioritisation and budget planning.

1.4.4 This multi-year approach will enable more long-term planning of expenditure and has enabled work to start on identifying savings proposals for 2010/11 and 2011/12 as well as 2009/10. There will be benefits in future years' budget planning as the draft proposals will already have been considered and development work can be progressed at an early stage.

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

1.5 Growth

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

1.6 Maximising Income

1.6.1 A substantial amount of work has been carried out in Merton recently in the area of fees and charges. Additional gross income of £1.4m has been identified to contribute towards the budget. This work will continue during 2009/10 in order to identify further scope for additional income. However, the impact of the recession will place some income budgets under severe pressure.

1.7 Setting a Balanced Budget

Resource projections have been continually updated throughout the year and the summary MTFS updated to inform Members and officers of the overall position for 2009-2012. The initial stage was to re-price and update the current year's budget to incorporate an assessment of inflation, full year effects and other technical changes over the period. A three-year forward plan is presented, but it is still a legal requirement that a balanced (i.e. fully funded) budget is achieved for 2009/10. 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 increase;
- Using unallocated reserves.

- 1.8 Budget savings and growth proposals have been formulated within the overall constraints of the resource projections. The proposals have been approved by the Cabinet following consideration by Overview and Scrutiny Panels as part of the scrutiny process. Scrutiny Panels have met during January and their feedback on the Council's spending proposals is set out in Appendix 2.
- 1.9 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 2009/10 and beyond. The MTFS brings together all of the key elements relating to the Council's financial position which are reflected in the General Fund, the Housing Revenue Account and the Capital Programme. The detailed MTFS is included in Section 4 of this report.

2. **Local Government Finance Settlement 2009/10**

- 2.1 The financial projections in the last report to Cabinet were based on Merton's formula grant as announced in the provisional Local Government Finance Settlement on 26th November 2008.
- 2.2 The final Settlement was announced on 21st January 2009. Further details on the Final Settlement for 2009-11 are provided in paragraph 3.6 and in Appendix 3.

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

- 3.1 The report to Cabinet on 12th January 2009 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 2009/10 and were reported to Cabinet on 12th January as follows:-

	Non-Schools	Non-Schools	Non-Schools
<u>TECHNICAL & CORPORATE ADJUSTMENTS:</u>	2009/10	2010/11	2011/12
	£m	£m	£m
Inflation	6.747	7.223	6.764
Borrowing, Investment & Debt Management Strategy	2.212	2.674	2.500
Collection Fund	(0.780)	0.722	(0.027)
Waste Management Strategy	1.390	0.996	0.776
Reduction in income arising from P3/P4 & Land Charges	0.062	0.470	0.200
Contracts & Legislative requirements	0.972	0.050	0.000
Grants transferred into Formula Grant from specific grant	(0.049)	(0.019)	0.000
Use of Section 117	(0.741)	0.741	0.000
Release of base budget Contribution to balances	(1.000)	0.000	0.000
LPFA – Additional Charge	0.062	0.114	0.149
VAT reductions	(0.400)	0.350	0.000
Invest to Save – Office Accommodation closure	0.000	(0.050)	0.000
Use of LABGI	(1.106)	1.106	0.000
Maintenance of Land previously within the HRA	0.153	0.000	0.000
Implications of Housing Stock Transfer	0.000	0.500	0.000
Increase in contingency to meet increased risks and pressures	0.400	0.000	0.000
Corporate and Technical Adjustments	7.922	14.877	10.362

3.2.2 The key assumptions included in the MTFs have been continually reviewed and updated as the budget process proceeded. 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:

2008/09 award: There has been no change to the interim arrangements agreed pending the results of arbitration which were reported in December. The local government employers have agreed to the union's request for a 2.45% pay rise for staff, with an extra £100 for the lowest paid, backdated to April, as an interim measure. The outcome of arbitration is awaited.

2009/10 award: On 12th January 2009, the Trade Union Side of the National Joint Council (NJC) submitted its pay claim for 2009-2010, seeking “a one-year, across the-board pay increase of at least the level of retail price inflation, with additional increases for the lower paid.”

The MTFFS previously reported to Cabinet included 2.5% for the 2009/10 pay award but in the light of current and anticipated trends in pay awards over the forthcoming financial year it has been decided to reduce the provision to 2%. This will reduce the estimated costs of pay in 2009/10 by approximately £0.440m.

- 3.3.2 Prices: CPI annual inflation, the Government's target measure, was 3.0% in January (December 3.1%) with the same factors as for the RPI having an effect, excluding housing factors. RPI inflation was 0.1% in January, down from 0.9% in December and the reduction was mainly due to transport costs where fuel prices (petrol and diesel) fell, along with car prices and maintenance and repair costs. Air fares also fell. Upward pressure came from recreation and culture costs in the form of toy and games prices, newspapers, books and stationery and holidays abroad. There was a large reduction in mortgage interest payments and house depreciation which are excluded from the CPI.

Utilities – Previous reports throughout the budget process have updated Members on the volatility of the price of utilities. During the height of the summer, utilities costs were increasing greatly and an initial estimate for 2009/10 was that an additional £1.051m would be needed. However, the Cabinet report on 15th December indicated that as a result of the reduction in oil prices in recent weeks, officers had reviewed utilities cost projections and proposed that the estimated increase in budgets could be reduced by £0.275m to £0.776m. There are no further contracts to renew before 1st October. Wholesale utility prices seem to have stabilised at around 70% of the levels that were prevailing at the time of previous renewals in the summer and it considered that the provision for inflation on utilities can be reduced further by £0.180m to £0.596m. The utilities market remains a very volatile area with wholesale prices subject to wide fluctuation dependent on a variety of economic and political factors.

The MTFFS previously reported included provision for utilities costs above 1.5% in leisure centres of £0.185m in 2009/10. This has now been reviewed and it is unlikely to be required.

- 3.3.3 The outlook for inflation

As advised in paragraph 3.4.1, below the Bank Base rate has been reducing since January 2008 and on 5th February 2009 it was reduced to 1.0%. In its February 2009 Inflation report, the Bank of England advises that “in the central projection, CPI inflation falls well below the 2% target in the medium termthe near term path of inflation is uneven. That reflects two further factors: first the marked fall in energy prices which drags down sharply on inflation during 2009; and, second, the direct impact of the temporary cut in VAT, which pulls down inflation during 2009 but briefly pushes it back towards the target in early 2010. The

balance of risks around the central projection for inflation is judged to be slightly on the downside.”

Quarter 4	2007	2008	2009	2010	2011
CPI Inflation	2%	3.75%	0.5%	2.25%	2%

Source: HM Treasury: Pre-Budget Report 2008

It is expected that RPI inflation is likely to turn negative for a period in the early part of 2009 which reflects the impact of measures taken to reduce housing costs and mortgage interest payments, but could increase rapidly if the strategy of quantitative easing is introduced.

3.4 Treasury Management Strategy

3.4.1 Investment Income:

The past year has seen economic turmoil and in response to the credit crunch and recession and in order to try to meet the Government inflation target, the Bank of England has reduced interest rates seven times since January 2008 . The base rate has reduced from 5.25% in February 2008 to 1.0% on 5th February 2009. There is currently a consensus among economic commentators that the rate could fall further, even to 0%. The MPC stated that “the outlook for business and residential investment has deteriorated. And the availability of credit to both households and businesses has tightened further, pointing to the need for further measures to increase the flow of lending to the non-financial sector.”

The implications of the MPC reduction in interest rates to 1% means that the Council’s investment income budget is under increasing pressure. The impact has been mitigated by a slight reduction in the cost of borrowing for the authority and a more significant mitigation would be achieved with some debt redemption, for which the authority has just applied. Cabinet have been informed previously of adjustment to the MTFs to reflect the current base rate position. Whilst it is inevitable that such a dramatic reduction of interest rates will affect investment income in due course, the implication of this scenario for investment income in 2008/9 has been mitigated by treasury’s strategy of placing fixed rate deposits for extended periods. There is also some protection for the first quarter of 2009/10, but thereafter, reinvestment will be exposed to whatever market rates are at the time, and this is forecast to be significantly below where investment rates have been in recent years. 2010/11 may prove more problematic, unless rates increase, as some of the Council’s longer term investments will expire and rates available will be less favourable.

3.4.2 Debt Management

Unfortunately, reductions in the Base Rate do not feed through to borrowing cost in the short-term; since virtually all long-term finance is on effectively fixed rates.

Against this background of largely fixed debt costs and falling investment returns, the key strategy tool to support the treasury budget is the redemption of debt. This can remove both relatively high debt costs, and in using hitherto invested funds to finance the redemption, reduce the amount of funds under investment and exposed to low and prospectively falling interest rates. However, this strategy requires the use of capital receipts to finance redemption premiums, and the programme for realising these receipts is delayed, (to an extent because of the deteriorating economic environment). Also, the cost of redeeming debt has risen as interest rates have fallen.

3.4.3 A more detailed analysis of the Treasury Management Strategy is included as part of the Capital Strategy, included in Section 3.

3.5 Full year effect of 2008/09 savings

Community and Housing department identified £1.217m of savings in 2009/10 as part of their 2008/09 savings package. As reported to Cabinet on 1st October 2008, £0.670m of these savings will not be achieved and the MTFs has been adjusted accordingly.

3.6 Government Grants & Local Government Finance Settlement

3.6.1 Formula Grant

The 2009/10 provisional local government finance settlement and an indicative 2010/11 settlement were announced on 26 November 2008, by John Healey MP, Minister for Local Government. As part of the current system of three-year settlements, indicative settlements for 2009/10 and 2010/11 were announced at the same time as the 2008/09 settlement (24 January 2008). The final Formula Grant figures were published on 21st January 2009 and confirmed those included in the provisional Settlement as reported to Cabinet on 15th December 2008 .

3.6.2 The total level of Aggregate External Finance (AEF) the Government provides to local authorities will increase by 4.2% in 2009/10 and 4.4% in 2010/11. AEF is the total level of revenue support the Government provides to local authorities for their core functions. This support is made up of Revenue Support Grant, police grant, area based grant, specific grants and the amount distributed from business rates. Boroughs' formula grant figures for 2009/10 or 2010/11 have not changed since January 2008.

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

Change in Formula Grant %	2009/10	2010/11
Merton	1.75%	1.5%
London boroughs	2.0%	1.8%
London inc. GLA	2.1%	2.0%
England	2.8%	2.6%

3.6.4 Therefore, Merton's formula grant for 2009/10 and 2010/11 included within the MTF5 is as follows:-

Formula Grant	2009/10 £m	2010/11 £m
Merton	66.751	67.733

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

	2009/10 £m	2010/11 £m	2011/12 £m
Increase in Formula Grant	(0.962)	(1.168)	0.000
Inflation	5.942	7.223	6.764
Shortfall	4.980	6.055	6.764

3.6.6 For the purposes of the MTF5, Merton's formula grant for 2011/12 is assumed to be at the same level as for 2010/11. i.e. zero increase to take into account the announcement in the Pre-Budget Report of a reduction in government expenditure.

3.6.7 The government reiterated the expectation that average council tax increases in 2009/10 should be substantially below 5%, and that they will not hesitate to use capping powers to protect council tax payers from excessive increases above the 5% level. Local Government Minister John Healey said: "Councils are facing tough budget decisions like the rest of Government but people rightly expect us all to tighten our belts.....I expect next year's average council tax rise to be substantially below 5 per cent - I will not hesitate to help people by capping any excessive increase if I have to."

3.6.8 Grants

A summary of the information received so far on government grants, including Area Based Grants, is provided at Appendix 13.

3.7 Waste Management Strategy

A review of the waste management strategy has been undertaken in light of the South London Waste Partnership and the award of contracts for Phase A. As a result, the estimated revenue costs have changed. The following provision is included in the MTFS:-

	2009/10	2010/11	2011/12
	£m	£m	£m
Waste Management Strategy	1.363	0.996	0.776

3.8 Capital Financing Costs

These 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 which is expected.

The revenue effects of the draft Capital Programme are incorporated into the revenue budget.

	2009/10	2010/11	2011/12
	£m	£m	£m
Revenue effects of 2009-12 Capital Programme	1.784	2.283	1.450

3.9 Bad Debt Provision

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.

3.10 Collection Fund

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 2007/08 audited surplus is £2.548m.

The budget for 2008/09 included an amount of £0.620m to support the revenue budget, and £0.5m thereafter. Given the level of surplus as at 31st March 2008 it is possible to increase the level of contribution from the Collection Fund to support the revenue budget in 2009/10 only, by £0.900m to £1.4m. More detail on the Collection Fund is provided in Appendix 5.

3.11 Local Authority Business Growth Incentive Scheme (LABGI)

The balance of LABGI as at 31st March 2008, which is available for general fund use as it is an unringfenced grant, is £1.969m and can provide support for the local economy in the current economic conditions. Again it is only available on a one-off basis. It is proposed that the LABGI reserve be utilised as follows:-

	2009/10 £m	2010/11 £m
To support existing Regeneration 2009/10 base budget	0.151	0.151
To support new regeneration initiatives	0.340	0
Available for corporate General Fund use	1.106	0
Planned use	1.597	0.151
Amount brought forward	(1.969)	(0.372)
Balance carried forward	(0.372)	(0.221)

The £0.340m to support new regeneration initiatives is support for Town Centre Management and Business Support in Mitcham. A commitment to this level of support has been made to ensure arrangements are in place from the beginning of the financial year.

3.12 Grants

Area Based Grants

The Area Based Grant is a central feature of the new performance and finance framework introduced in the 2007 Comprehensive Spending Review (CSR07), which included the negotiation of new Local Area Agreements. For CSR07 the grant determinations for ABG reflect the allocations agreed by Departments for 2008/09, as well as the indicative allocations for 2009/10 and 2010/11, thus enabling local authorities to establish the constituent grant streams comprising ABG. For 2008/009, the Merton Partnership's Executive Board agreed that the constituent grants of ABG should continue funding existing financial arrangements. The decision to maintain the status quo in 2008/09 was one taken by many local authorities given the short timescale for implementation of the

ABG and the spending commitments already made against these grants for 2008/09 budgets.

The current allocations for ABG for 2009/10 and 2010/11 compared to those originally advised in CSR07 are shown below

	2008/09	2009/10	2010/11
CSR07	£7.004m	£7.348m	£10.468m
Nov 2008	£7.253m	£7.456m	£10.576m

Note: the original CSR07 settlement for 2009/10 ABG was for £10.733m as it included £3.385m for the Supporting People programme. This was removed from the ABG in November 2008 and the inclusion of Supporting People in ABG has been postponed until 2010/11. The 2010/11 figure includes £3.385m for the Supporting People programme.

During 2008-09, while the status quo in grant allocation was held, a new LAA was negotiated. The 2008/09 ABG included grants previously subsumed under the LAA grant as well as other grants that funded core services. With the advent of the 2008-11 LAA, a new set of performance indicators was selected. These indicators include designated, statutory and local targets. Designated targets are agreed between the Partnership and Government and are key delivery areas for which performance is monitored and reported to Government. The LAA statutory targets are education targets set by central Government. Local performance indicators and targets are included in the LAA to represent a broader picture of the Partnership's local improvement priorities. Performance on these does not have to be reported to Government but will be monitored by the Partnership.

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

A summary of specific grants notified to date is set out in Appendix 13.

- 3.13 Single Status and other reserves – transfer to revenue in 2009/10
 3.13.1 Single Status is a national agreement reached in 1997 aimed at modernising pay & rewards in Local Government and removing any unfairness in the pay and conditions of council employees. The agreement covers the introduction of a single job evaluation (JE) scheme for all Council workers, standardised working week and a pay and grading review which recognises equal pay for work of equal value. A further national Implementation Agreement was reached in 2004 under which local authorities would complete and implement local pay reviews by 31 March 2007.

- 3.13.2 Negotiations within Merton have been long and protracted, with formal negotiations commencing in November 2005. This rate of progress was reflected in many other London Boroughs and is partly the result of the uncertainty in the overall legal position of negotiated settlements, in particular, the Allen v GMB case. Discussions have been ongoing with the unions regarding the implementation of the draft agreement. In May 2008, a deal was reached with the local Staff Side negotiations team on an overall Single Status package. This agreement has been submitted to each of the three trade unions national head offices for review by their legal teams. In particular, trade unions are highly aware of the risk to them from any claims that they have not properly represented their members' interests, which is the basis of the Allen case. To reach a collective agreement that can be incorporated as a change to employees contract of employment, it would be essential to reach an agreement with all the three unions. Without an agreement from all three unions, it cannot be considered to be legally binding and could be open to challenge by individuals who might feel that the settlement is not in their best interests.
- 3.13.3 As a collective agreement is not possible at this time, it is recommended that Merton commence the process of implementing Single Status without a formal agreement on the basis of the package negotiated and agreed locally. Whilst local TU representatives would not be able to publicly endorse this move, there is every confidence that there would not be any adverse reaction. This was explored in detail with the trade unions as recently as 22 January 2009. The local representatives have already agreed the current proposals in principle.
- 3.13.4 Former "Officer" staff are generally unaffected by Single Status and with a few exceptions, would not be issued with revised contracts. In the small number of cases where allowances received by Officers have been subsumed or deleted, separate negotiation with the trade unions has taken place and consultation with the staff affected has taken place.
- 3.13.5 The appointment of staff and the terms and conditions on which they hold office are non-executive functions of the Council. The Chief Executive has delegated authority to act on behalf of the Council within overall resources allocated by the Council. As Head of Paid Service, the Chief Executive has statutory responsibility for appointment and dismissal of staff.
- 3.13.6 The Council will be implementing the draft agreement in relation to Single Status. A report is being presented to General Purposes Committee in March.
- 3.13.7 There is an earmarked reserve to fund this expenditure. The Council has set aside £2.2m, including schools, in a reserve to meet the costs of

backdating the agreement and has a budget provision of £1m in 2008/09 to meet the ongoing costs of the agreement in 2008/09 and future years. It is proposed to add the £1m to the reserve and transfer this to a revenue budget in 2009/10 to meet the expenditure arising from the Single Status agreement.

- 3.13.8 Appendix 9 summarises the Council's reserves. Amongst these are a number of revenue reserves which will need to be transferred to revenue in order to fund the expenditure for which they were created. These are:-

	2008/09 £m	2009/10 £m
Transformation/Outstanding Council Programme Board	0.000	0.574
Agency Reserve	0.100	0.000
DSG Reserve	1.238	0.000
Permanently excluded pupils	0.379	0.000

NB: The Transformation Programme will be considered by Scrutiny. There will be costs associated with implementing the Programme and a process will be established for implementing the transformation ensuring the full engagement of Members. This sum above represents the balance of the reserve and is currently not represented by expenditure plans. For the avoidance of doubt, Members will be involved in budget decisions relating to the transformation.

- 3.14 Housing Stock Transfer – Financial Impact of a Successful Ballot
- 3.14.1 Officers at Merton are working with Circle Anglia on the Better Homes (housing stock transfer) project. A report on the proposed Stock transfer was presented to Cabinet on 9th February setting out the latest position.
- 3.14.2 In order to provide for the impact of the transfer on the General Fund £0.500m has been included in MTFS in 2010/11.
- 3.15 Land Charges
Due to further changes in legislation, local authorities will no longer be permitted to make a surplus on this service potentially from 1st January 2009. The Council currently generates a surplus of £0.100m and it will be necessary to review the service to comply with the legislation over a three year period.
- 3.16 VAT
- a) Claim for repayment for previous years: It is estimated that VAT can be reclaimed from HM Revenue and customs (HMRC) in respect of Libraries, Domestic Bulky waste and Culture (Museums, Theatres and Galleries). This will be a one off payment. This claim relates to areas of VAT where HMRC has made a mistake in the implementation of EC

directives and where we are able to claim for periods before 1996. The CondeNast/Fleming cases enable local authorities to claim overpaid output tax back to 1973. A prudent estimate of the sum, which the Council may expect is £350,000.

- b) Deloitte's have identified possible VAT savings where there is an established business case. Officers are reviewing the level of savings that can be achieved and at this stage £50,000 has been included in the MTFs for 2009/10.

3.17 London Pensions Fund Authority (LPFA) – Proposed additional charge

3.17.1 As reported to Cabinet on 15th December a paper was presented to London Councils Leaders' Committee on 9th December on the impact of a deficit in the pension sub-fund which covers liabilities arising from former GLC, ILEA and LRB employees and a proposed additional charge.

3.17.2 The CLG circulated a consultation paper, dated 2nd January, which proposes "to introduce a provision in the LGPS (Administration) Regulations 2008 to allow a series of lump sum payments ("special contributions") to be made to the LPFA by each London Borough to cover its liabilities to replicate standard employer's contributions over the average recovery period for all LGPS administering authorities in London as calculated by the LPFA. It is further proposed that the amending regulations should include a provision requiring the LPFA to formally consult with all main interested parties on its findings and subsequent proposals."

3.17.3 The special deficit recovery contributions are as reported to Cabinet on 15th December 2008, namely in total, £7m in 2009/2010, £13m in 2010/2011, and £17m in 2011/2012. The LPFA have further advised (11th February) that the levy in 2009/10 will be £357,599 which is an increase of £51,430 (16.8%), on the 2008/09 levy of £306,169. The implications of the proposed additional charge over the period of the MTFs are:-

	2009/10 £	2010/11 £	2011/12 £
Special contribution	61,503	114,219	149,364
Ordinary Levy	296,096	296,096	296,096
Total Merton Levy	357,599	410,315	445,460

NB: Ordinary levy is set each year and no change at this stage has been assumed for 2010/11 and 2011/12

- 3.18 Concessionary Fares: Freedom Pass Apportionment
Agreement has been reached on the future arrangements for the apportionment of concessionary fares costs between the London boroughs. This entails a move from an apportionment calculation based upon the number of passes on issue to one based upon usage data. Details of the apportionment between councils were agreed on 11th December. Following this, the current level of budget provision has been reviewed against the notified apportionment and as a result the budget provision has been reduced by £1.884m. There is no impact upon Freedom Pass provision as the saving in costs arises from the negotiations with TfL. A separate proposal over a five year deal for London is still under consideration.
- 3.19 Transfer of Learning Disability Social Care Funding and Commissioning from the NHS to Local Government
As reported to Cabinet in January, in August 2008, a letter was sent by the Department of Health (DH) to all PCTs and local authorities seeking the transfer of resources from PCTs to local authorities with respect to non-health care related expenditure for people with learning difficulties. The target date for transfer of responsibility is 31st March 2009. The DH have agreed that for 2009-10 and 2010-11 that the money be transferred by local agreement between the PCT and the local authority. The DH will model how the money might be transferred after 2011. It is currently assumed that there will be no overall net effect from the transfer and no changes have been made to the MTFs for 2009/10 and 2010/11 pending agreement with the PCT regarding transfer of funding. Detailed work is currently taking place to assess the level of funding and costs to be transferred, in the region of £6.9m, and which are subject to negotiation with the PCT. A report will be brought forward to Cabinet on 16th March 2009.
- 3.20 Section 117 provision
Merton charged those people who were compulsorily detained under sections 3, 37, 45A, 47 or 48 of the Mental Health Act 1983 (MHA) for aftercare until April 2000. After receiving Local Authority Circular (LAC (2002) 15) advising social services to immediately stop charging for these services, charging ceased. A provision has been made for the repayment of these sums and further work has been undertaken to verify whether the all or some of the provision is still required. A number of advertisements have been placed in the local press to inform potential claimants of this. There have been no claims received so far and it is considered that most of the provision can be released in 2009/10. It is proposed to retain £0.100m to meet any potential claims and to release £0.741m which will offer a one-off contribution to 2009/10.

3.21 Corporate Charging Policy

3.21.1 At its meeting in April 2008, the Cabinet agreed a new Corporate Charging Policy for the council. This policy covers all discretionary charges within the council (other than those designated as exempt) and sets out corporate criteria for those residents who are entitled to receive concessions. This helps to ensure that residents are not prohibited from accessing services due to their cost, and has helped to co-ordinate charges and concessions across the council. Individual departments are now taking forward the implementation of the policy, and ensuring that charges are reviewed on an annual basis and that the policy is considered as part of the annual business planning and budget process.

3.21.2 Concessions are available to households that receive:

- income support; or
- jobseeker's allowance; or
- child tax credits, provided the household does not receive working tax credit or annual income exceeds the threshold for free school meals; or
- the guaranteed element of the state pension; or
- support under part VI of the Immigration and Asylum Act 1999; or
- war widow's and widower's pension.

3.21.3 Concessions will continue to be applied to increases in fees and charges.

3.23 Contingency

3.23.1 The budget in recent years has included a provision of £1.6m as a contingency to meet unforeseen cost and demand pressures as well as to mitigate against the impact of any delay or difficulty in implementing savings proposals agreed as part of the budget process. In setting the 2008/09 budget , it was recognised that the contingency would be held mainly to cover pressure on the Adult Placements budget and this has been monitored rigorously throughout 2008/09.

3.23.2 In the current economic climate and forecast recession this contingency will be essential to provide a buffer against the potential risks of overspending against the approved budget. This will enable any decision to undertake additional expenditure to be based on a case by case basis and additional resources released accordingly which is in line with the risk based approach reported to Cabinet previously.

3.23.3 For example, as reported to Cabinet on 15th December, there are significant potential pressures arising from the recession and these include the impact of the reducing Bank Base Rate, increased levels of referrals, and declining levels of car parking income. In addition, the Baby P case at Haringey gives rise to a potential risk that there could be additional expenditure required as a result of a national child protection review, headed by Lord Laming, due to report in April.

3.23.4 As a result, as reported to Cabinet on 12th January, it is proposed to increase the contingency by £0.400m to £2.000m.

3.24 Council Tax Base

The Council Tax Base for 2009/10 was reported to Cabinet on 8th December. The Council Tax base is recalculated each year using the latest available information on properties from the Valuation List together with information held within Council Tax records. The change in the Council Tax base for 2009/10 will increase the Council's funding by approximately £0.425m and this is incorporated into the Council Tax calculation within the MTFS.

4. **Budgetary Control 2008/09**

4.1 The revenue budgetary control information contained in the table below summarises the corporate position using the latest available information as at 31st December 2008 as reported to the Corporate Capacity Overview and Scrutiny Panel on 12th February 2009.

As at December, there is a forecast overspend for the Council of £519,000. (£336,000 overspend in November).

Summary Position as at 31st December 2008

Department	Forecast Variance at year end (November) before Management Action £000	Forecast Variance at year end (December) £000	Management Action Proposals to date £000	Use of Contingency £000	Forecast Variance at year end £000
Chief Executive's	178	224	(224)	0	0
Corporate Services	302	316	(316)	0	0
Children, Schools and Families	750	976	(673)	0	303
<u>Community and Housing</u>					
Adult Social Care	1,503	957	(303)	(654)	0
Libraries & Adult Education	0	0	0	0	0
Housing General Fund	20	30	(20)	0	10
Environment & Regeneration	660	856	(556)	0	300
Corporate Provisions and Income:					
Contingency	(454)	(1,000)	0	1,000	0
Inflation	330	330	0	0	330
Other	(424)	(424)	0	0	(424)
Total General Fund	2,865	2,265	(2,092)	346	519
Housing Revenue Account	0	0	0	0	0

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

Children Schools and Families £0.303m

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

Environment and Regeneration £0.300m

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

Adult Social Care £0

There are major variances projected in placements expenditure (£0.534m), underachievement of income (£0.329m) and underachievement of savings £0.253m, partially offset by a reduction in the cost of concessionary

fares/Freedom Passes (£0.546m). Management action and use of corporate contingency enable a breakeven forecast of outturn.

- 4.3 It is essential that the Council does not overspend its approved budget and where there are signs that this will be the case, positive and meaningful action must be put in place to avoid such overspends. Chief Officers, together with Departmental Financial Controllers and budget managers are responsible for keeping budgets under close scrutiny and ensuring that expenditure within budgets which are overspending is being actively and vigorously controlled and where budgets are underspent, these underspends are retained until year end.
- 4.4 Some of the savings initiatives identified for 2009/10 have been brought forward for implementation with effect from 1st January 2009 at the earliest. These have been used to reduce the overall forecast overspend which currently is £0.519m, and are reflected in future monitoring reports.

	Savings b/f to 01/01/09 £000
Corporate Services	10
Environment and Regeneration	54
TOTAL	64

5 Review of savings/income and growth

- 5.1 As reported to Cabinet on 12th January, the savings and growth schedules were updated to incorporate proposals agreed by Cabinet on 1st October and 15th December 2008.

5.2 Proposed Changes to Savings:-

- 5.2.1 Cabinet reviewed the feedback from the Scrutiny process and the following amendments were agreed:-

	£000
Saving H2: Housing Needs staffing – withdraw saving	15
Saving CSF7: Cross-cutting – part reinstate admin. support	100
Saving CSF10: Reinstate Social Worker growth	100
Saving CSF12: Safeguarding & Partnerships – Retain Training	26
Saving CSF14: Safeguarding & Partnerships – retain CAF co-ordinator	45
Saving EN45: Additional income from Parking Permits	(70)
Net change	216

- 5.2.2 Furthermore, savings proposal EN46, to introduce mobile cameras to capture traffic contraventions, has been reviewed and it is anticipated that an additional £93,000 can be achieved in 2009/10.
- 5.3 The savings and growth proposals have been analysed into categories including income, efficiencies, legislative change and impact on front line services. A summary of this analysis is included at Appendix 10.
- 5.4 Details of each growth and savings proposal are set out in the schedules attached as Appendices 11 and 12. These were considered by Overview and Scrutiny Panels and the Commission in January but have been updated for the changes detailed in paragraph 5.2 and Appendix 2.
- 5.5 Proposed Changes since Cabinet on 12th January
- 5.5.1 As outlined in the report there are a number of changes that are proposed following the Scrutiny process and other updated information. The net effect is summarised in the following table:-

	Change 2009/10 £000
Reduction in Pay inflation from 2.5% to 2%	(440)
Reduction in Utilities inflation	(180)
Reduction in inflation for Leisure Centres	(185)
Waste Management Strategy	(27)
Saving H2: Housing Needs staffing – withdraw saving	15
Saving CSF7: Cross-cutting – part reinstate admin. support	100
Saving CSF10: Reinstate Social Worker growth	100
Saving CSF12: Safeguarding & Partnerships – Retain Training	26
Saving CSF14: Safeguarding & Partnerships – retain CAF co-ordinator	45
Saving EN45: Additional income from Parking Permits	(70)
Saving EN46: Additional income from mobile cameras	(93)
NET CHANGE	(709)

- 5.6 The net position for each department is as follows:

(Savings)/ Growth	2009/10 £m	2010/11 £m	2011/12 £m
Chief Executive's	(0.285)	0.000	0.000
Corporate Services	(1.415)	(0.007)	(0.073)
Children, Schools and Families	(0.217)	0.285	0.350
Environment & Regeneration	(2.135)	(0.169)	0.106
Community & Housing	0.272	0.904	1.340
Total	(3.780)	1.013	1.723

6. Balances and Reserves

- 6.1 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.
- 6.2 A strategy for building the General Fund balance to a more prudent level over the three-year plan period has been a feature of previous years and has been reflected in the Financial Standing element of the Use of Resources score. Current General Fund balances are £10.4m as at 31st March 2008 and have been reviewed as part of the budget process.
- 6.3 A report on the Council Balances and Reserves Strategy was taken to the Overview and Scrutiny Commission on 6th November 2008. The strategy has been reviewed and updated. At this stage it is not considered appropriate to reduce the level of balances in an uncertain financial climate. Also, given that the gaps identified in the budgets for 2010/11 and 2011/12 would not be covered by them. In taking a decision on the level of balances, it is important to take into consideration current and future budget pressures and recognise that in order to set a balanced budget over the next three years there is a need for significant net reductions in the budget which inevitably will mean that there is very little room for manoeuvre in determining the level of balances. Incorporating the latest information, the effect on the Council's balances strategy would be as set out below:-

	£m
Balance b/f @ 31/3/2007	10.4
Forecast Contribution 2008/09	1.0
Estimated balances c/f 31/3/09	11.4
Forecast Contribution 2009/10	0.0
Estimated balances c/f 31/3/10	11.4

6.4 Assessment of Risk and Contingency to mitigate risk

The Council's budget for 2008/09 (£461m expenditure and £275m income) has been analysed to identify key areas of risk. Costs that are regarded as fixed have been disregarded along with Schools' budgets. The key areas of risk have been identified as:-

	Total £m
Demand Led Expenditure	66.9
Employees related	92.4
Supplies	41.9
Demand Led Income	27.9
Rental Income	3.0
Other Income	3.0
Investment Income	3.1
	238.2

6.5 In addition, the savings proposals for 2009/10 have been assessed in terms of deliverable risk. The level of deliverable risk is:-

	£000	%
Low	2.583	39.4
Medium	3.009	46.0
High	0.954	14.6
Total	6.546	100.0

6.6 In light of the current economic climate the areas to be assessed has been expanded (e.g. income has been analysed over demand-led investment income and other) and the levels of risk have been reassessed. The results are set out below:-

	Min %	Mid %	Max %
Demand Led Expenditure	7.5%	9.0%	12.0%
Employees related	0.5%	1.0%	2.0%
Supplies	2.0%	3.0%	4.0%
Demand Led Income	7.5%	9.0%	12.0%
Rental Income	2.5%	3.5%	4.0%
Other Income	2.5%	3.5%	4.0%
Investment Income	2.5%	3.5%	4.0%
Savings Delivery	5.0%	10.0%	15.0%

Assessed Risk	Min £m	Mid £m	Max £m
Demand Led Expenditure	5.0	6.0	8.0
Employees related	0.5	0.9	1.8
Supplies	0.8	1.3	1.7
Demand Led Income	2.1	2.5	3.3
Rental Income	0.1	0.1	0.1
Other Income	0.1	0.1	0.1
Investment Income	0.1	0.1	0.1
Savings Delivery	0.3	0.7	1.0
Total Risk	9.0	11.7	16.1

6.7 In order to cover the middle position of risk, the balances strategy set out in paragraph 6.3 needs to be maintained, but will be kept under review as circumstances change.

6.8 The risk analysis undertaken on savings proposals in terms of deliverable and reputational risk are included in Appendix 10.

7. **Council Tax Strategy**

7.1 If the same methodology for setting the council tax increase had been used as for the past two years, the 2009/10 increase would be 5%. Officers have worked hard to reduce this increase in the light of the current economic climate.

8. **Positive Assurance Statement**

8.1 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.

8.2 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 2009/10 is robust and incorporates a strategy to ensure that proposed financial reserves are adequate.

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

9.1 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.

9.2 The council tax required by the GLA is raised by issuing a precept on the City of London and each London borough. This is added to Merton’s council tax requirements to give the overall council tax bill for individual households.

9.3 The Mayor of London issued a consultation document on 11th December 2008 on the 2009/10 budget and published the draft 2009/10 budget proposals for the GLA and the functional bodies on 20th January 2009.

9.4 The draft budget has not changed following consultation and the proposed Band D Council Tax for 2009/10 is £309.82, which is unchanged from 2008/09. This includes £20 contribution to support the cost of preparing for the 2012 Olympic and Paralympic Games. The GLA have analysed the expected changes in components of the precept as summarised in the following table:

Change in precepts	Pence/week
Metropolitan Police Authority	-5p
London Fire and Emergency Planning Authority	6p
Greater London Authority	-3p
Collection fund – reduced council tax collection surplus	2p
Total band D change	Nil

9.6 **Other Levies**

9.6.1 The Council is required by statute to pay certain levies to the organisations listed below. The levies for 2009/10 have now been confirmed and are set out in the following table:-

	2008/09 £000	2009/10 £000	2009/10 Increase %
London Pension Fund Authority	306	358	16.8
Lee Valley Regional Park	222	225	1.5
Environment Agency	147	146	(0.2)

These increases are provided for within the overall budget target.

9.6.2 **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 is shown below. The Band D Council Tax in respect of the WPCC precept will be £260,476, an increase of 6.1%.

	2008/09 £000	2009/10 £000
Wimbledon & Putney Commons Conservators	246	260

10. **CONCLUSIONS**

- 10.1 The Medium Term Financial Strategy assumes that all of the corporate provisions, proposals for growth and proposals for savings, in 2009/10 are agreed and if this is the case, the following financial position is achieved:-

Council Tax Calculation	£m
Budget requirement (non –Schools)	149.852
Formula Grant	(66.751)
Collection Fund Surplus	(1.400)
Balance to be met from Council Tax	81.701
Implied Council Tax 2009/10 (Band D)	1,118.78
Actual Council Tax 2008/09 (Band D)	1,091.49
Implied Net Increase 2008/09 to 2009/10	27.29
Implied Increase 2008/09 to 2009/10	2.5%

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

Council Tax at Band D	£	% increase over 2008/09
Merton	1,118.78	2.5%
GLA Precept (Provisional)	309.82	Nil
Implied Council Tax at Band D	1,428.60	1.9%

10.3 Analysis of the transition from the gap of £10.251m reported in March 2008 to a balanced budget as set out in this report is set out in Appendix 6.

10.4 A summary Statement of Council Tax requirements and balances based on the proposals set out in this report is attached as Appendix 7, and a revised MTFs summary incorporating the proposed changes set out in this report is provided at Appendix 8.

11. **Housing Revenue Account**

11.1 The draft HRA Budget – Revenue and Capital 2009/10 is reported elsewhere on the agenda .

12. **VFM and Efficiency Savings**

12.1 As part of the 2004 Spending Review (covering the years 2005-06 to 2007-08 inclusive), all parts of the public sector were required to achieve 2.5 per cent annual efficiency gains. For councils in England, this amounted to a target of £3.0bn, of which at least half had to be cashable, meaning that cash resource would be released which could be reallocated to spend in priority areas or used to hold down Council Tax. Non-cashable gains normally represent improvements in productivity or greater service quality from the same level (or a proportionately smaller increase) of resources. Overall Councils significantly exceeded this target. More than £3bn efficiency gains were delivered by the end of 2006-07, a year ahead of schedule, and by the end of 2007-08 the total value of cashable gains alone was greater than £3bn.

12.2 Merton delivered £11.2 million of efficiency savings over the three year period of SR04, equating to 8.4% and exceeding the 7.5% target. Of these, over £10.7 million were cashable savings, more than double the target set for Merton of just over £5 million.

12.3 The 2007 Comprehensive Spending Review has set the public sector a new challenge: to achieve three per cent annual efficiencies, but this time all gains must be cash releasing. For councils in England, this

amounts to a target of £4.9bn by the end of March 2011. While there are no mandatory targets for individual authorities, each council will be required to report their progress through National Indicator 179, part of the National Indicator Set, and where there is evidence of underperformance, this will be followed up by the local Government Office.

- 12.4 The DCLG published a Value for Money Delivery Plan for local government, to set out where gains can be achieved, and the National Improvement and Efficiency Strategy, to set out how the DCLG will work with the local government sector in partnership to help deliver the gains. The network of Regional Improvement and Efficiency Partnerships, which are led by and serve the local authorities in each region, are central to this strategy, and they have each produced their own regional strategies to ensure that they are responding to local needs.
- 12.5 The Council has set itself challenging internal targets and aims to achieve further cashable annual efficiency savings over the period of the MTFs, in excess of the Government target and recognizing the importance of the agenda in Merton.
- 12.6 A Cabinet member (the Deputy Leader) has VfM and efficiency within her portfolio. The Performance Management Framework is being utilised to drive and embed the VfM and efficiency agenda with inclusion of these areas within the Business Plan and within Service Planning Guidance for 2009/10 and via the inclusion of VfM objectives within appraisals. The efficiency programme is continuing to be promoted across the organisation using a dedicated area on the intranet and with an expanding range of relevant internal training being provided for staff.
- 12.7 The Outstanding Council Programme Board (OCPB) was established at the end of 2007 to ensure that the Council maximises efficiencies from its service review programme, in particular from cross cutting reviews. OCPB consists of CMT and the Performance and Business Improvement Manager. OCPB aims to ensure that services achieve the maximum value for money in delivering the Council's strategic priorities and provides the governance and accountability for these.
- 12.8 In October 2008 Merton appointed Deloitte to assist the Cabinet and Outstanding Council Programme Board to make the increased efficiency savings needed across the organisation to put us on a more stable financial footing and assist in addressing the budget shortfall in the MTFs. This is a major programme for the Council, which will involve the co-operation of all service areas in order to identify and deliver the savings to ensure a balanced budget over the medium term. Deloitte will make a preliminary report on potential savings in April 2009.

13. **Future Years**

13.1 As indicated in the updated MTFS there is a gap between the forecast level of resources and budget requirements for 2010/11 and 2011/12 which will need to be addressed if balanced budgets are to be set. The updated MTFS is set out in Section 4 of the report.

13.2 The budget process for 2010/11 will commence in the new financial year.

13.3 Some of the options available to the Council to eliminate the budget gaps include:-

- Savings – reduction/deletion of services
- Savings – efficiencies including outcomes from efficiency review
- Income – increase in fees and charges/new sources of income
- Council Tax increase
- Use of balances

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APPENDIX 1

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 2009/10 set out in Appendix 9 of the revenue report, together with the proposed Council Tax levy in 2009/10.
2. That it be noted that at its meeting on 8th December 2008 the Council calculated its **Council Tax Base for the year as 73,027.0** 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 10,709.5** 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	308.218
Corporate Provisions	29.631
Amounts Payable to the Levying Bodies	0.989
Contribution to Financial Reserves	0.000
Gross Expenditure	338.838

- 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	173.280
Corporate investment income and technical adjustments	15.446
Total Income	188.726

NB: The final analysis of gross expenditure and income may vary from the figures shown above as a result of transfer of Learning Disability funding, use of reserves and apportionment of overheads.

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

	£m
Total Net General Fund Expenditure	150.112

- d) being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of revenue support grant and redistributed non-domestic rates

	£m
Revenue Support Grant	12.518
NNDR	54.233
Total	66.751

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

	£m
Required yield from Merton's element of the Council Tax	83.361

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

	£
Wimbledon and Putney Commons Conservators Levy	260,476

- 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 - **£1,400,000** or
- ii) increased by the amount of any sum which the Council estimates will be transferred from its General Fund to its Collection Fund pursuant to the directions under section 98(5) of the Local Government Finance Act 1988 made on 2 February 1995 - **NIL**

	£
Merton's General Band D Council Tax Levy	1,118.78

- h) being the amounts given by adding to the amount at 4(g) above, the amounts of the special item or items relating to dwellings in the area of Wimbledon and Putney Commons Conservators (WPCC) mentioned above at 4(f) divided by the amount at 3 above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in the area of WPCC.

	£
Wimbledon and Putney Commons Conservators Band D Levy	1,143.10

- 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 £
	745.85	870.16	994.47	1,118.78	1,367.40	1,616.02	1,864.63	2,237.56
Parts inc. WPCC	762.07	889.08	1,016.09	1,143.10	1,397.12	1,651.14	1,905.17	2,286.20

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	952.40	1,111.13	1,269.87	1,428.60	1,746.07	2,063.53	2,381.00	2,857.20
Parts inc. WPCC	968.61	1,130.05	1,291.48	1,452.92	1,775.79	2,098.66	2,421.53	2,905.84

APPENDIX 2(i)

References/Comments from Scrutiny Panels to Overview & Scrutiny Commission 29 January 2009
Scrutiny of the Budget 2009/2010 and Capital Programme 2009/12

Sustainable Communities Overview and Scrutiny Panel: 14 January 2009:-

Budget Reference	Specific proposal	Scrutiny response	Cabinet Feedback
EN42	Environmental Health (Housing/Environmental) <i>Reduction of 0.5 of a post in the Environmental Protection Team</i>	Members felt that given that the post is currently vacant this proposal overstated the risk involved and therefore requested that this be reworded.	Agreed that the wording should be amended.
EN45	On and Off Street Parking <i>Revised fees for parking activity across all areas</i>	Members requested that the Commission receive a breakdown of the revised fees to inform their discussion on this proposal	The information was provided to O&SC.
EN50	Regeneration Partnerships <i>No inflation to be added to the Annual Project Funding and other grants made by the E&R Departments</i>	Members rejected this proposal and requested that Annual Project Funding be inflation linked.	There was further discussion on this item at the Overview and Scrutiny Commission, the outcome of which was to not propose any change.
EN54	Voluntary Sector <i>Reduction in funding for infrastructure/umbrella voluntary groups, e.g., MVSC, Volunteer Centre Merton (May impact on some groups more than others but all</i>	Members requested that further detail on the groups that would be affected and the specific grants/funding to be reduced be provided to the Commission to inform their discussion on this proposal.	The further details requested were provided to O&SC.

	<i>agreements being renegotiated)</i>		
Budget Reference	Specific proposal	Scrutiny response	Cabinet Feedback
EN55	Greenspaces <i>Fee increases for discretionary services (including sports activities), cemeteries and events</i>	Members were informed that the figures were indicative at this stage and requested that the Commission be provided with detail on the fee increases to inform their discussion on this proposal.	There was further discussion on this item at the Overview and Scrutiny Commission, the outcome of which was to not propose any change.
EN57	Various <i>Restructures within the Department</i>	Members requested that the 'TBC' be replaced with an exact figure and that the proposal be rewritten to provide more context/information without breaching any confidentiality rules.	It was agreed that the wording should be amended.
H2	Housing Needs <i>Savings in Housing Needs Staffing by 1.5 fte through efficiencies</i>	Members opposed the deletion of the 0.5 fte post as this sat within Housing Needs and the 1 fte post sat within the Housing Strategy Team. Members expressed concern at deletion of the Housing Needs Officer Post given the current financial climate when potentially the housing needs of residents in the Borough may be greater	Cabinet propose to reinstate the saving of £15k in respect of 0.5 fte post within Housing Needs, following anticipation of increased demand being experienced due to the recession.

Children and Young People Scrutiny Panel: 20 January 2009:-

Budget Reference	Specific proposal	Scrutiny response	Cabinet Feedback
CSF6	<p>Special Educational Needs: <i>Deletion of .5 EP (Educational Psychology Post).</i></p>	<p>The panel opposed the deletion of the post on the same grounds as previously. The panel didn't consider the previous Cabinet response to be a sufficient justification for this saving (see page 182). It was also noted that schools are allocated a very minimal number of core EP hours, making it impossible for schools with any significant degree of SEN to manage it without buying back. However, schools have received no extra funding to do this. Further, even when schools do pay the money, they can't always get the support they need immediately, because there is such as shortage of EPs in the LA they aren't always there.</p>	<p>Cabinet discussed this saving but decided to proceed with it.</p>
CSF10/CSF12	<p>Cross Cutting: <i>foregoing of growth in MTFS for social workers salaries. (CSF10)</i> Safeguarding and Partnerships Service: <i>Reduction in training of social work staff. (CSF12)</i></p>	<p>In principle the panel are not opposed to these savings. However, the Panel recommended that, in light of external uncertainties and a reallocation of risk to from Medium/Low to High/High - Cabinet hold these savings in abeyance.</p>	<p>Given the change in circumstances from when this saving was first put forward in early October there has been a significant increase in demand for social workers as a result of the change in workload due to Baby P. Cabinet are therefore minded to reinstate:-</p>

CSF14	Safeguarding and partnerships service: Deletion of CAF Co-ordinator	The panel felt that CAFs are an important part in safeguarding children. Additionally, the officer's reallocation of the risk of this saving from Medium/Medium to High/High raised concern amongst the panel over its deliverability. Additionally, concern was expressed that CAFs are becoming a paper exercise and if this post if deleted the future benefits of CAFs would be limited.	£100k (CSF 10) and £26k (CSF 12)
Budget Reference	Specific proposal	Scrutiny response	Cabinet Feedback
CSF7	<i>Cross Cutting: Deletion of 6.5fte posts in administrative/business support services following review.</i>		Although this wasn't raised by Scrutiny, given the change in circumstances from when this saving was first put forward in early October there has been a significant increase in demand for social workers as a result of the change in workload due to Baby P. Cabinet are therefore minded to reinstate £45k
			Although this wasn't raised by Scrutiny, given the change in circumstances from when this saving was first put forward in early October there has been a significant increase in demand

			<p>for social workers as a result of the change in workload due to Baby P. Cabinet are therefore minded to reinstate £100k.</p>
<p>CSF17</p>	<p>Youth and inclusion service: <i>Foregoing growth in Youth Service for 2009/10</i></p>	<p>The panel felt that although the youth service had taken advantage of investment over the past two years the service would plateau if they didn't receive any further growth. It was agreed that the positive steps made to promote this service in the past would be undone as a result of this saving.</p>	<p>Cabinet considered the comments of Scrutiny but decided that taking into account the refurbishment of the youth centres, combined with the revenue growth, there have been significant improvements in the outputs for this service and no change is proposed.</p>

Corporate Capacity Overview and Scrutiny Panel: 22 January 2009 :-

Budget Reference	Specific proposal	Scrutiny response	Cabinet Feedback
Growth items:			
CSG7	I.T. <i>Additional fund to support the introduction and support of disaster recovery (DR) systems.</i>	The Panel considered the need to develop disaster recovery systems and commends this growth item in view of the serious risks.	Cabinet concurs that this item is necessary.
CEG1	Policy, Partnerships and Performance: <i>Additional post to support Customer Service Accreditation – NOW DELETED BY CABINET</i>	The Panel supported the withdrawal of this growth item by Cabinet on 12 January 2009.	Noted.
CEG2	Policy, Partnerships and Performance: <i>Fund to pay for support for publicity and promotion related to Community Forums</i>	The Panel supported growth to establish funding for publicity for the new Community Forums in order to ensure they are successful.	Cabinet concurs that this item is necessary.
Savings items:			
CSS11	Registrars : Nationality Checking Service	The panel raised concerns about this in Round 1 of scrutiny in October 2008 and requested further information on the budget for this service, the risk level and on the proposed level of charges. Cabinet provided further information on the income budget and an explanation of the risk relating to the proposed saving which the Panel accepted. The Panel requested that details on the proposed level of charging be provided for the Overview & Scrutiny Commission on 29 th January 2009	The O&S Commission were satisfied with the explanation put forward at the meeting and no change was proposed to this item.

CSS15 & CSS16	Local Taxation & Benefits Admin: <i>Invest to save – recruit additional member of staff to target HB overpayment; recruit additional member of staff to target old Council Tax debts</i>	The Panel agreed to support the bringing forward to 2008/9 these 'Invest to Save' items.	Noted.
CSS45	Audit & Support: <i>Reduce the Training Budget.</i>	The hope was expressed that this saving would not result in a decline in standards.	The response is that the standard of service will be unaffected by this saving.
CSS47	Local Taxation & Benefits Admin: Delete 1 FTE Visiting Officer	The Panel agreed to express its concern to Overview & Scrutiny Commission on the level of risk and potential detrimental impact of this proposed saving on vulnerable and housebound people.	Refer to response made to Overview and Scrutiny Commission.
Capital Programme: Section 106	£328k available for 2009-10	The Panel queried what impact a decline in planning applications during the economic downturn might have on S106 monies. Members were advised that the figure in the Capital Summary only included S106 resources already confirmed.	Noted.
Funded by Capital Receipts	£3,700k in 2010-11	Members highlighted this potential capital receipt proposed from the sale of a council office building in another part of the borough. The Panel agreed that this proposed receipt will need careful monitoring, given the current financial situation and the sum quoted is not therefore guaranteed.	Noted.

Budget Reference	Specific proposal	Scrutiny response	Cabinet Feedback
General Fund Borrowing	Increases indicated year on year to 2012	The Panel flagged up the increase in General Fund Borrowing as a potential concern.	Noted.

Healthier Communities and Older People Scrutiny Panel: 27 January 2009:-

Budget Reference	Specific proposal	Scrutiny response	Cabinet Feedback
Growth Items: CHG3	Joint Public Health Consultant Post: <i>A joint commissioned post with the PCT to procure Public Health Services – 50% funding of commissioning post.</i>	<p>The high level of growth for this joint post was questioned and it was explained that public health expertise is expensive, but all councils are moving towards a jointly commissioned Public Health Post.</p> <p>The Panel agreed it would be useful to scrutinise and evaluate the cost effectiveness and delivery of beneficial outcomes for all Community and Housing posts jointly commissioned with Health at some point in the future.</p>	Noted.
Savings Items: CH2	Delete the LD College Leavers Group	<p>The effect of this deletion on people moving through transition was raised as a concern. It was explained that college leavers would still receive individual support, but a dedicated group of a relatively small number was not cost effective.</p>	Noted.

Budget Reference	Specific proposal	Scrutiny response	Cabinet Feedback
CH3	<p>Reduce the Community Care staff team by 2.6 f.t.e.s: Reduces capacity of the service to meet client need and demand.</p>	<p>The Panel queried which staff this related to and were informed they are staff in the LD Service, but that the reduction should read '1.6' not '2.6' f.t.e.s. Concern was expressed that these reductions are of front-line staff and the detrimental effect this would have on service users.</p>	<p>Wording to be amended as required. Noted.</p>
CH11/ CH23	<p>Reduction to ICES budget/PCT to contribute towards the administration of the ICES budget: <i>Saving in cost of procuring new equipment/contribution to budget dependent on PCT agreement.</i></p>	<p>The high risks indicated with regard to reduction of the Integrating Community Equipment Services (ICES) budget were highlighted (CH11). Concern was expressed that savings in this area might lead to a poor service. But, Members were advised that it will be possible to make efficiencies and agreement from the PCT to contribute towards the administration budget for ICES (CH23) will contribute to this. Therefore, the risks are seen as reasonable by the Department and the service performance will be monitored.</p>	<p>Noted.</p>
Budget Reference	Specific proposal	Scrutiny response	Cabinet Feedback

CH24	<p>High Path/All Saints service developments: <i>Continued developments of outreach and community resource services will bring together the staffing resource of High Path and All Saints, enabling staffing to be reconfigured with associated savings.</i></p>	<p>Some concerns were expressed about the merits and benefits of integrating the services of two centres for services users with varying and different types and levels of need. The issue of staff redundancies already made, although not indicated here, was also raised. It was confirmed that service users have been consulted on the proposals, which would allow the successful services at High Path to be shared with clients at All Saints. There is no intention to force people to change – but a wider range of activities could be offered to more people. The issue of redundancies already made would be looked into.</p>	Noted.
CH27	<p>Reduction in Voluntary Sector grants: <i>Decisions made as a result of application and ranking exercise in which particular projects did not score highly enough to meet threshold for an acceptable grant bid. Two projects, Friends in St Helier and Asian Elderly (Merton Hall Lunch Club) will not be funded after September 2009.</i></p>	<p>Concerns were expressed about these savings and what action and resources might be needed if things went wrong as a result of closure of these projects, since they contribute to the emotional well-being of service users. Organisations such as these grow out of a need in a local area and in the current economic climate it will be difficult for groups to secure alternative funding. Small groups also do not have the resources to enable them to submit strong applications for grant funding. The new process for considering VS grant applications was explained and members were advised that the process had been designed in association with MVSC to be transparent and equitable in relation to best use of public funds.</p>	<p>Time has been given to the affected groups to raise funds from alternative sources and the proposed saving does not commence until September 2009. MVSC is providing support to the affected groups to enable them to respond. MVSC is already assisting the Asian Elderly group to prepare and submit bids to the Lottery Fund. The</p>

			<p>Asian Elderly group is the subject of a reduction in funding in the order of £3k and it will, therefore receive approximately £61k grant funding in 09/10.</p>
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Budget Reference	Specific proposal	Scrutiny response	Cabinet Feedback
	<p data-bbox="339 201 375 1661"><i>At conclusion of the discussion, the following motion was moved, seconded and resolved by the Panel:-</i></p> <p data-bbox="407 254 516 1885">“That this Panel welcomes the general approach of protecting front line services in identifying savings. We especially note that the savings are predominantly targeted on process efficiencies and the rationalisation/restructuring of management personnel within Adult Social Care”.</p>		
	<p data-bbox="558 254 695 1885">Note: Healthier Communities & Older People Panel also asked for further information to be supplied to the Overview and Scrutiny Commission on Saving CH6 – General efficiencies in the area of OP Day Care. It was subsequently clarified that CH6 has been replaced by CH20 – which will involve renegotiating one of the OP day care contracts in relation to voids – which will not entail a service reduction.</p>		
Budget Reference	Specific proposal	Scrutiny response	Cabinet Feedback
			<p data-bbox="777 222 878 506">Cabinet welcomes the feedback arising from Scrutiny</p>

APPENDIX 2(ii)

Outcomes from Overview & Scrutiny Commission – 29 January 2009 (Business Plan and Budget)

Item	OSC comment/recommendation	Cabinet response
Business Plan:-	It was requested that next year's Business Plan should contain fewer, but more relevant, measures.	
Budget:-		
Growth and savings summary analysis - Adult social Care	The significant growth proposed in this area was noted and the increased allocation of resources was commended.	Noted.
EN45 - On and Off Street Parking	Further information on revised parking fees was requested by Sustainable Communities Scrutiny Panel and this information was presented to the Commission. The Commission resolved to recommend that parking permits for on-street parking should increase by 9% for cars 2 and 3, with a compensating reduction for car 1.	Increase permit cost for 1 st car by £5 and by 9% for cars 2 and 3. This will result in additional income of £17k. A further review of permits has been undertaken following this and an additional £53k has been identified.
CSF6 - SEN - deletion of .5 post	Children & Young People Scrutiny Panel had opposed this saving and highlighted this at the Commission meeting, where opposition to the deletion of this post was confirmed.	Cabinet discussed this saving but decided to proceed with it.

Item	OSC comment/recommendation	Cabinet response
CSF17 - Youth and Inclusion Service – foregoing growth in Youth Service for 2009/10	<p>Children & Young People Scrutiny Pane had expressed strong concerns about this proposal.</p> <p>The Commission resolved to reject the proposal to forego growth in 2009/10, as developing and improving the youth service is considered to remain a worthwhile objective.</p>	Cabinet considered the comments of Scrutiny but decided that taking into account the refurbishment of the youth centres, combined with the revenue growth, there have been significant improvements in the outputs for this service and no change is proposed.
CSS47 – Local Taxation and Benefits Admin – deletion of 1 fte Visiting Officer	Corporate Capacity Scrutiny Panel had resolved to express its concern to the Commission on the level of risk and potential detrimental impact of this proposed saving on vulnerable people. The Commission endorsed this view and concern.	Cabinet has been assured that there should be no detrimental impact on vulnerable people due to other changes within this service. There will be regular reports to the Corporate Capacity Scrutiny Panel on progress. As a result no change to the saving is proposed.
Technical and Corporate Adjustments:-	<p>The Commission Chair made the point that savings made through technical adjustments have to be replaced the following year. The following adjustments were highlighted in particular, totalling almost £3m:-</p> <p>Collection fund (£0.780m) Use of Section 117 (£0.741m) VAT refund from HMRC (£0.350m)</p>	Noted.

<p>Item</p> <p>Local Authority Business Growth Incentive (LABGI)</p>	<p>Use of LABGI (£1.106m)</p> <p>OSC comment/recommendation</p> <p>Concern had been expressed by Corporate Capacity Scrutiny Panel about the use of this fund for purposes other than supporting local businesses, particularly in light of the current economic climate. The Commission was advised that the Economic Redevelopment Team had approved the use of the money in this way, but the view was expressed that this is very disappointing and consideration should be made to using General Fund reserves instead.</p>	<p>Cabinet response</p> <p>The 2009/10 budget LABGI proposal deals only with the remaining tranche of LABGI funds. Of the first two tranches, £338k was committed to business support and economic development initiatives including Mitcham Means Business, financial inclusion projects, the Action Plan for Raynes Park and town centre management. Even though the current budget proposal will direct some LABGI funding into the general revenue budget, this budget has been, and will continue to be, used for business support initiatives, including the BID programme and some shop front improvement schemes. The use of some LABGI funding for the general revenue budget will in fact indirectly assist businesses by keeping council tax increases lower than would otherwise be the case and thus increase disposable income for Merton residents.</p>
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<p>Capital Programme:- £40k for WiFi extensions in 2009/10 and 2010/11</p>	<p>It was resolved to recommend that this capital growth item is unnecessary and should be removed until a business case has been drawn up.</p>	<p>Retain in Capital Programme subject to a Business Case being prepared before resources are released.</p>
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Local Government Finance Settlement 2009/10 and 2010/11

The 2009/10 local government finance settlement and an indicative 2010/11 settlement were announced on 26 November 2008, by John Healey MP, Minister for Local Government. As part of the current system of three-year settlements, indicative settlements for 2009/10 and 2010/11 were announced at the same time as the 2008/09 settlement (24 January 2008). The final Settlement was announced on 21st January 2009

The total level of Aggregate External Finance (AEF) the Government provides to local authorities will increase by 4.2% in 2009/10 and 4.4% in 2010/11. AEF is the total level of revenue support the Government provides to local authorities for their core functions. This support is made up of Revenue Support Grant, police grant, area based grant, specific grants and the amount distributed from business rates.

Boroughs' formula grant figures for 2009/10 or 2010/11 have not changed since January 2008. As indicated previously, Merton's funding is at the "floor", the minimum available along with 23 other London boroughs. The position is summarised in the following table:-

Change in Formula Grant %	2009/10	2010/11
Merton	1.75%	1.5%
London boroughs	2.0%	1.8%
London inc. GLA	2.1%	2.0%
England	2.8%	2.6%

Therefore , Merton's formula grant for 2009/10 and 2010/11 is as currently assumed within the MTFs and is as follows:-

Formula Grant	2009/10 £m	2010/11 £m
Merton	66.751	67.733

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

	2009/10 £m	2010/11 £m	2011/12 £m
Increase in Formula Grant	(0.962)	(1.168)	0.000
Inflation	6.622	6.709	6.764
Shortfall	5.660	5.541	6.764

For the purposes of MTFFS Merton's formula grant for 2011/12 is assumed to be at the same level as for 2010/11. i.e. zero increase to take into account the announcement in the Pre-Budget Report of a reduction in government expenditure.

The government reiterated the expectation that average council tax increases in 2009/10 should be substantially below 5%, and that they will not hesitate to use capping powers to protect council tax payers from excessive increases above the 5% level.

THE COLLECTION FUND

1. Introduction
 - 1.1 The Collection Fund is a statutory fund separate from the General Fund. It accounts for income from Council Tax, including those properties within the Wimbledon and Putney Commons Conservators area, on behalf of those bodies for which the income has been raised. These bodies are the Council and the Greater London Authority (which includes the services of the Metropolitan Police and the London Fire and Emergency Planning Authority (LFEPA)).
 - 1.2 The Council's demand on the Collection Fund is by its General Fund. The Greater London Authority's demand is expressed as a precept.
 - 1.3 Any surplus or deficit on the Collection Fund is shared between, or charged to, the Council and its preceptors in proportion to their demands upon the Collection Fund.
 - 1.4 The Collection Fund also accounts for National Non-Domestic Rates, which it receives from businesses and pays into a national pool that is administered by the Government. These transactions have no overall effect on the balance on the Collection Fund.
2. The Council Tax Base
 - 2.1 The basic data used to compile the Council Tax base is provided by the District Valuer, which is part of the Inland Revenue service. The data for 2009/2010 is collected and presented to this Authority as at 6th October 2008. This raw data is adjusted to reflect -
 - a) Properties which are exempt from Council Tax;
 - b) Properties where there is a reduction by virtue of relief for persons with disabilities;
 - c) Dwellings entitled to the single persons discount;
 - d) An estimate of net additional new properties likely to be added to the Valuation List during 2009/2010
 - e) A reduction to reflect anticipated losses on collection
 - 2.2 The adjusted property list is converted to the equivalent of Band D properties by applying a factor, which expresses the relationship between Band D and all other bands (for example if Band D is equal to 1, properties in Band A represent six-ninths of Band D and properties in Band H are reflected as 2 x Band D).

- 2.3 In 2008/09, the total properties before adjustment amounted to 79,033, which converted to a tax base of 72,637.2. In 2009/10, the total number of dwellings on the Valuation List before adjustment amounts to 79,697 which converts to a tax base of 73,027.
- 2.4 The table below shows the analysis of the tax base for 2009/10 and its comparison with 2008/09 analysed over Bands A – H.

Bands	Council Tax Base 2008/09	Council Tax Base 2009/10
Band A	583.8	568.2
Band B	4,959.2	4,986.3
Band C	15,212.7	15,517.6
Band D	23,332.4	23,374.4
Band E	13,954.3	13,936.6
Band F	6,170.7	6,169.6
Band G	5,747.3	5,764.3
Band H	2,676.8	2,710.0
Total	72,637.2	73,027.0

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 2009/10 is £74.239m. 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 2009/10, the estimated amount of discretionary rate relief used to reduce the contribution to the Business Rates pool is £0.171m.

- 3.6 The allowances for expected losses on collection of £0.815m and for the costs of collection, £0.294m are both calculated in accordance with Government Regulations.
- 3.7 The effect of the discretionary rate relief (£0.171m) and the allowance for losses and costs of collection (£1.109m) is to reduce the net amount payable to the national pool to £72.959m. The sum to be received from the National Pool will be £54.233m.

The uniform business rate poundage for 2009/10 has been set by the Government at 48.1 pence in the pound for small properties (defined as those with a rateable value under £21,500 in London or under £15,000 outside London). For properties with a rateable value of £21,500 or over in London or £15,000 outside London, the rate poundage has been set at 48.5 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 2009, 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 2009/10.

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 2009/10 budgets for the Greater London Authority and the four functional bodies on 11th February 2009.

SUMMARY OF CORPORATE AND TECHNICAL ADJUSTMENTS IN THE MTFS

	Non-Schools	Non-Schools	Non-Schools
TECHNICAL & CORPORATE ADJUSTMENTS:	2009/10	2010/11	2011/12
	£m	£m	£m
Inflation	5.942	7.223	6.764
Borrowing, Investment & Debt Management Strategy	2.212	2.674	2.500
Collection Fund	(0.780)	0.722	(0.027)
Waste Management Strategy	1.363	0.996	0.776
Reduction in income arising from P3/P4 & Land Charges	0.062	0.470	0.200
Contracts & Legislative requirements	0.972	0.050	0.000
Grants transferred into Formula Grant from specific grant	(0.049)	(0.019)	0.000
Use of Section 117	(0.741)	0.741	0.000
Release of base budget Contribution to balances	(1.000)	0.000	0.000
VAT reductions	(0.400)	0.350	0.000
Invest to Save – Office Accommodation closure	0.000	(0.050)	0.000
Use of LABGI	(1.106)	1.106	0.000
Maintenance of Land previously within the HRA	0.153	0.000	0.000
Implications of Housing Stock Transfer	0.000	0.500	0.000
Increase in contingency to meet increased risks and pressures	0.400	0.000	0.000
Corporate and Technical Adjustments	7.028	14.763	10.213

APPENDIX 6

TRANSITION FROM BUDGET GAP AT COUNCIL 5th MARCH 2008 TO CURRENT POSITION

	£m	£m
Budget Gap 2009/10 as at Council in March 2008		10.251
Inflation - Pay	(0.440)	
Inflation on utilities	0.596	
Inflation on Care Homecare contracts	0.634	
Adjustment in Freedom Passes apportionment of costs	(1.884)	
Borrowing, Investment and Debt Management Strategy	0.178	
Collection Fund surplus	(0.900)	
Use of LABGI	(1.106)	
Waste Management Strategy	(0.219)	
Local Land Charges	0.100	
Parking Income adjustment P3/P4	(0.470)	
Adult Social Care - increase in Placements	0.922	
Use of Section 117 provision	(0.741)	
Savings in VAT	(0.400)	
Increase in levies	0.054	
Maintenance of land previously within the HRA	0.153	
Addition to Contingency	0.400	
Release of base budget contribution to balances	(1.000)	
Release of unallocated growth	(0.600)	
Resources from increased Council Tax base	(0.425)	
C&H: Non-achievement of savings brought forward	0.670	
Savings proposals	(6.546)	
Growth proposals	2.766	
		(8.258)
Gap		1.993
Additional resources from Council Tax increase (2.5%)		(1.993)
Balanced Budget		0.000

APPENDIX 7

STATEMENT OF COUNCIL TAX REQUIREMENTS AND BALANCES

	ORIGINAL BUDGET 2008/09	ORIGINAL BUDGET 2009/10	2008/09 Band D Council Tax Equivalent £	2009/10 Band D Council Tax Equivalent
	£m	£m	£	£
<u>Merton</u>				
Net Cost of General Fund Services	142.280	147.123	1,958.78	2,014.64
Contingency	1.600	2.000	22.03	27.39
	143.880	149.123	1,980.81	2,042.03
<u>Levies</u>				
Lee Valley	0.222	0.225	3.06	3.08
London Pensions Fund	0.306	0.358	4.21	4.90
Environment Agency	0.147	0.146	2.02	2.00
Total Levies	0.675	0.729	9.29	9.98
TOTAL BUDGET (before balances, etc adjustment)	144.555	149.852	1,990.10	2,052.01
<u>Provisions, Contributions and Balances</u>				
Contribution to/(from) General Fund Balances	1.000	0.000	13.77	0.00
TOTAL BUDGET REQUIREMENT	145.555	149.852	2,003.87	2,052.01
<u>Less: Central Government Support</u>				
Government (Formula) Grant:				
Revenue Support Grant	(8.022)	(12.518)	(110.44)	(171.42)
National Non-Domestic Rates	(57.630)	(54.233)	(793.40)	(742.64)
Total Government (Formula) Grant:	(65.652)	(66.751)	(903.84)	(914.06)
Contribution to/(from) Collection Fund	(0.620)	(1.400)	(8.54)	(19.17)
Merton - COUNCIL TAX FUNDING REQUIREMENT	79.283	81.701	1,091.49	1,118.78
<u>Greater London Authority Precept</u>				
Metropolitan Police Authority	16.490	16.383	227.02	224.34
London Fire and Emergency Planning Authority	3.665	3.900	50.46	53.41
Other Services	2.349	2.342	32.34	32.07
Greater London Authority Precept	22.504	22.625	309.82	309.82
TOTAL COUNCIL TAX REQUIREMENT	101.787	104.326	1,401.31	1,428.60

APPENDIX 8

UPDATED MEDIUM TERM FINANCIAL STRATEGY 2009-12

If the MTFS is updated for the latest information set out in this report, and assuming a council increase of 2.5% in 2009/10, the position is as set out in the following table:-

	Forecast 2009/10 £m	Forecast 2010/11 £m	Forecast 2011/12 £m
Revenue Budget brought forward from previous year	144.935	148.452	149.434
Less: Levies	(0.675)	(0.729)	(0.788)
Revenue Budget brought forward exc. levies	144.260	147.723	148.646
Technical and Corporate adjustments (See Appendix 5)	7.028	14.763	10.213
Savings b/f (including full year effects of 2007/08)	(0.778)	(0.540)	0.000
Growth b/f (including full year effects of 2007/08)	0.993	0.214	0.000
Forecast Budget Requirement (inc. Growth and Savings)	151.503	162.160	158.859
Add: Levies	0.729	0.788	0.826
Forecast Budget Requirement	152.232	162.948	159.685
Formula Grant (RSG and Business Rates)	66.751	67.733	67.733
Council Tax (2.5% in 2009/10, 0% in 2010/11 & 2011/12)	81.701	81.701	81.701
Total Resources	148.452	149.434	149.434
Revised Gap (before savings) and any Council Tax increase	3.780	13.514	10.251
Savings/Income proposals	(6.546)	(0.191)	0.248
Revised Gap after Savings/Income	(2.766)	13.323	10.499
Growth agreed to date	2.766	1.204	1.475
Revised Gap after Savings/Income and Growth	0.000	14.527	11.974

**REVENUE RESERVES
Work in Progress: Required by SORP**

Name of Reserve	Opening balance 01/04/08 £000	Expected additions/ (withdrawals) 2008/09 £000	Closing balance 31/03/09 £000	Expected additions/ (withdrawals) 2009/10 £000	Closing balance 31/03/10 £000	Reason/ Purpose for which the reserve is held
<u>SCHOOLS RESERVES</u>						
DSG Reserve	1,238	(1,238)	0	0	0	Ring fenced grant used in support of the authority's Schools Budget
Schools' PFI Balance – unapplied PFI credits	3,061	229	3,290	240	3,530	Fund unapplied PFI credits to meet costs of the schools PFI scheme.
Schools Single Status	732	381	1,113	(1,113)	0	Sums set aside from the DSG grant for meeting costs of single status, backdated element of changes to pay & conditions for staff.
Permanently excluded pupils	399	(379)	20	0	20	Two reserves included.
						1. Permanently excluded pupils, where schools permanently exclude pupils an amount is deducted from their delegated grant
						2. Education Reserve, used to fund Education specific expenditure, mainly projects running over a few financial years
Schools delegated balances	5,125	?	5,125	?	5,125	These are the cumulative working balances that schools carry forward from/to the next year on their delegated budgets.
Schools Standard Fund balance	1,225	0	1,225	0	1,225	Matching Reserve to reflect the financial year and academic year.
Contribution to Schools Standards Fund	53	0	53	0	53	LA funded contribution to match-funded standards funds.
TOTAL: SCHOOLS RESERVES	11,833	(1,007)	10,826	(873)	9,953	

Name of Reserve	Opening balance 01/04/08	Expected additions/ (withdrawals) 2008/09	Closing balance 31/03/09	Expected additions/ (withdrawals) 2009/10	Closing balance 31/03/10	Reason/ Purpose for which the reserve is held
RESERVES HELD BY NON-SCHOOL SERVICES> £100k						
Single Status	1,479	619	2,098	(2,098)	0	Sums set aside for meeting costs of single status, backdated element of changes to pay & conditions for staff.
Local Authority Business Growth Incentive Scheme	1,969	0	1,969	(1,597)	372	Reserve set aside for future use
Business Investment Fund	340	?	340	?	340	Fund for long term loans to businesses
Transformation / Outstanding Council Programme Board	880	(306)	574	(574)	0	Reserve for efficiency transformation of the Council.
Waste and recycling reserve	225		225		225	Transfer re Waste Performance efficiency grant part of a Local Area Agreement
Repairs Fund	200	0	200	0	200	To fund any unexpected and unfunded repair and/or maintenance expenditure to Council buildings
Agency reserve	100	(100)	0	0	0	To meet outstanding liabilities to Hays at 31/03/08
General Fund balance	10,394	1,000	11,394		11,394	The General Fund balance can be seen as the authority's working balance.
HRA balance	2,638	(1,001)	1,637	0	1,637	HRA working balance
Collection Fund	2,548	(1,148)	1,400	(1,400)	0	Statutory Fund which accounts for income from Council Tax and NNDR on behalf of the Council and GLA.
TOTAL: RESERVES HELD BY NON-SCHOOL SERVICES> £100k	20,773	(936)	19,837	(5,669)	14,168	

Name of Reserve	Opening balance 01/04/08	Expected additions/ (withdrawals) 2008/09	Closing balance 31/03/09	Expected additions/ (withdrawals) 2009/10	Closing balance 31/03/10	Reason/ Purpose for which the reserve is held
<u>TOTAL: RESERVES HELD BY NON-SCHOOL SERVICES< £100k</u>	352	(14)	338	(1)	337	
<u>TOTAL: RESERVES HELD BY NON-SCHOOL SERVICES</u>	21,125	(950)	20,175	(5,670)	14,505	
<u>TOTAL: RESERVES</u>	32,958	(1,957)	31,001	(6,543)	24,458	

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SAVINGS AND GROWTH ANALYSIS

1.	<u>SAVINGS:</u>	2009/10	2010/11	2011/12
		£000	£000	£000
A1	Income Increase	(1,470)	(185)	0
B1	Savings Efficiencies - People	(2,561)	44	(43)
C1	Savings Efficiencies - Process	(908)	(38)	291
D1	Savings Efficiencies - Procurement / Contracts	(368)	(12)	0
E1	Savings Efficiencies - Property	(121)	0	0
F1	Changes in Legislative Requirements	(68)	0	0
G1	Front Line Service Reduction	(1,050)	0	0
	SAVINGS:	(6,546)	(191)	248
2.	<u>GROWTH:</u>	2009/10	2010/11	2011/12
		£000	£000	£000
A2	Income Decrease	270	0	0
B2	Growth - People	184	(45)	(30)
C2	Growth - Process	121	5	0
D2	Growth - Procurement / Contracts	1,482	954	1,155
E2	Growth - Property	40	0	0
F2	Changes in Legislative Requirements	54	0	0
G2	Front Line Service Increase	615	290	350
	GROWTH:	2,766	1,204	1,475
3.	<u>NET:</u>	2009/10	2010/11	2011/12
		£000	£000	£000
A1-A2	Net Income Increase/(Decrease)	(1,200)	(185)	0
B1-B2	Net Efficiencies - People: Savings/(Growth)	(2,377)	(1)	(73)
C1-C2	Net Efficiencies - Process: Savings/(Growth)	(787)	(33)	291
	Net Efficiencies - Procurement/contracts:	1,114	942	1,155
D1-D2	Savings/(Growth)			
E1-E2	Net Efficiencies - Property: Savings/(Growth)	(81)	0	0
	Net Changes in Legislative Requirements:	(14)	0	0
F1-F2	Savings/(Growth)			
G1-G2	Net Front Line Service: Savings/(Growth)	(435)	290	350
	NET:	(3,780)	1,013	1,723

SUMMARY OF 2009/10 RISKS

DELIVERABILITY RISK	High	0.00% (0.0% 2008/09)	11.27% (1.4% 2008/09)	3.30% (27.9% 2008/09)
	Medium	4.90% (8.1% 2008/09)	32.94% (19.9% 2008/09)	8.13% (2.2% 2008/09)
	Low	23.07% (33.8% 2008/09)	9.61% (5.8% 2008/09)	6.78% (0.9% 2008/09)
		Low	Medium	High
		REPUTATIONAL RISK		

**BUDGET 2009/10: INDICATIVE ANALYSIS BY CABINET PORTFOLIO
SUMMARY**

Portfolio	Budget 2008/09 £000	Corporate and Technical adjustments	Savings 2009/10 inc. b/f from previous years	Growth 2009/10 inc. b/f from previous years	Budget 2009/10 £000
Corporate Resources Portfolio	21,856	2,131	(2,117)	297	22,167
Children's Services Portfolio	34,744	473	(651)	560	35,126
Community Safety and Engagement Portfolio	3,032	191	(288)	25	2,960
Community Services Portfolio	5,204	232	(217)	137	5,356
Environment Portfolio	23,373	1,766	(600)	25	24,564
Planning & Traffic Management Portfolio	4,439	554	(1,439)	300	3,854
Regeneration Portfolio	2,119	45	(260)	-	1,904
Total: Community and Housing Portfolio	50,168	1,690	(1,752)	2,415	52,521
TOTAL	144,935	7,082	(7,324)	3,759	148,452

NB: The final analysis of gross expenditure and income may vary from the figures shown above as a result of transfer of Learning Disability funding, use of reserves and apportionment of overheads.

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SUMMARY OF GROWTH BY DEPARTMENT			
SAVINGS	2009/10	2010/11	2011/12
	£000	£000	£000
Chief Executive's	8	0	0
Corporate Services	224	5	-30
Children, Schools and Families	515	285	350
Environment & Regeneration	345	10	-85
Community and Housing	1,674	904	1,240
TOTAL	2,766	1,204	1,475

Panel	Ref	Description of Growth	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Type of Growth (see key)
CC	CEG2	<p>Decision Package Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>		5			C2
		<p>Policy, Partnerships & Performance</p> <p>Fund to pay for support for publicity and promotion related to Community Forums</p> <p>If the Council wishes to make a success of the Community Forums then it is recommended that a small fund is set up to pay for publicity and promotion</p> <p>None</p> <p>Would assist to meet more aspirational 'involvement' targets in 2009-12 business plan under M4M 'Opportunity' theme</p> <p>None</p> <p>Would pay for publicity and promotion targeted at hard to reach groups or groups not otherwise currently involved.</p>					
CC	CEG3	<p>Decision Package Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>		3			C2
		<p>Policy, Partnerships & Performance</p> <p>Accreditation costs for the Equalities Framework</p> <p>Assessment against the Equalities Framework will give the council a judgement on how well equalities considerations are embedded within service delivery</p> <p>One additional staffing post has been agreed to support the first few years of the project, fixed term for three years to end March 2011. After this services should have the skills to maintain performance and reassessment within their existing staffing resources.</p> <p>Failure to make the funding available will affect our Business Plan target to gain accreditation of all front lines services in line with our priorities for 2009/10 onwards</p> <p>Without the money departments would have to fund their own accreditation costs which would impact on the number of services being accredited and would also be seen as a lack of corporate support (a key element of the accreditation process)</p> <p>Will support and reinforce equalities agenda in respect of service delivery</p>					
Total Chief Executives Growth for 2009-2012				8	0	0	

Panel	Ref	Description of Growth	2009/10 £000	2010/11 £000	2011/12 £000	Type of Growth (see key)
CC	CSG1	<p>Decision Package Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	20			E2
CC	CSG2	<p>Decision Package Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments Equalities Implications</p>	50			C2
CC	CSG3	<p>Decision Package Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments</p>	20			E2

Panel	Ref	Equalities Implications	Description of Growth	2009/10 £000	2010/11 £000	2011/12 £000	Type of Growth (see key)
		None					

Panel	Ref	Description of Growth			2009/10 £000	2010/11 £000	2011/12 £000	Type of Growth (see key)
CC	CSG7	<p><u>I.T.</u> Additional fund to support the introduction and support of disaster recovery (DR) systems</p> <p>To provide a DR site, together with facilities to support a business continuity arrangement</p> <p>To allow staff to provide statutory and 'life and limb' services in case of a major failure of the computer room resulting in a prolonged outage</p> <p>No direct implication</p> <p>Will support all departments to provide their basic services until full service is restored</p>			50			C2
CC	CSG8	<p><u>I.T.</u> Funds to secure sign-on tokens to comply with government's code of connection. The initial estimate is that all home / mobile and those directly associated with care services will require a token.</p> <p>This will allow Merton to comply with the government's code of connection</p> <p>No direct staff implications</p> <p>Will be part of safer communities them. Any department that requires a connection for secure email e.g. legal, social care, planning, finance) will require a secure sign-on token.</p> <p>All mobile / home workers will require a token</p> <p>None</p>			5			F2
CC	CSG9	<p><u>I.T.</u> Web proxy server additional maintenance charges after upgrading the existing EOL machines</p> <p>Maintenance to support live service</p> <p>None</p> <p>Security of infrastructure</p> <p>None</p>			4			C2

Panel	Ref	Description of Growth	2009/10 £000	2010/11 £000	2011/12 £000	Type of Growth (see key)
CC	CSG10	<p>Decision Package Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>I.T. WiFi annual maintenance Wifi is gradually being introduced to support mobile working and hard to cable areas (such as Council chamber and staff club). Staff mobility supported Accommodation project supported via wifi None</p>	5	5		C2
CC	CSG11	<p>Decision Package Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>I.T. Network control switch (Sidewinder firewall) – annual maintenance from new switches On-going infrastructure support None</p>	12			C2
Total Corporate Services Growth for 2009-2012			224	5	-30	

Panel

LC

CC

H&CC

R&PR

Type of Growth

A2

Income Decrease

B2

Growth - People

C2

Growth - Process

D2

Growth - Procurement / Contracts

E2

Growth - Property

F2

Changes in Legislative Requirements

G2

Front Line Service Increase

Panel	Ref	Description of growth	2009/10 £000	2010/11 £000	2011/12 £000	Type of Growth (see key)
LC	CSF 1	<p>Description - Service Implication - Business Plan Implications Impact on other departments Staffing Implications - Equalities Implications -</p>	40			G2
		<p>0.5fte 14-19 Consultant Required to support development of 6th forms and broader 16+ offer Improving standards and increasing choice in Merton schools are BP and CYPP priorities N/A</p> <p>0.5wte additional post required New 6th forms will increase access to this phase of education for young people who have not previously remained in post 16 provision eg through increased level one offer</p>				
LC	CSF 2	<p>Description -</p> <p>Business Plan Implications Impact on other departments Staffing Implications -</p>	60	(60)		G2
		<p>16+ Education Commissioner LAs are to take over the commissioning of post 16 provision from the LSC. Additional funds are likely to be available from 2010-11. For 2009-10, however, temporary funding is required to provide capacity to undertake commissioning 'shadow' role alongside LSC Post 16 provision is a key element of Merton's strategy to improve standards and choice in education provision in the borough N/A</p> <p>1 wte temporary post for one year only Post 16 provision is a key element of Merton's strategy to improve standards and choice in education in the borough</p>				
LC	CSF 3	<p>Description - Service Implication -</p> <p>Business Plan Impact on other Staffing Implications - Equalities Implications -</p>	350	350	350	G2
		<p>New duties towards looked after children Implementation of the Children and Young People Bill will lead to significant budget pressures within LAC/Care Leaver services. Placement costs will increase significantly as young people will remain in care beyond their 18th birthdays. Leaving Care services will also need to be enhanced. New legislation - Assumed 5 additional children per annum N/A Additional foster carers and social workers will be needed LAC/Care Leavers are a key equalities group nationally and locally</p>				

Panel	Ref	Description of growth	2009/10 £000	2010/11 £000	2011/12 £000	Type of Growth (see key)
LC	CSF 4	<p>Description - Service Implication -</p> <p>Business Plan Impact on other Staffing Implications - Equalities Implications -</p> <p>Description - Service Implication -</p> <p>Business Plan Impact on other Staffing Implications - Equalities Implications -</p>	40			F2
LC	CSF 5	<p>Description - Service Implication -</p> <p>Business Plan Impact on other Staffing Implications - Equalities Implications -</p> <p>Description - Service Implication -</p> <p>Business Plan Impact on other Staffing Implications - Equalities Implications -</p>	20			G2
LC	CSF 6	<p>Description -</p> <p>Service Implication -</p> <p>Business Plan Impact on other Staffing Implications - Equalities Implications -</p>	5	-5		D2
Total Children, Schools and Families Growth for 2009-2012			515	285	350	

Type of Growth

- A2 Income Decrease
- B2 Growth - People
- C2 Growth - Process
- D2 Growth - Procurement / Contracts
- E2 Growth - Property
- F2 Changes in Legislative Requirements

Panel	Ref	Description of growth	2009/10 £000	2010/11 £000	2011/12 £000	Type of Growth (see key)
G2		Front Line Service Increase				

Panel	REF	Description of Growth	2009/10 £'000	20010/11 £'000	2011/12 £'000	Type of Growth (see key)
SC	EG1	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	270			A2
		<p><u>On and Off Street Parking</u></p> <p>Loss of income arising from the removal of the Hartfield Road Bus Lane. Penalty Charge Notice income will be considerably reduced as a result of the removal of the bus lane. None Apart from the impact on income recovery, there will be a minimum effect on the flow of traffic but a positive impact on service delivery to residents. None None</p>				
SC	EG2	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	75	10	-85	D2
		<p><u>Leisure Centres</u></p> <p>The council must tender for a new long term leisure centre contract to commence operation on 1st Dec 2010. Specialist legal and technical advice will be required. It is essential that this contract is retendered; the current (extended) contract expires in November 2010 and it would break EU requirements to extend it again. The only other option would be to close the leisure centres. None See above None Leisure Centres are significant contributors to targets relating to sporting participation and health.</p>				
Growth Environmental Services			345	10	-85	

Panel	Ref	Priority Stat Non Stat	Description of Growth	2009/ 10 £000	2010/ 11 £000	2011/ 12 £000	Type of Growth (see key)
HC&OP	CHG1		<p>Description - Service Implication -</p> <p>Staffing Implications - Business Plan implications Impact on other departments Equalities Implications -</p>	43			B2
			<p>Support all service areas: Safeguarding Worker CSCSI recommendation. Due to high increase in SA referrals, require specialist in this area of work to track cases, provide advice and support to staff and take on a hands on a more direct role when necessary. 1 FTE This is a high priority area of work. None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p>				
HC&OP	CHG2		<p>Description - Service Implication -</p> <p>Staffing Implications - Business Plan implications Impact on other departments Equalities Implications -</p>	34			B2
			<p>OP General: Review Team, Older People Services Essential in terms of enhancing Safeguarding of clients, monitoring of providers. Essential in order to meet PAF/RAP requirements and supports ongoing work to ensure appropriate targeting of resources and achieving greater efficiencies in deployment of resources. 1 x FTE Review Officers This is a high priority area of work. None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p>				
HC&OP	CHG3		<p>Description - Service Implication -</p> <p>Staffing Implications - Business Plan implications Impact on other departments Equalities Implications -</p>	50			B2
			<p>Joint Public Health consultant post. This is a joint commissioned post with the PCT to procure Public Health services. 50% funding of commissioning post. Needed to deliver changes identified through Putting People First. None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p>				

Panel	Ref	Priority Stat Non Stat	Description of Growth	2009/10 £000	2010/11 £000	2011/12 £000	Type of Growth (see key)
HC&OP	CHG4		<p>Description -</p> <p>Demographic Growth in Placements: LD 1,186 PD 284 OP 91 MH 267 Discretionary -9 No recourse to public funds 235 Inflation above 1.5% 4</p> <p>LD 82 PD 32 OP 422 MH 27 No recourse to public funds 4 MTFS contractual above Inflation adjustment -794 MTFS growth agreed for 2008/09 -275 MTFS technical adjustment agreed for 2008/09 -922 Inflation agreed on contracts to the end of the year 300 Unachieved income 472</p> <p>Service Implication - This relates to the increase in service users; increase in intensity of care required in some cases and the reduction in service requirements in other cases; and the above 1.5% inflation requirement. None</p> <p>Staffing Implications - Business Plan implications Impact on other departments Equalities Implications - 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.</p>	1,186 284 91 267 -9 235 4 82 32 422 27 4 -794 -275 -922 300 472 1,402	974 260 259 1 -14 4 112 59 351 32 -804 -285 949	1,008 205 216 13 -15 4 137 67 375 34 -804 1,240	B2 & D2

Panel	Ref	Priority Stat Non Stat	Description of Growth	2009/ 10 £000	2010/ 11 £000	2011/ 12 £000	Type of Growth (see key)
SC	CHG4		Description	45	-45	0	B2
			Service Implications	<p>Supporting People Team - A full time post is required to undertake work on developing and commissioning a framework in preparation for re-tendering of Supporting People Contracts which will start in 2009. Need to re-tender contracts to ensure private landlords let flats/rooms to vulnerable adults who are ready to live more independently. This links with NI 141 (target in LAA) If a new post cannot be appointed it will affect current contracts and payment of grant and impact on the ability to meet the national indicator target.</p>			
			Staffing implications Business Plan implications Impact on other departments Equalities implications	<p>One additional post is required as the existing staff are working to capacity Will support grant and contractual obligations and the development of service and VfM. Could lose joint funding and if providers of supported accommodation this would impact on other budgets in Housing, Children, Schools and Families and Community Care. None.</p>			
SC	CHG4		Description	60	0	0	G2
			Service Implications	<p>Increased temporary accommodation budget. In 2007/2008 the budget was overspent by £60K and this is likely to be a continuing trend based upon current levels of homelessness. If we see an increase in homelessness episodes for the reasons detailed in this report there will be further implications for the housing general fund. This growth item will help minimise the risk of an overspend on the homelessness budget. This is a statutory service and demand is dependant on factors outside our control e.g. economic downturn.</p>			
			Staffing implications Business Plan implications Impact on other departments Equalities implications	<p>None Little impact None None</p>			
SC	CHG6		Description	40	0	0	G2
			Service Implications	<p>Rent Deposit Rent Deposit provides an alternative to admission into temporary accommodation. Thus reducing the demand upon temporary accommodation budget.</p>			
			Staffing implications Business Plan implications Impact on other departments Equalities implications	<p>None Little Impact None None</p>			
Total Community and Housing Growth for 2009-2012				1,674	904	1,240	

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SUMMARY OF SAVINGS BY DEPARTMENT

SAVINGS	2009/10	2010/11	2011/12
	£000	£000	£000
Chief Executive's	293	0	0
Corporate Services	1,639	12	43
Children, Schools and Families	732	0	0
Environment & Regeneration	2,480	179	(191)
Community and Housing	1,402	0	(100)
TOTAL	6,546	191	(248)

Panel	Ref	Description of Growth	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Growth (see key)
CC	CES1	Decision Package Description Service Implication		50			Low	Low	B1
		Staffing Implications Business Plan implications	None - the new Performance and Business Improvement Team will work more closely with Finance, and the CFOs in particular, to analyse spend and account for efficiency savings for the new national PI. Loss of a post, but post currently vacant.						
		Impact on other departments Equalities Implications	No impact on existing targets, but will want to ensure that there is capacity to measure and provide an audit trail. None other than working more closely with Finance, which is already being worked on.						
		Policy, Partnerships & Performance Delete PO6 Post of Principal Accountant previously allocated to the BEST team							
CC	CES2	Decision Package Description Service Implication Staffing Implications Business Plan implications		24			Low	Low	C1
		Impact on other departments Equalities Implications	Release of budget set aside to 'pump prime' efficiency projects This is superseded by the wider Efficiency Project None None There will no longer be this fund to use to pump prime efficiency projects. However, this is superseded by the Council-wide efficiency project						
		Policy, Partnerships & Performance Deletion of PO3 post in Performance and Business Improvement Team							
		Staffing Implications Business Plan implications	None - this is now released as part of the restructuring of the team None - the post is vacant following the restructuring of the team.						
CC	CES3	Decision Package Description Service Implication Staffing Implications Business Plan implications		44			Low	Low	B1
		Impact on other departments Equalities Implications	None None None None						
		Policy, Partnerships & Performance Invest to save - Category Manager in order to save on related expenditure							
		Staffing Implications Business Plan implications	Reduction in publications, leaflets etc - will need to make strategic decisions about what is not important One additional staff member						
CC	CES4	Decision Package Description Service Implication Staffing Implications Business Plan implications		90			Medium	Medium	C1
		Impact on other departments Equalities Implications	None Reduction in publications, leaflets etc None						
		Corporate Communications Invest to save - Category Manager in order to save on related expenditure							
		Staffing Implications Business Plan implications	Reduction in publications, leaflets etc - will need to make strategic decisions about what is not important One additional staff member						

Panel	Ref	Description of Growth	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Growth (see key)
CC	CES5	<p>Decision Package Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Safer Merton New working arrangements within CCTV Dependant on Council agreeing single status. No staff losses. Recruitment to full capacity on new single status terms and conditions. None None None</p>		20			Low	Low	B1
CC	CES6	<p>Decision Package Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Safer Merton Increase CCTV income None None None None None</p>		2			Low	Low	A1
CC	CES7	<p>Decision Package Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Safer Merton Charge cost of CCTV and Wardens service on Housing estates to HRA None if HRA agree to the suggestion Dependant on HRA response to the suggestion - if negative could result in loss of business from the HRA None None if Stock Transfer gain a 'Yes' vote If HRA decide to abandon the wardens service this will mean the loss of warden patrols on the estates where some of our most vulnerable residents live.</p>		103			Low	Medium	B1/G1
Total Chief Executive's Savings				293	0	0			

Panel

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

Risk

- Low
- Medium
- High

Type of Saving Key

- A1 Income Increase
- B1 Savings Efficiencies - People
- C1 Savings Efficiencies - Process
- D1 Savings Efficiencies - Procurement / Contracts
- E1 Savings Efficiencies - Property
- F1 Changes in Legislative Requirements
- G1 Front Line Service Reduction

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CSS1	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	185	10			Low	Low	B1
CC	CSS2	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	387	20			Low	Low	D1
CC	CSS3	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	10	7			Low	Low	D1
CC	CSS4	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	203	7			Low	Low	D1

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CSS5	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	140	107			Low	Low	E1
		<p>Facilities and Security A reduction in the expenditure for office accommodation, which can be achieved through relinquishing the lease for the 3rd floor offices at Almena House. Relocation of the occupying teams from Athena House back into the Civic Centre. Altering the agreed programme of works will have an adverse impact on the implementation of the office accommodation strategy.</p> <p>None None None None.</p>							
CC	CSS6	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	13	2			Low	Low	D1
		<p>Facilities and Security Charge for lost card keys for the security system. The Facilities section currently spends approximately £7,000 a year on purchasing new blank cardkeys, a large proportion of which (approx 60%) are need to replace cards which are either lost or damaged. It is proposed to initiate a £10 charge to provide users with a replacing lost card keys.</p> <p>None. None. Departmental managers will be expected to provide a cost code to cover the cost of the replacement cardkey and officer time for processing the new card.</p> <p>None</p>							
CC	CSS7	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	1,315	85			Medium	Medium	B1
		<p>FOI Data Protection & Legal To reduce and reorganise administrative support to "fee earning" lawyers. This will reduce the administrative support available to the legal officers. It will also mean that there will be no capacity to assist other teams in Civic and Legal Services eg member services and land charges This will amount to at least 3 FTE redundancies These savings can be achieved without serious detriment to the quality of the legal service but there is a risk that the service will be less resilient. The reduction in support will weaken the resilience of legal but we still hope to offer a satisfactory service. None for customers. For affected staff, the reorganisation will be subject to an Equalities Impact Assessment.</p>							
CC	CSS8	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	1,315	11			Low	Medium	B1
		<p>FOI Data Protection & Legal Delete vacant legal assistant post (0.5 FTE sc4 to 6) The funding for this post has been used to pay overtime to the Senior Property Lawyer due to the workload in that team and the difficulty in recruiting a permanent solicitor for the team. Withdrawing the overtime will have an impact on service delivery unless the current recruitment process of a Property Lawyer is successful.</p> <p>The post is vacant Subject to a successful recruitment process projects involving the property legal team will be affected by the restriction on overtime. Likely impact on capital receipts. Impact mainly on Environment and Regeneration which in turn impacts on their client departments. None</p>							
CC	CSS9	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments	152	12			Low	Low	A1
		<p>Registrars Increased fees for marriages and civil partnerships (27%), and increase fees from lettings (£5k) None None None None</p>							

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
		None							
		Equalities Implications							

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CSS10	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	113	5			Medium	Medium	A1
CC	CSS11	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	0	5			Medium	Medium	A1
CC	CSS12	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	10	10			Low	Low	G1
CC	CSS13	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	265	48			Medium	Low	A1
CC	CSS14	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	265	33			Medium	Low	A1

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CSS15	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	1,302	84			Low	Low	A1
		Local Taxation & Benefits Admin Invest to save – recruit additional member of staff to target HB overpayments Improved performance on HB overpayment recovery Recruit additional member of staff None. None. None.							
CC	CSS16	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	1218	64			Low	Low	A1
		Local Taxation & Benefits Admin Invest to save – recruit additional member of staff to target old Council Tax debts (debts over 1 year old) Improved collection of arrears. Recruit additional member of staff. None. None. None.							
CC	CSS17	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	17	7			Low	Low	C1
		Local Taxation & Benefits Admin Reduction in Training budget. None. Reduction in training/development of staff. None. None. None.							
CC	CSS18	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	2520	3			Low	Low	C1
		Local Taxation & Benefits Admin Change final council tax payment date to 1 st of month - some taxpayers pay on the 18th month - this will move them all to the 1st in line with the majority of taxpayers. None. None. None. None. None. None.							
CC	CSS19	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	64	13			Low	Low	B1
		Local Taxation & Benefits Admin Part vacant posts that have been left vacant. None – some have been vacant for a year. None. None. None. None.							
CC	CSS20	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	151	26			High	High	B1
		Student Support Reduce Service Salary Budget. = 1 fte. Merton has a well established reputation for a being a top 20 student support service providing LA. Our students may be impacted with assessment and payment delays Post occupied by a permanent member of staff None. None. None.							
CC	CSS21	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	442	23			Low	Medium	B1
		Corporate Finance These savings would be achieved by restructuring the section. A redundancy/early retirement would be required. Given that the 15% saving follows on from a 12% reduction in 2008/09 the Section's ability to respond effectively to increasing demands for management information and support will be restricted and response times to ad hoc requests for information will be increased. 1 redundancy/early retirement None. Response times to ad hoc requests for information will be increased None.							

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CSS22	Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	139	30			Low	Low	B1
		Departmental Finance Delete Client Affairs Post None Post currently covered by a secondment None Current structure of the team based on considerable increase in demand from the Community and Housing Department which has not materialised None							
CC	CSS23	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	102	15			Low	Medium	A1
		Departmental Finance Increase Service Level Agreement Charge for Schools Financial Support Resistance from schools to purchase service at a higher cost None Sound Financial Management is integral to the achievement of all business plan objectives and targets. It provides key decision making information for the deployment of resources and is critical to the reputation of the Authority. Extra costs for Schools within Children, Schools and Families None							
CC	CSS24	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	181	30			Low	Medium	B1
		Departmental Finance Delete Accountancy Assistant in Community Services. Administrative tasks will need to be undertaken by other staff impacting on their ability to undertake their current workload. The section has struggled to meet departmental and corporate demands from the last 6 months (June 2008) Post occupied by a permanent member of staff Sound Financial Management is integral to the achievement of all business plan objectives and targets. It provides key decision making information for the deployment of resources and is critical to the reputation of the Authority. Will impact on turnaround times None							
CC	CSS25	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	225	30			Low	Medium	B1
		Departmental Finance Delete a post in Corporate Services and Chief Execs. Administrative tasks will need to be undertaken by other staff impacting on their ability to undertake their current workload. The section has struggled to meet departmental and corporate demands from the last 6 months (June 2008) Post occupied by a permanent member of staff Sound Financial Management is integral to the achievement of all business plan objectives and targets. It provides key decision making information for the deployment of resources and is critical to the reputation of the Authority. Will impact on turnaround times None							
CC	CSS26	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	568	61			Low	Low	B1
		Accounting & Financial Reporting Delete 3 posts in Accounts Payable The introduction of the electronic purchase to pay system called Proactis has led to further efficiencies in terms of transactional processing capability in the Finance Division. This has led to a reduction in processing being required. 3 posts deleted In line with e-procurement and other related efficiency policies May impact upon turnaround times until such time as Proactis is fully implemented. None for customers. For affected staff, the reorganisation will be subject to an Equalities Impact Assessment.							

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CSS27	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	265	61			Low	Low	D1
		Accounting & Financial Reporting Reduction in bank and giro charges Use of All Pay by customers and other electronic payment facilities has led to a reduction in bank giro charges payable None In line with e-procurement and other related efficiency policies Limited None							
CC	CSS28	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	648	80			Low	High	B1
		HR Delete diversity adviser X2 The Council has made good progress with equalities achieving Equalities Standard Level 4. Future equalities work will be embedded across the division and through learning and development activity One agency temp in post – therefore no redundancy arises in that instance. The other post has a substantive postholder and will require a search for Provided work picked up across function and by departmental HR teams targets can still be achieved Reduces possible expertise/HR consultancy on diversity matters Reduces central expertise on equalities but encourages an embedded approach							
CC	CSS29	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	648	40			Medium	Low	B1
		HR Delete 1 FTE Employee relations manager The work will be picked up across the Division and through the HR senior management team Post vacant - covered by agency worker Provided work picked up across function and by departmental HR teams targets can still be achieved Reduces possible expertise/HR consultancy on employee relations Reduces central expertise on employee relations and possible interface with equalities but encourages a business partner approach							
CC	CSS30	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	168	40			Low	Low	B1
		HR Delete 1 FTE learning and development adviser Two staff affected and will require a competitive ring-fence interview for one post. Suitable alternative employment will need to be sought for the other current postholder Will require redeployment or redundancy Provided work picked up across function and by departmental HR teams targets can still be achieved On proviso that L&D function from C&H transfers to HR then the loss of X1 post can be absorbed Unlikely to be any significant impact							
CC	CSS31	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	736	35			Low	Low	B1
		HR Delete 1 FTE COT team supervisor Will require a minor reorganisation to realign employees into a flatter structure but aims to protect 'front line' COT team workers Will require redeployment or redundancy for one employee Provided work absorbed within rest of COT team business targets should vbe delivered May have impact on capacity but could rationalise decision-making and produces a flatter structure None for customers. For affected staff, the reorganisation will be subject to an Equalities Impact Assessment.							

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CSS32	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	101	8			Low	Low	A1
CC	CSS33	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	258	25			Medium	Medium	A1
CC	CSS34	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	205	8			Low	Low	D1
CC	CSS35	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	26	29	12		Low	Low	D1
CC	CSS36	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	15	5			Low	Medium	D1

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CSS37	<p>Description Service Implication</p> <p>Staffing Implications Business Plan Implications Impact on other departments</p> <p>Equalities Implications</p>	352	52			Medium	Medium	B1
		<p>Service Support Group Re-organise the structure of IT service support group. This would delete the post of IT Service Support Manager. The services supporting customers will be reduced as both the service desk and asset management will be cut back to accommodate the reduced staff. The SLA targets for calls and SRFs will be reduced. One vacancy deleted. HR policies will be used in structure change</p> <p>Fault resolution will be reduced. Users will have to wait longer in telephone queues, and for their faults to be fixed. The review of this area of ITS should be considered alongside similar functions happening in other departments in Merton. This is one of the Cross Cutting Service Reviews (CCC12). VIP service for fixing directors, councillors and HoS calls first will be stopped</p> <p>Service Support Group Re-organise the structure of IT service support group. This would delete the post of IT Service Support Manager. The services supporting customers will be reduced as both the service desk and asset management will be cut back to accommodate the reduced staff. The SLA targets for calls and SRFs will be reduced. One vacancy deleted. HR policies will be used in structure change</p> <p>Fault resolution will be reduced. Users will have to wait longer in telephone queues, and for their faults to be fixed. The review of this area of ITS should be considered alongside similar functions happening in other departments in Merton. This is one of the Cross Cutting Service Reviews (CCC12). VIP service for fixing directors, councillors and HoS calls first will be stopped</p>							
CC	CSS38	<p>Description Service Implication</p> <p>Staffing Implications Business Plan Implications Impact on other departments</p> <p>Equalities Implications</p>	352	43			Medium	Medium	B1
		<p>IT Review the structure of Operations & Telecomm Group and delete the post of Operations & Telecommunications manager ITS has been working towards merging these two groups by streamlining processes and standards over the last 12 months. Deletion of a vacancy. None HR policies will be used in structure change</p>							
CC	CSS39	<p>Description Service Implication</p> <p>Staffing Implications Business Plan Implications Impact on other departments</p> <p>Equalities Implications</p>	550	50			Medium	Medium	B1
		<p>Systems and Integration Review the structure of Systems Development function, reduce management level. The role of managers in group is to provide a strategic view of systems and tools. Reduces the ability of the group to deliver projects supporting the council One redundancy Limited risk for the next two years Reduced advisory capacity. None</p>							
CC	CSS40	<p>Description Service Implication</p> <p>Staffing Implications Business Plan Implications Impact on other departments</p> <p>Equalities Implications</p>	831	57		-57	High	High	B1
		<p>Systems and Integration Review the structure of Systems Development function, reduce management level. The role of managers in group is to provide a strategic view of systems and tools. Reduces the ability of the group to deliver projects supporting the council One redundancy Limited risk for the next two years Reduced advisory capacity. None</p>							

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CSS41	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	831	10			Low	Low	B1
CC	CSS42	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	831	37			High	High	B1
CC	CSS43	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	550	31			Low	Low	B1
CC	CSS44	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications		16			Low	Low	C1
CC	CSS45	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications		10			Low	Low	C1
CC	CSS46	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications		63			Low	Low	B1
CC	CSS47	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications		22			Low	High	B1

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CSS48	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	442	46			Low	Medium	B1
		Corporate Finance These savings would be achieved by restructuring the section. A redundancy/early retirement would be required. Given that the 15% saving follows on from a 12% reduction in 2008/09 the Section's ability to respond effectively to increasing demands for management information and support will be restricted and response times to ad hoc requests for information will be increased. 1 redundancy/early retirement None. Response times to ad hoc requests for information will be increased None.							
CC	CSS49	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications		10			Low	Low	C1
		Corporate Finance Reduction in Supplies and Services Budget across the Authority Services will need to reduce expenditure on supplies and services budgets e.g.reduce stationery usage None None None							
CC	CSS50	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	648	-20			Low	High	B1
		HR Delete diversity adviser X2 - Reduction in amount of original saving (See CSS28) The Council has made good progress with equalities achieving Equalities Standard Level 4. Future equalities work will be embedded across the division and through learning and development activity and this is being strengthened. One agency temp in post – therefore no redundancy arises in that instance. The other post has a substantive postholder and will require a search for redeployment. Provided work picked up across function and by departmental HR teams targets can still be achieved Reduces possible expertise/HR consultancy on diversity matters Reduces central expertise on equalities but encourages an embedded approach							
CC	CSS51	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	648	10			Medium	Low	B1
		HR Delete 1 FTE Employee relations manager - Increase in amount of original saving to remove vacant post (See CSS29) The work will be picked up across the Division and through the HR senior management team Post vacant - covered by agency worker Provided work picked up across function and by departmental HR teams targets can still be achieved Reduces possible expertise/HR consultancy on employee relations Reduces central expertise on employee relations and possible interface with equalities but encourages a business partner approach							
CC	CSS52	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications		15			Low	Medium	B1
		HR Delete 0.5 FTE PA post With the proposed HR shared service arrangement it is proposed to create a single PA/support role to the Joint Head of HR Will require redeployment or redundancy None May affect communications/speed of response from HoS Unlikely to be any impact but is dependent on the outcome of shared services project between Merton and Sutton							

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CSS53	<p>HR</p> <p>Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>		100			Medium	Medium	B1
		<p>Package of posts that would be subject to voluntary severance and another post that will become vacant, and removal of one supervisor post in the COT team which will be addressed by a flatter structure</p> <p>The proposals have been contained to managerial posts and through reorganisation and reallocation of work we can absorb the overall work</p> <p>See above - description</p> <p>We remain on target to deliver key objectives and the proposals should not undermine that effort</p> <p>The proposals do not affect the front line HR service teams to departments and therefore we aim to limit the impact on other departments as far as possible</p> <p>None for customers. For affected staff, the reorganisation will be subject to an Equalities Impact Assessment.</p>							
CC	CSS54	<p>HR</p> <p>Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>		8			Low	Low	C1
		<p>Reduce Corporate training programme budget</p> <p>Will reduce some capacity within the corporate learning and development offering but has been kept to as low a level as possible</p> <p>None</p> <p>None of significance given the relatively modest amount concerned</p> <p>Some small loss of possible learning and development</p> <p>We will aim to limit the impact as far as possible - it is possible some employees will not receive as much formal development as would otherwise be the case but we will seek to ameliorate this by looking to informal and other development solutions</p>							
CC	CSS55	<p>Service Support Group</p> <p>Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>	352	-43		43	Medium	Medium	B1
		<p>Re-organise the structure of IT service support group. This would delete the post of IT Service Support Manager. Timing of saving reviewed and moved to later year (See CSS38)</p> <p>ITS will not be able to complete implementing ITIL - best practice framework. The services supporting customers will be reduced as both the service desk and asset management will be cut back to accommodate the reduced staff.</p> <p>The SLA targets for calls and SRFs will be reduced.</p> <p>One vacancy deleted. HR policies will be used in structure change</p> <p>Fault resolution will be reduced. Users will have to wait longer in telephone queues, and for their faults to be fixed. The review of this area of ITS should be considered alongside similar functions happening in other departments in Merton. This is one of the Cross Cutting Service Reviews (CCC12).</p> <p>VIP service for fixing directors, councillors and HoS calls first will be stopped</p>							
CC	CSS56	<p>Systems and Integration - Reversal of CSS40. Saving will no longer be taken to support business process re-engineering</p> <p>Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>	831	-57		57	High	High	B1
		<p>Review the structure of Systems Development function, reduce management level.</p> <p>The role of managers in group is to provide a strategic view of systems and tools. Reduces the ability of the group to deliver projects supporting the council efficiently</p> <p>One redundancy</p> <p>Limited risk for the next two years</p> <p>Reduced advisory capacity.</p> <p>None</p>							

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
CC	CSS57	<p>Description</p> <p>Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p> <p>Decision Package</p> <p>Description</p> <p>Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>	50	50					C1
CC	CSS58	<p>Description</p> <p>Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications</p>	50	50			Low	Medium	C1
<p>Total Corporate Services Savings for 2009-2012</p>				1,639	12	43			

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

- AI Income Increase
- BI Savings, Efficiencies - People
- CI Savings, Efficiencies - Process
- DI Savings, Efficiencies - Procurement / Contracts
- EI Savings, Efficiencies - Property
- FI Changes in Legislative Requirements
- GI From Line Service Reduction

Panel	Ref	Decision Package	Brief Description	Baseline Budget 2008/09 £000s	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis Deliverability	Risk Analysis Reputational	Type of Saving
C&YP	CSF1	<p>Description</p> <p>Service Implications</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on Other Departments</p> <p>Equalities Implications</p>	<p>Policy, Planning and performance Service:</p> <p>Delete 0.5 fte Research Post</p> <p>Ongoing limitations of the department to more effectively exploit datasets it already holds and could access, therefore reducing its capacity to make policies and target performance issues based on evidence. Also increasing reliance on consultants paid for from ad-hoc budgets to undertake some analysis work.</p> <p>Reduction of 0.5wte in staffing</p> <p>N/A</p> <p>N/A</p> <p>Will limit capacity for analysis of the equality of outcomes for CYP.</p>	346	23			Medium	Medium	G1
C&YP	CSF2	<p>Description</p> <p>Service Implications</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on Other Departments</p> <p>Equalities Implications</p>	<p>Contracts and Schools Organisation: Saving in Asset Management Plans.</p> <p>Revised arrangements will be introduced for evaluating schools' assets.</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	21	21			Low	Low	E1
C&YP	CSF3	<p>Description</p> <p>Service Implications</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on Other Departments</p> <p>Equalities Implications</p>	<p>ICT and Business Support Service: Deletion of Central Hardware Budget</p> <p>This budget funds minor ICT upgrades and replacements. It is also used to contain increases in major software licences.</p> <p>None</p> <p>Minimal</p> <p>None</p> <p>None</p>	27	27			Low	Low	D1

Panel	Ref	Decision Package	Brief Description	Baseline Budget 2008/09 £000s	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis Deliverability	Risk Analysis Reputational	Type of Saving
C&YP	CSF4	Description	<p>ICT and Business Support Service: Fund 0.5 of helpdesk post from Contact Point grant funding. The intention is to fund 0.5 of the help desk post to carry out ContactPoint administration</p> <p>none none none none</p>	34	16			Low	Low	C1
		Service Implications								
		Staffing Implications								
		Business Plan Implications								
C&YP	CSF5	Description	<p>School Standards and Quality: 1.0fte post deleted from consultants structure in SSQ</p> <p>Will reduce capacity for target setting, support and challenge to schools. Retiring postholder would not be replaced</p> <p>Monitoring of key targets will be affected by reduced capacity N/A</p> <p>These posts are inherently engaged in raising educational standards and, in particular, in raising levels of achievement of underperforming groups</p>	519	55			Medium	High	G1
		Service Implications								
		Staffing Implications								
		Business Plan Implications								
C&YP	CSF6	Description	<p>Special Educational Needs: Deletion of 0.5 Educational Psychology Post</p> <p>Reduction in educational psychology capacity to support schools Redundancy of current officer. Improving services to Children with SEN and LDD is a business plan priority N/A Children with SEN/LDD are a key equalities group</p>	199	35			Medium	High	G1
		Service Implications								
		Staffing Implications								
		Business Plan Implications								
C&YP	CSF6	Description	<p>Impact on Other Departments Equalities Implications</p>							
		Service Implications								
		Staffing Implications								
		Business Plan Implications								

Panel	Ref	Decision Package	Brief Description	Baseline Budget 2008/09 £000s	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis Deliverability	Risk Analysis Reputational	Type of Saving
C&YP	CSF7	<p>Description</p> <p>Service Implications</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on Other Departments</p> <p>Equalities Implications</p>	<p>Cross Cutting: Deletion of 3fte posts in administrative/business support services following review.</p> <p>Some service re-modelling and re-assignment of staff will be necessary. Some workload increases are inevitable. More admin tasks will need to be undertaken by professional staff.</p> <p>Some redundancies will be necessary although some posts are currently vacant</p> <p>N/A</p> <p>N/A</p> <p>Admin/business support staff are typically within the lower paid employment groups.</p>	Various	75			Low	High	B1
C&YP	CSF8	<p>Description</p> <p>Service Implications</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on Other Departments</p> <p>Equalities Implications</p>	<p>Cross Cutting: A Review of the Commissioning Undertaken Across the Department</p> <p>Some reduction in family support/early intervention services</p> <p>N/A</p> <p>These services are key to Merton's early intervention strategy</p> <p>N/A</p> <p>The proposed saving may reduce the range of family support services for vulnerable children, although efficiencies will be sought during re-commissioning</p>	Various	50			Low	High	G1
C&YP	CSF9	<p>Description</p> <p>Service Implications</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on Other Departments</p> <p>Equalities Implications</p>	<p>Cross Cutting: Reduction in supplies and services budgets across department</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	Various	20			Low	Low	D1

Panel	Ref	Decision Package	Brief Description	Baseline Budget 2008/09 £000s	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis Deliverability	Risk Analysis Reputational	Type of Saving
C&YP	CSF10	<p>Description</p> <p>Service Implications Staffing Implications Business Plan Implications Impact on Other Departments Equalities Implications</p>	<p><u>Community Support and Social Care</u> Service: Income generated through rental by NCH Phoenix Project of space at Leyton Road N/A N/A N/A N/A N/A</p>	0	34			Low	Low	A1
C&YP	CSF11	<p>Description</p> <p>Service Implications Staffing Implications Business Plan Implications Impact on Other Departments Equalities Implications</p>	<p><u>Safeguarding and Partnerships Service:</u> <u>Deletion of Health Integration Project</u> Worker post Loss of capacity to deliver important multi-agency project to integrate services for children with complex needs. Although near the conclusion of this project, we would need to identify existing manager to ensure completion.</p> <p>Redundancy of current postholder No significant implications assuming project can be completed without project worker N/A No significant implications assuming project can be completed without project worker</p>	45	45			Medium	Medium	B1
C&YP	CSF12	<p>Description</p> <p>Service Implications Staffing Implications Business Plan Implications Impact on Other Departments Equalities Implications</p>	<p><u>Youth and Inclusion Service: Lever in PCT funding for 0.5fte Nurse EWO</u> N/A N/A N/A N/A N/A</p>	0	20			Low	Low	A1

Panel	Ref	Decision Package	Brief Description	Baseline Budget 2008/09 £000s	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis Deliverability	Risk Analysis Reputational	Type of Saving
C&YP	CSF13	<p>Description</p> <p>Service Implications</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on Other Departments</p> <p>Equalities Implications</p>	<p>Community Support and Social Care</p> <p>Service: Service remodelling of Disability Outreach Team - service provides respite and positive activities for young people with disabilities.</p> <p>Reduction in numbers of young people supported and more limited respite/positive activities offered</p> <p>The staffing compliment would need to be reduced two posts made redundant</p> <p>The staffing compliment would need to be reduced two posts made redundant</p> <p>N/A</p> <p>Children with disabilities are a key equalities group</p>		45			Medium	High	A1
C&YP	CSF14	<p>Description</p> <p>Service Implications</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on Other Departments</p> <p>Equalities Implications</p>	<p>Youth and Inclusion Service: Foregoing growth in MTFs for YISP</p> <p>Not growing YISP / youth work key workers</p> <p>Not employing 3 new staff</p> <p>Would impact on the development of the integrated youth service</p> <p>N/a</p> <p>YISP deals with young people at risk of offending</p>	60	60			Medium	High	G1
C&YP	CSF15	<p>Description</p> <p>Service Implications</p> <p>Staffing Implications</p> <p>Business Plan Implications</p> <p>Impact on Other Departments</p> <p>Equalities Implications</p>	<p>Reduce PDC Development Budget</p> <p>Reduction in ability to undertake works to improve income generation capacity of PDC</p> <p>N/a</p> <p>N/a</p> <p>N/a</p> <p>N/a</p>	13	10			Medium	Medium	E1

Panel	Ref	Decision Package	Brief Description	Baseline Budget 2008/09 £000s	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis Deliverability	Risk Analysis Reputational	Type of Saving
C&YP	CSF16	Description	Greater Utilisation of Grant Funding Maximising application of grant to fund Core Services Greater demand on existing staff. Can still be met. N/a N/a	135	115			Medium	Medium	B1
		Service Implications Staffing Implications Business Plan Implications Impact on Other Departments Equalities Implications								
C&YP	CSF17	Description	Youth and Inclusion Service: Foregoing growth in Youth Service for 2009/10 Would limit service's ability to expand reach and range of activities for young people. None. The refurbishment of the youth centres has enabled Business Plan objectives to be achieved utilising capital funding. None. The Youth Service works with significant numbers of vulnerable young people	81	81			Medium	Medium	G1
		Service Implications Staffing Implications Business Plan Implications Impact on Other Departments Equalities Implications								
Total Presented to Cabinet					732	0	0			

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

A1 Income Increase
B1 Savings Efficiencies - People
C1 Savings Efficiencies - Process
D1 Savings Efficiencies - Procurement / Contracts
E1 Savings Efficiencies - Property
F1 Changes in Legislative Requirements
G1 Front Line Service Reduction

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN1	<p><u>Business Support and Senior Management</u></p> <p>Deletion of Service Review Officer Post</p> <p>Post no longer essential in that the service review process is now focused on financial aspects.</p> <p>Loss of one FTE. Currently vacant.</p> <p>None</p> <p>None</p> <p>None</p>	622	30			Low	Low	B1
		<p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>							
SC	EN2	<p><u>Waste Management</u></p> <p>Commercial Waste - increase bins & sacks income by 10%</p> <p>A sustainable increase due to landfill tax increases but could possibly reduce customer satisfaction and lead to increase in fly tipping</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	1,080	98			Medium	Medium	A1
		<p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)	
SC	EN3	Description	<p><u>Waste Management</u></p> <p>Commercial Waste - Reduction in number of sales officers.</p> <p>Possibility of a reduction in customer satisfaction and increased fly tipping. It is anticipated that the private sector competitors will meet the demand.</p> <p>Loss of one post.</p> <p>None</p> <p>None</p> <p>None</p>	66	33			Medium	Medium	D1
		Service Implication								
SC	EN4	Description	<p><u>Pest Control</u></p> <p>Income Increase (fees and volume)</p> <p>Pest control income is very dependent upon the weather and other uncontrollable factors but the budget increase is considered achievable.</p> <p>None</p> <p>None</p> <p>Aim for closer working with Housing.</p> <p>Charges are reduced for those on benefits.</p>	120	20			Medium	Low	A1
		Service Implication								

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN5	Description Service Implication	1,118	42			Medium	High	B1
		Staffing Implications							
		Business Plan implications Impact on other departments Equalities Implications							
		Description Efficiency Savings from Waste Collection operational review. Minimal Savings will be made in staffing budgets but no reduction in permanent employees is envisaged.							
		None None None							
SC	EN6	Description Service Implication	830	11			Low	Low	C1
		Staffing Implications							
		Business Plan implications Impact on other departments Equalities Implications							
		Description Reduction of one recycling skip vehicle. From Sep 08, recycling will be collected directly from one neighbourhood recycling site. Other work is now minimal and can be contracted out.							
		None None None None							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN7	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	87	40			Low	Low	G1
		Description of Saving <u>Environmental Enforcement</u> Reduce Animal Welfare Staff budget as part of current restructure Reduced service for non- statutory element of the work, some statutory requirements to be contracted out. Loss of one FTE - Post currently unfilled. None Potential impact on Housing and Social services None							
SC	EN8	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	160	51			Medium	Medium	G1
		Description of Saving <u>Environmental Enforcement</u> Rationalisation of Abandoned Vehicle Service The current value of scrap metal has led to a reduction in the number of abandoned vehicles. On current trends a reduction in service is considered feasible. loss of one post Minimal None None							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN9	<u>Environmental Enforcement</u>	21	10			Medium	High	G1
		<p>Reduce Graffiti publicity budget by 50%. Risk of Reduced Residents Survey performance and inability to support Action in Merton. None Risk of reduction in National Indicators None None Equalities Implications</p>							
SC	EN10	<u>Grass Cutting and Tree Maintenance</u>	26	13			Low	Low	D1
		<p>Reductions in the weed spraying budget. The current budget is over that which has been required - a reduction will not be detrimental to the core service. None None None None Equalities Implications</p>							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN11	Description	<p><u>Highway Maintenance</u> Reduction in the Carriageway Patching budget By monitoring reactive repairs, it will be possible to offer up this saving with minimal effect on road condition. None Possible impact on PI targets for footway and carriageway defectiveness Minimal None</p>	20			Medium	Medium	D1
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments Equalities Implications							
SC	EN12	Description	<p><u>Highway Maintenance</u> Reduction in the bridges budget. There is annual provision in the current three-year capital programme for this activity. As long as this is maintained on an ongoing basis, there should be no service implications from this revenue reduction. Minor None Minimal None</p>	22			Low	Low	D1
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments Equalities Implications							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN13	Description	<p><u>Highway Maintenance</u> Savings from Supplies and Services budget Minor None None None None None</p>	5			Low	Low	D1
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
		Equalities Implications							
SC	EN14	Description	<p><u>Highway Maintenance</u> Savings from Winter Maintenance budget This saving is possible assuming recent mild winter conditions continue. However, in the event of a harsh winter, increase funding may be required to ensure the council maintains safe conditions on the network. Minor None Minor None</p>	20			Low	Medium	G1
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
		Equalities Implications							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN15	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	54	15			Medium	Medium	G1
		Description of Saving <u>Highway Maintenance</u> Reduction in surface treatment budget. Could impact the council's ability to maintain the current level of Highway Enhancement Works. Minor The reduction of the surface treatment budget will result in an increase pressure on other planned maintenance budgets Potential increase in workload for R&I as a result of higher number of claims. None							
SC	EN16	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	256	10			Medium	Medium	G1
		Description of Saving <u>Highway Maintenance</u> Reduce planned road marking replacement by £10K A reduction in the budget for carriageway markings could lead to a decline in their condition. Carriageway markings must comply with the Traffic Signs & General Directions Manual 2002. There is a risk that without sufficient maintenance, traffic and parking orders (TMOs), such as bus lanes, CPZs and other parking restrictions, may be unenforceable. None None Potential loss of income from PCNs None							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN17	<p><u>Street Lighting</u></p> <p>Cleaning of Illuminated Bollards. The cost of this is included within the overall routine maintenance element of the contract</p> <p>The requirement for cleaning of bollards has been reduced due to a gradual switch to reflective (as opposed to illuminated) signage.</p> <p>None</p> <p>None</p> <p>Reduced cleaning could compromise safety due to decreased visibility and may increase the number of road accidents and insurance claims.</p> <p>Potential increase in workload for R&I as a result of higher number of claims.</p> <p>None</p>	541	10			Medium	Medium	G1
		<p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN18	<p>Description Service Implication</p> <p>Street Lighting Reduction in the budget for Non Destructive Testing of street lights</p> <p>All columns in the Borough have been tested and since 1998 this has resulted in approx 250 columns being replaced. To ensure that the current columns remain safe, a programme of non destructive testing is required to identify any dangerous columns before they fail. A reduction in the budget is considered achievable.</p> <p>None</p> <p>The Council are required to show that a procedure is in place to ensure that lamp columns are inspected and remain in a safe condition.</p> <p>Possible increase in workload for R&I as a result of additional claims.</p> <p>None</p>	541	20			Medium	Medium	D1
SC	EN19	<p>Description Service Implication</p> <p>Staffing Implications Business Plan implications</p> <p>Impact on other departments Equalities Implications</p> <p>Rechargeable Works Increase in Income Increase in Income from various sources: Material storage licenses for PUs (Public Utilities). Additional S74 income. Additional PU defect income.</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	295	10			Medium	Low	A1

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN20	<p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p> <p>Description of Saving</p> <p><u>Traffic & Parking Management</u> Reduction in Supplies & Services Budget. Lack of resources could impact on productivity, results and achieving targets, however it is considered that £9k can be found in efficiency savings with minimal impact.</p> <p>None Minimal None None</p>	35	9			Low	Low	G1
SC	EN21	<p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p> <p>Description of Saving</p> <p><u>Traffic & Parking Management</u> Temporary traffic management income has increased due to improved procedures.</p> <p>None None None None None</p>	29	10			Low	Low	A1

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN22	Description Service Implication	23	7			Medium	Medium	C1
		Staffing Implications Business Plan implications Impact on other departments Equalities Implications							
		Transport Planning Reduction in Consultants budget Some loss of ability to progress key projects (town centres etc). Will also affect our ability to react to peak workloads such as public inquiries etc. Means that we will be more reactive than proactive in our approach. None Reduced opportunity to take the lead on London wide initiatives etc Reduced ability to progress some studies + work areas May indirectly impact on regenerating deprived town centres.							
SC	EN23	Description Service Implication	11	11			Medium	Medium	G1
		Staffing Implications Business Plan implications Impact on other departments Equalities Implications							
		Transport Planning Reduction in Supplies and Services Budget Efficiency savings may be possible but this saving may also impact on the undertaking of the annual Traffic Monitoring Report and the monitoring of related Service Plan target and annual data collection may also be affected. None Possible reduction in the ability to monitor key plan targets None None							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN24	<p>Description Service Implication Staffing Implications Business Plan implications</p>	<p>9</p>	<p>5</p>			<p>Medium</p>	<p>Medium</p>	<p>C1</p>
		<p>Description Impact on other departments Equalities Implications</p>							
SC	EN25	<p>Description Service Implication</p>	<p>11</p>	<p>1</p>			<p>Low</p>	<p>Low</p>	<p>A1</p>
		<p>Description Staffing Implications</p>							
		<p>Description Business Plan implications</p>							
		<p>Description Impact on other departments Equalities Implications</p>							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN26	Description Service Implication	762	25			Low	Low	A1
		Description Staffing Implications Business Plan implications Impact on other departments Equalities Implications							
SC	EN27	Description Service Implication	672	60			High	High	B1
		Description Staffing Implications Business Plan implications Impact on other departments Equalities Implications							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN28	<u>Development Control</u>	37	37			Medium	Medium	A1
		Increasing fees for pre-application advice							
		Service Implication Increased expectation from applicants with regards to quality and timeliness of service. Greater potential for a disproportionate increase in fees to trigger complaints if there are delays in providing pre-application advice							
		Staffing Implications None							
		Business Plan implications Potential for increased income to attract bids for share of income from other services contributing to pre-application advice.							
		Impact on other departments Modest increased potential for income from providing supporting advice to Development Control. Equalities Implications None							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN29	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	382	19			Medium	Medium	G1
		Plans and Projects Deletion of .5FTE Planner, Design and Conservation (Job Share Post) Impact on delivery of conservation area character appraisals Reduction of 0.5 Post – planned redundancy Unlikely to meet BVPI service targets of character appraisals Negative impact on conservation service None							
SC	EN30	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	79	8			Low	Low	G1
		Plans and Projects Reduced Local Development Framework revenue budget for public consultation Small scale-back of LDF consultation publications. None (Reduced quality and quantity of LDF publications) None Less comprehensive consultation publications.							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN31	<u>Property Management and Review</u>	413	50			Low	High	B1
		Deletion of Principal Valuer post.							
		This will be achieved by reorganisation of workload within the Section.							
		Loss of one FTE							
		Not expected to be significant as responsibilities will be re-allocated							
		Reduced service							
Equalities Implications	N/A								

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN32	Description Service Implication	45	10			Medium	Medium	A1
		<p><u>Leisure Facilities and Support Services</u></p> <p>Increase in lettings income through increased charges in public halls Increased charges could reduce number of bookings due to customers choosing cheaper alternative venue. Could also result in loss of existing regular customers</p> <p>None None Where other depts and partner groups book these facilities the costs to them will be higher - affect their budgets Likely to result in reduction of use by those people and community organisations less able to afford use of such facilities</p>							
SC	EN33	Description Service Implication	0	5			Medium	Medium	A1
		<p><u>Leisure Facilities and Support Services</u></p> <p>Charge for cemetery/burial searches and advice by those seeking to trace their ancestors This would be easier to do as and when an appropriate computerised cemetery system is in place, however until that time it will add to the existing workloads of current staff.</p> <p>Additional workload for existing staff None None None</p>							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN34	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	17	5			Medium	Medium	C1
		Description of Saving <u>Leisure Facilities and Support Services</u> Savings from the stationery, internal and external printing and miscellaneous expenses This is an efficiency saving. None None None None							
SC	EN35	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	112	40			Medium	High	B1
		Description of Saving <u>Leisure and Culture Development</u> Reduction of one manager in the development teams (Remaining manager to cover all Leisure & Art Development) Loss of some service delivery. This is an efficiency saving. Loss of 1FTE manager Refocus remaining staff to core business functions. Loss of some service delivery. CSF impact on work with young people. Some loss of work with disadvantaged people.							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN36	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	370	12			Low	Low	D1
		Description of Saving <u>Business Support and Senior Management</u> Reduction in the supplies and services budgets No detrimental effect is envisaged - saving will be achieved through procurement efficiencies None None None None							
SC	EN37	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	400	100			Medium	High	G1
		Description of Saving <u>Highway Maintenance</u> Reduction in the planned footway maintenance budget If annual funding for footway renewal is reduced, the condition of the footway network will continue to deteriorate further, potentially resulting in an impact on residents' satisfaction. Minor A reduction in spend on planned maintenance will result in an increase in demand for reactive repairs and accelerate growth in the backlog of replacement/renewal None None							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN38	Description	82	38	38		High	Medium	C1
		<p><u>Highways</u></p> <p>Increased Income through the expansion of the Street Works Inspection Team</p> <p>By increasing the number of officers monitoring "Section 74" road works, and improving debt recovery procedures, a net increase in income is achievable.</p> <p>Two additional posts will be created to process penalties</p> <p>Supports aim of managing financial resources effectively and improving the quality of the public realm.</p> <p>None</p> <p>None</p>							
SC	EN39	Description	77	3			Low	Low	A1
		<p><u>Street Trading</u></p> <p>Increase in fees of 5%</p> <p>None</p> <p>None</p> <p>No significant effects expected at this level of increase.</p> <p>None</p> <p>None</p>							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN40	Description	428	40			Medium	Medium	G1
		<p><u>Trading Standards</u></p> <p>Permanent reduction of one post</p> <p>Service becomes one of a reactive nature as opposed to the existing proactive approach. Loss of 1 FTE (Post currently vacant)</p> <p>Some effect on the ability to meet statutory and service plan targets. Unable to deliver education initiatives for CSF. Service becomes more reactive rather than proactive. Typical customers are vulnerable and less able . Cessation of initiatives to engage with schools, youth organisations and minority groups and service non-users.</p>							
SC	EN41	Description	428	40		(40)	Low	Medium	B1
		<p><u>Trading Standards</u></p> <p>Temporary reduction of one post (offset by use of remaining 'Smokefree' grant).</p> <p>Government funding has been received which will support the section's work over the next two years. None provided mainstream funding is reinstated from 2011/12. None provided mainstream funding is reinstated from 2011/12. None provided mainstream funding is reinstated from 2011/12. None provided mainstream funding is reinstated from 2011/12.</p>							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN42	Description Service Implication	697	17			Low	Low	G1
		<p>Environmental Health (Housing/Environmental) Reduction of 0.5 of a post in the Environmental Protection Team. This post has been vacant for a period and, although there are ongoing implications in respect of provision of advice to planning and licensing, the impact of this saving is expected to be manageable.</p> <p>Reduction in 0.5 FTE (Not currently filled) Not significant</p> <p>None</p> <p>None</p>							
SC	EN43	Description Service Implication	0	5			Low	Low	A1
		<p>Building Control Introduce Charges for visits to dangerous buildings The receivers of the service would only be aware of the cost if they undertook remedial work themselves. None The service is mandatory and included in the business plan. Extra work for finance to collect the costs from the building owners where this is known. None</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN44	<p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	672	60			Medium	Medium	G1
<p>Description of Saving</p> <p><u>Development Control</u> Reduction in Development Control Staff Minimal immediate impact if current reduction in application numbers persists. Fee income from a future significant increase in application numbers should be used to fund temporary staff to help deliver the service & ensure targets continue to be met. These posts are currently covered by temporary agency staff who are on one weeks notice. Potential adverse impact on performance targets. Reduction in resources available to give advice and to participate in joint working None identified</p>									
SC	EN45	<p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	5,926	560			Medium	Medium	A1
<p>Description of Saving</p> <p><u>On & Off Street Parking</u> Revised fees for parking activity across all areas Various tariff reviews to be implemented from April and June 2009. The saving is a combination of part and full year effects None None None None</p>									

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN46	Description	<p><u>On & Off street Parking</u></p> <p>Introduce Mobile cameras to capture traffic contraventions</p> <p>Improved compliance by the motorist at key locations such as schools and banned right turns</p> <p>Depending on the business model chosen, either one or two FTEs will be required.</p> <p>The quality of the public realm is improved through enforcement of traffic regulations.</p> <p>None</p> <p>None</p>	0	150	185	High	Medium	A1
		Service Implication							
SC	EN47	Description	<p><u>On & Off street Parking</u></p> <p>Reconfiguration of the Parking back office</p> <p>Savings are possible due to the development of on-line services for payments and other efficiency measures.</p> <p>Loss of 2 FTEs (Not currently permanently filled)</p> <p>Improvement in customer services and value for money</p> <p>None</p> <p>None</p>	994	50	Medium	Low	B1	
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other departments							
		Equalities Implications							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN48	<p><u>Plans and Projects</u> Conservation Officer – substitute LBM salary with Housing Planning Delivery Grant. Justified by new LDF policy focus on conservation (Major impact on conservation capacity if HPDG discontinued after 2009-10) Funding for this post in 2010/11 and beyond may be dependent upon re-instatement of mainstream funding if additional HPDG is not received. Uncertainty of future HPDG funding/attracting staff Major impact on conservation capacity if HPDG discontinued after 2009-10 None None</p> <p>Service Implication Staffing Implications Business Plan Imps Impact on other departments Equalities Implications</p>	550	44	(44)		Medium	Medium	B1
SC	EN49	<p><u>Regeneration Partnerships</u> Substitution of Supplies and Services funding with a £120k LABGI allocation in 2009-10 and 2010-11. None provided mainstream funding is re-instated from 2011/12. None provided mainstream funding is re-instated from 2011/12. None provided mainstream funding is re-instated from 2011/12. None provided mainstream funding is re-instated from 2011/12. None provided mainstream funding is re-instated from 2011/12.</p> <p>Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	120	120		(120)	Low	Low	C1

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN50	<p><u>Regeneration Partnerships</u></p> <p>No inflation to be added to the Annual Project Funding and other grants made by the E&R Department.</p> <p>Will reduce availability of funding for small/emerging groups and short term projects. Grants to the Attic & Polka Theatres, Deen City Farm and the Wandle Industrial Museum will be frozen.</p> <p>None</p> <p>Priorities for funding are linked to BPlan, CPlan, LAA and N'hood Renewal Strategy. 3rd sector review envisages stronger support for vol sector</p> <p>Although the allocation is to meet E and R priorities some projects/groups are likely to relate to other service priorities</p> <p>Many funded groups benefit BME and other disadvantaged groups – in some cases all their users are from these groups; in others a high proportion of services are provided to these groups</p>	243	4			Low	Medium	G1
		<p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN51	<p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	76	16			Low	Medium	G1
		<p><u>Regeneration Partnerships</u></p> <p>Reduction of £16k in Annual Project Funding.</p> <p>Will reduce availability of funding for small/emerging groups and short term projects. 3rd Sector review indicates support for voluntary sector.</p> <p>None</p> <p>Priorities for funding are linked to BPlan, CPlan, LAA and N'hood Renewal Strategy. 3rd sector review envisages stronger support for vol sector</p> <p>Although the allocation is to meet E and R priorities some projects/groups are likely to relate to other service priorities</p> <p>Many funded groups benefit BME and other disadvantaged groups – in some cases all their users are from these groups; in others a high proportion of services are provided to these groups</p>							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN52	<p><u>Regeneration Partnerships</u></p> <p>Substitution of £50k LABGI allocation to fund part-time (only) town centre manager for Mitcham for 2 years to 31/3/2011 (Funding for full time tcm is currently partly from Revenue - £31k pa - and partly from LDA funding - £19k pa - which ends on 31/3/2009)</p> <p>This proposal assumes a half-time post funded from LABGI until 2010/11. (If comprehensive LABGI package agreed this would be part of wider town centre management proposals)</p> <p>Contract of current Mitcham tcm ends in March 2009</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	622	31		-31	Medium	Medium	B1
		Agreement needed to use of LABGI for this purpose							
		None currently as substitution – but if removed from base budget would mean currently no funding for tcm beyond 2010/11							
		None – as substitution							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN53	<p><u>Regeneration Partnerships</u></p> <p>Substitution of S106 funding for balance of Council's contribution to Wimbledon Town Centre Management for 2 years to fund up to March 2011. £5k of Council's annual contribution is currently funded from S106 until March 2010. Substitution/extension would require £15k</p> <p>None (until 2011/12) – as substitution</p> <p>None – tcm employed by Chamber of Commerce</p> <p>None currently as substitution – but if removed from base budget would mean currently no funding for tcm beyond 2010/11</p> <p>None – as substitution</p> <p>None – as substitution</p>	5	5			Medium	Medium	B1
		Description							
		Service Implication							
		Staffing Implications							
		Business Plan implications							
		Impact on other depts							
		Equalities Implications							

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN54	<p>Description</p> <p><u>Voluntary Sector</u> Reduction in funding for infrastructure/umbrella voluntary groups e.g. MVSC, Volunteer Centre Merton (May impact on some groups more than others but all agreements being renegotiated)</p> <p>Service Implication Activities of vol groups will be affected. 3rd Sector review indicates support for voluntary sector. None Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	690	80			Low	Medium	G1
SC	EN55	<p>Description</p> <p><u>Greenspaces</u> Fee increases for discretionary services (including sports activities), cemetaries and events. Increased charges for services None Possible deterrent effect on users affecting targets re sporting participation None Increasing rates can have a disproportionate effect on disadvantaged communities</p> <p>Service Implication Staffing Implications Business Plan Imps Impact on other departments Equalities Implications</p>	1,426	110			Medium	Medium	A1

Panel	REF	Description of Saving	Baseline Budget 2008/9 £'000	2009/10 £'000	20010/11 £'000	2011/12 £'000	Risk Analysis - Deliverability	Risk Analysis - Reputational	Type of Saving (see key)
SC	EN56	<p><u>Vestry Hall</u> Increase in income from tenants, lettings etc Some capacity for increasing income but needs to be balanced against the cost of keeping the hall open at weekends and evenings. Legal constraints on increasing service charges. 3rd Sector review indicates support for voluntary sector. NONE Some risk as service charges increased for 07/08. Some groups are funded by other depts; other depts are users of the facility Some tenant groups and users provide specifically for BME and/or disabled people</p>	92	5			Medium	Medium	A1
SC	EN57	<p><u>Various</u> Restructures within the Department. Minor restructures are planned within the Department Two management positions will be removed from the Departmental Structure, vacated through retirement/ redundancy. Full details of the further proposals have yet to be developed and shared with staff and it is therefore not possible to be specific regarding further reductions in post numbers. The restructures will be aimed at improving efficiency and value for money within the Department. None None</p>	24,000	208			Medium	Medium	B1
Total				2,480	179	-191			

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CH1	<p>Delete one Senior post from the Dolliffe Close service</p> <p>Description Impact on quality of service. It is recognised that Supported Living in tenant occupied homes is more cost effective to local authorities. Merton is moving forward steadily with some of its plans. Loss of post. None. None. Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p> <p>Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	1,660	30			Low	Medium	B1
HC&OP	CH2	<p>Delete the LD College Leavers Group</p> <p>Description No group for college leavers. No staffing implications (the service has used bank/agency staff) No specific implications. None. Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p> <p>Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	31	31			Low	Medium	G1
HC&OP	CH3	<p>To reduce the Communit Care staff team by 2.6 f.t.e.'s</p> <p>Description Reduces the capacity of the service to meet client need and demand. Prevents delivery of personalised service. Significant reduction with very negative impact. This will have a negative impact on the support to live at home target. None. Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p> <p>Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	2,678	50			Low	Medium	B1

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CH4	<p>Reduce Discretionary Payments Discretionary payments are made to people ready to move on to allow them to buy essentials in unfurnished accommodation or to assist towards deposits and decorations. Will not be able to decorate or purchase furniture and goods for shared houses.</p> <p>Staffing Implications Care managers will have to spend more time with clients HST staff will need to spend time contacting charities for assistance and trying to get deliveries of furniture.</p> <p>Business Plan implications Impact on transformation programme On range of housing options for vulnerable people Delivery of LAA targets N141, 142, 150.</p> <p>Impact on other departments Equalities Implications Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p>	31	11			Medium	Medium	G1
HC&OP	CH5	<p>Transfer staff from LBM to NHS funded accommodation Positive: improved integration with mental health staff. Small increase in management travel costs. None. Increased pressure on tight space resources in CMHTs. 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>	186	9			Low	Low	E1
HC&OP	CH6	<p>General efficiencies in the area of OP Day Care such as streamlining unit costs and developing a tiered system of provision according to need. This will bring about a greater targeting of types of daycare provision and levels of need and more consistency in funding/charging within the range of day care provided to older people. TBC Improved ability to monitor the efficacy and outcomes of day care for older people. None identified. 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>	625	37			Medium	Medium	C1

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CH7	<p>Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	625	57			Low	Low	C1
		<p>Efficiency savings in the provision of OP daycare. This will bring about a greater targeting of types of daycare provision and levels of need and more consistency in funding/charging within the range of day care provided to older people. TBC None identified. May increase spend in other service areas eg placements budget. 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>							
HC&OP	CH8	<p>Description Service Implication Staffing Implications Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	357	81			Medium	Medium	G1
		<p>Reduction in OP Day Care transport Reduction in lower need provision. none none Possible impact on E&R transport. 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>							
HC&OP	CH9	<p>Description Service Implication Staffing Implications Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	841	13			Low	Low	B1
		<p>Delete .5 Admin post in Occupational Therapy Minimum implication Minimum implication None None None</p>							
HC&OP	CH10	<p>Description Service Implication Staffing Implications Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	99	10			Low	Low	D1
		<p>Direct Expenditure-OT No significant impact. None None None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p>							

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CH11	<p>Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Reduction to ICES budget Saving in cost of procuring new equipment. None None None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p>	662	25			High	High	D1
HC&OP	CH12	<p>Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Reduction in 0.75 Admin post in PD Day Care A reduction in admin posts will result in poor administration and record keeping. Other hands-on staff would need to pick-up these tasks. Loss of post None None None None</p>	473	15			Medium	Medium	B1
HC&OP	CH13	<p>Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Loss of 1 Senior Officer Post in PD Day Care. Reduction in hands-on support to vulnerable disabled people. Loss of post None None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p>	473	35			Medium	Medium	B1
HC&OP	CH14	<p>Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Reduce the discretionary expenditure on packages of care PD Placements. Potential impact for service users if alternative placements are identified; the aim is to look at provision of more appropriate ans well as more cost-effective placements. More Social work time would be needed. Positive impact on Use of Resources. None. Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p>	2,410	25			High	High	C1

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CH6	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	625	-37			Medium	Medium	C1
		OP Day care (Merton Mind, Taylor Road etc) Replace by CH20							
HC&OP	CH7	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	625	-57			Low	Low	C1
		OP Placements Replace by CH20							
HC&OP	CH8	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	357	-81			Medium	Medium	G1
		OP Placements Replace by CH20							
HC&OP	CH11	Description Service Implication Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	662	20			High	High	D1
		Occupational Therapy & equipment Reduction to ICES budget (increase by £20k to £45k) Saving in cost of procuring new equipment. None None None Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.							

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
SC	CH15	<p>Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	61	61			Low	High	C1
		<p>Give up growth from 08/09 baseline Significant reduction in marketing impacting on visitor figures and use of service. Decline in use likely to be gradual, but difficult to reverse once set in. Unplanned closures will create immediate focus on reliability of the Service as a whole.</p> <p>Inability to undertake training impacting on customer focus and change programme; also will reduce pool of staff used as back-up, leading to potential unplanned closures. Visitor figure target at serious risk. none</p> <p>No specific – impact will be across all users.</p> <p>Libraries and Heritage Give up growth for 09/10 (as shown in financial plan) Significant reduction in marketing impacting on visitor figures and use of service. Decline in use likely to be gradual, but difficult to reverse once set in. Unplanned closures will create immediate focus on reliability of the Service as a whole.</p> <p>Inability to undertake training impacting on customer focus and change programme; also will reduce pool of staff used as back-up, leading to potential unplanned closures. Visitor figure target at serious risk none</p> <p>No specific – impact will be across all users</p>							
SC	CH16	<p>Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	61	61			Low	High	C1
		<p>Libraries and Heritage Move heritage services to Morden Library. The service would continue to function from another location and could benefit from giving access during all library opening hours – not just limited HC hours. Likelihood that utilities that currently are absorbed elsewhere will be charged to Libraries in future. There is potential for high risk for reputation but with good PR this risk can be mitigated by evidencing benefits of service based in a library. No change except that staff would be able to support both heritage and local studies enquiries from the same point Could help to improve visitor figures E&R manage the building where HV is based, so would absorb any future utilities expense unless an alternative occupier is found The Heritage Centre is a service for the whole of the borough; it will be argued that Mitcham is losing a facility but visitor numbers to the Centre are low and outreach activities can continue as before. It could potentially increase visitors.</p>	45	5			Low	Medium	E1
SC	CH17	<p>Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>							

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
SC	CH18	<p>Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	61	25			Low	Medium	B1
		<p>Libraries and Heritage Reduce Open Learning Centre by one post Once the redeveloped Pollards Hill re-opens it will be under a different structure that brings the library and learning centre staffing together; this will allow for the rationalisation of the staffing complement, as development of services to meet the lottery grant outcomes will require different ways of working with wider partner delivery of services. 1 member of staff to be redeployed / or redundant. none none Current focus of OLC is to support skills development in an area where skills levels are low. Could impact on this but overall PH redevelopment designed to support skills improvement across a wide range of areas.</p>							
SC	CH19	<p>Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	78	10			Medium	Low	A1
		<p>Libraries and Heritage Increase fines by 2p Could cause disaffection leading to reduced usage of the service none May affect use of libraries thus impacting on visitor figures none No concessions are offered for late return of items so could impact on people with limited income.</p>							
HC&OP	CH20	<p>Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	625	80			Medium	High	C1
		<p>General efficiencies in the area of OP Day Care This will involve renegotiating one of the day care contracts in relation to voids - it will not entail a service reduction. It will also involve reconfiguring the staffing structures at Eastway. To be confirmed but no redundancies anticipated. Improved ability to monitor the efficacy and outcomes of day care for older people. None identified. 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>							

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CH21	<p>Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	15	15			Low	High	G1
		<p>OP Day care (Merton Mind, Taylor Road etc) Reduction of Asian Elderly Support Worker Grant This funding was paying for a support worker at Taylor Road. An alternative source of funding has been secured and therefore there is a saving against the Community Care base budget.</p> <p>None Support to BME Clients is a high priority area None This has not led to a reduction in the support available.</p>							
HC&OP	CH22	<p>Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	602	100		-100	High	Medium	C1
		<p>Support all service areas Transformation Programme A reduction of resources available may impact on areas of activity that the Social Care Reform Grant would otherwise have funded. 3 FTEs, but no redundancies anticipated. Impact on use of resources Minimum impact No specific equalities implications</p>							
HC&OP	CH23	<p>Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	480	100			Medium	Low	A1
		<p>Occupational Therapy & equipment PCT to contribute towards the administration of the ICES budget This will be dependent on ongoing PCT agreement. None None None None</p>							
HC&OP	CH24	<p>Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	438	65			Medium	High	B1
		<p>High Path/All Saints service developments Continued developments of outreach and community resource services will bring together the staffing resources of High Path and All Saints, enabling staffing to be reconfigured with associated savings. Reduction of two posts Little impact Minimum impact Community care customers are at risk of exclusion from ordinary life for reasons of age, disability or illness. Measures which reduce or increase staffing or service therefore have an equality implication in that they effect people in this category.</p>							

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CH25	<p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	15,751	450			High	Medium	B1
		<p>Libraries and Heritage</p> <p>Make further savings in staffing through reconfiguration of the staffing structure in response to Putting People First.</p> <p>Requires reconfiguration of existing management responsibilities, including new JD's</p> <p>Putting People First management changes (3 posts from tiers 1, 2 and 3); non-frontline staff (3 posts) and £125k from existing vacancies.</p> <p>Little impact</p> <p>Reduced ability to respond to corporate requirements.</p> <p>None</p>							
HC&OP	CH26	<p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	100	23			High	High	G1
		<p>7-LN/MH Housing support team</p> <p>½ a post saving in Housing Support Team.</p> <p>A reduction in staff could impact on the provision of service. However, a review of working arrangements and efficiencies will be undertaken to minimise the impact on clients and to ensure all outputs and targets are met.</p> <p>This will result in a change in working arrangements within the team.</p> <p>Could impact on the achievement of the LAA target on independence and may increase residential placements.</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>							
HC&OP	CH27	<p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	600	50			Low	High	G1
		<p>Reduction in Voluntary Sector grants</p> <p>Decisions were made as a result of an application and ranking exercise in which particular projects did not score highly enough to meet the threshold for an acceptable grant bid. Two projects, Friends in St Heiler and Asian Elderly (Merton Hall Lunch Club), will not be funded after September 2009.</p> <p>None</p> <p>No specific implications</p> <p>No specific impact</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>							
SC	H1	<p>Description</p> <p>Service Implication</p>	154	8			Low	Low	C1
		<p>Supporting People</p> <p>Supporting People Computer Software</p> <p>None expenditure is in current year</p>							

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)								
		<table border="1"> <tr> <td>Staffing Implications</td> <td>None</td> </tr> <tr> <td>Business Plan implications</td> <td>None</td> </tr> <tr> <td>Impact on other departments</td> <td>None</td> </tr> <tr> <td>Equalities Implications</td> <td>None</td> </tr> </table>	Staffing Implications	None	Business Plan implications	None	Impact on other departments	None	Equalities Implications	None							
Staffing Implications	None																
Business Plan implications	None																
Impact on other departments	None																
Equalities Implications	None																

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
SC	H2	<p><u>Housing Needs</u> Housing Needs Staffing 1.0fte = 1 fte project officer (housing strategy) Staffing reductions will require more input from existing staff. 1fte reduction Little impact. Little impact. None</p> <p><u>Voluntary Organisations</u> Mash grant none None none none</p> <p><u>Supporting People</u> Supporting People - Contracts Reductions in funding may impact on individual contracts thus affecting providers ability to deliver supported housing services to vulnerable people. This may have a knock on effect across departments within Merton and on neighbouring authorities who fund contracts. We are basing the savings on the presumption that the indicative programme grant (£3.3m 8/9 level) will be paid however, if there is a significant cut in grant the impact of the above will be exacerbated. The grant determination will not be known until Dec/Jan. None see service implication see service implication see service implication</p>	643	20			Low	Low	B1
SC	H3	<p><u>Supporting People</u> Supporting People - Contracts Reductions in funding may impact on individual contracts thus affecting providers ability to deliver supported housing services to vulnerable people. This may have a knock on effect across departments within Merton and on neighbouring authorities who fund contracts. We are basing the savings on the presumption that the indicative programme grant (£3.3m 8/9 level) will be paid however, if there is a significant cut in grant the impact of the above will be exacerbated. The grant determination will not be known until Dec/Jan. None see service implication see service implication see service implication</p>	57	5			Low	Low	D1
SC	H4	<p><u>Supporting People</u> Supporting People - Contracts Reductions in funding may impact on individual contracts thus affecting providers ability to deliver supported housing services to vulnerable people. This may have a knock on effect across departments within Merton and on neighbouring authorities who fund contracts. We are basing the savings on the presumption that the indicative programme grant (£3.3m 8/9 level) will be paid however, if there is a significant cut in grant the impact of the above will be exacerbated. The grant determination will not be known until Dec/Jan. None see service implication see service implication see service implication</p>	154	30			Med	Med	D1

Panel	Ref	Description of Saving	Baseline Budget 08/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
SC	H5	<p>Description Service Implication</p> <p>Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	643	20			Low	Low	F1
Total Community and Housing Savings				1,402	0	-100			

SPECIFIC GRANTS

Authority:	Merton
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Sum of Value	Year		
	2009/10 (£m)	2010/11 (£m)	Total (£m)
Specific Grant:			
Dedicated School Grant	99.876	105.971	205.847
Early Years - Increasing Flexibility for 3-4 year olds	0.316	1.478	1.794
Ethnic Minority Achievement	0.957	1.002	1.959
Extended Schools - Sustainability	0.392	0.553	0.945
Homelessness Basic Revenue	0.120	0.120	0.240
Learning Disability Campus Closure Programme	0.179	0.294	0.473
London Pay Addition Grant	0.383	0.556	0.939
Music Services	0.241	0.241	0.482
Playing for Success	0.160	0.160	0.320
School Development Grant (Schools Element)	2.938	2.986	5.924
School Lunch Grant	0.246	0.246	0.492
School Standards (including personalisation)	4.652	4.750	9.402
Short Breaks (Aiming High for Disabled Children)	0.192	0.620	0.812
Social Care Reform	0.602	0.737	1.339
Stroke Strategy	0.087	0.087	0.174
Supporting People	3.385	0.000	3.385
Sure Start, Early Years & Childcare	4.521	5.144	9.665
Targeted Mental Health in Schools Grant	0.225	0.158	0.383
Youth Opportunity Fund	0.115	0.115	0.230
Total (£m)	119.587	125.218	244.805

APPENDIX 13

AREA BASED GRANTS	2009/10 (£m)	2010/11 (£m)	Total (£m)
14 - 19 Flexible Funding Pot	0.034	0.035	0.070
Adult Social Care Workforce	0.426	0.436	0.862
Care Matters White Paper	0.156	0.189	0.345
Carers	0.808	0.857	1.665
Child & Adolescent Mental Health	0.425	0.448	0.873
Child Death Review Processes	0.032	0.034	0.066
Child Trust Fund	0.002	0.002	0.004
Children's Fund	0.389	0.389	0.778
Children's Social Care Workforce	0.079	0.079	0.158
Choice Advisers	0.025	0.025	0.050
Climate Change (Planning Policy Statement)	0.023	0.023	0.050
Connexions	1.546	1.473	3.019
Education Health Partnerships	0.043	0.043	0.085
Extended Rights to Free Transport	0.002	0.004	0.006
Extended Schools Start-Up Grants	0.594	0.244	0.838
Learning & Disability Development Fund	0.143	0.143	0.286
Local Involvement Networks	0.123	0.123	0.246
Mental Capacity Act & Independent Mental Capacity	0.095	0.091	0.186
Mental Health	0.479	0.505	0.985
Positive Activities for Young People	0.181	0.235	0.416
Preserved Rights	0.661	0.641	1.302
Preventing Violent Extremism	0.150	0.162	0.312
Primary National Strategy - Central Co-ordination	0.099	0.099	0.199
School Development Grant (LA Element)	0.248	0.248	0.495
School Improvement Partners	0.056	0.056	0.112
School Intervention Grant	0.037	0.037	0.073
School Travel Advisers	0.017	0.017	0.034
Secondary National Strategy - Behaviour and Attendance	0.068	0.068	0.137
Secondary National Strategy - Central Co-ordination	0.122	0.122	0.244
Stronger Safer Communities	0.216	0.216	0.431
Supporting People	0.000	3.385	3.385
Supporting People Administration	0.124	0.106	0.230
Sustainable Travel - General Duty	0.012	0.012	0.024
Teenage Pregnancy	0.109	0.109	0.218
Young People Substance Misuse Partnership	0.061	0.061	0.122
Young Peoples Substance Misuse	0.023	0.023	0.045
Total (£m)	7.606	10.739	18.345

SECTION 2:

SCHOOLS BUDGETS 2009-2012: FUNDED BY DEDICATED SCHOOLS GRANT

1. Introduction

- 1.1 The Children Act 2004 provides the legislative foundation for a whole system reform to significantly improve the quality, accessibility and coherence of services so that every child and young person is able to fulfil their potential and those facing particular obstacles are supported to overcome them. Each relevant authority has been required to re-organise its services to start to meet this agenda.
- 1.2 Children and young people make up 25% of the Merton Population. The number of children and young people between 0-19 years is currently 47,000 and is set to rise to 51,000 by 2015.
- 1.3 The Education Act 2005 introduced the Dedicated Schools Grant (DSG). The DSG funding that the Authority receives is based wholly on pupil number data that will only be known with certainty early in the new financial year. Detailed below are the DSG allocations, as well as the per-pupil amounts and the pupil numbers for the two preceding year's, the current year and estimates for the next two years.

Financial Year	Per Pupil Funding £	Pupil Numbers	Total Grant £m	% increase
2006/2007	4,004.28	21,748	87,085	
2007/2008	4,270.05	21,255	90,760	4.2%
2008/2009	4,452.28	21,279	94,740	4.3%
2009/2010	4,611.74	21,279	98,133	4.7%
2010/2011	4,801.35	21,279	102,168	5.3%

Note: the pupil number projections for 2009-11 are assumed to be equivalent to schools census data for 2008. These will be updated for the census data for 2009 and 2010 when available.

Note: the reason for the reduction in pupil numbers in 2007/08 was the transfer of Mitcham Vale and Tamworth Manor Secondary Schools to Academy Status.

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 2009-2012. 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.

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.

4. Minimum Funding Guarantee

- 4.1 The DCSF has specified a minimum funding guarantee of 2.1% per pupil for 2008-2011 which the LA must ensure that each school receives. Local Authorities are provided with a detailed formula to calculate this funding, however some local variations to the formula are permitted with the approval of the Schools Forum, provided that they do not affect more than 50% of the total school population.

5. Schools Census

- 5.1 The schools census took place on 15th January 2009 and this information is collated and verified during February and March. This data is the main driver of the per pupil funding of the Schools Funding Formula and the DSG draft Budget information is provided to schools in early March.
- 5.2 Finalised funding for schools is approved by the Schools forum in late March and will be provided to schools by 31st March 2009.

6. London Pay Addition Grant

- 6.1 We have furthermore recently been notified of a London Pay Addition Grant over and above the DSG allocation. This will be paid to London authorities to help them meet the cost of the additions to Teachers' Pay scales recommended by the School Teachers' Review Body (STRB) in their recent report. The DCSF calculates that the pay additions for London would have added 0.2/0.2/0.15 per cent to the basic increases in DSG received each year by all authorities. The grant must be used in support of the purposes of the Schools Budget. An element of this grant may be kept centrally to support those staff who are teacher's

pay scales, this split and the allocations to schools will be agreed by the School's Forum. Merton's indicative allocations for the two years 2009-2011 are £0.380m and £0.547m.

SECTION 3:

THE CAPITAL PROGRAMME, INCLUDING THE HOUSING REVENUE ACCOUNT CAPITAL AND THE CAPITAL STRATEGY

1. Background and development of the Capital Programme

- 1.1 The Capital Programme for 2009-2010 and two subsequent years is an integral part of the overall Financial and Service Plans that form the basis of setting the Council Tax for 2009-2010.
- 1.2 This report sets out the process by which the draft capital programme has been progressed, including the methodology for prioritising capital bids.
- 1.3 Merton's Capital Strategy for 2009-2012 is aligned and integrated with the Business Plan for the period 2009-2012.
- 1.4 Business Plan 2009-2012
The Business Plan sets out the Council's vision and ambitions for improvement over the next three years and how this will be achieved. Business Planning and financial planning frameworks are closely aligned and integrated with regular communication between officers with responsibility for both aspects. The Business Plan is grouped into six strategic themes:-
 - Sustainable Communities and Transport;
 - Safer and Stronger Communities;
 - Healthier Communities;
 - Older People;
 - Children and Young People;
 - Corporate capacity.
- 1.5 Community Plan
A key driver to Merton's progress and the formation of the six strategic themes is the Community Plan. It is a 10 year Plan that aims to improve the quality of life and services in the area for 2015. Central to the Plan is the overall vision and a framework of principles that underpin the way in which the specific outcomes will be achieved.
- 1.6 Service Plans
In developing the Capital Strategy, clear linkages have also been identified with not only the Business Plan but also departmental service plans beneath this. It reflects the capital investment implications of the approved objectives of those plans, which themselves reflect the Council's proposals set out in service based strategies such as the Housing Strategy, Borough Spending Plan (Transport), and Asset Management Plans. Priorities for the Corporate Services and Chief Executive's departments are based around how the Council manages its resources effectively and how it carries out its wider community leadership role.
- 1.7 The strategic themes of the Business Plan and the published Service Plans for 2009-2012 and 2009-2010 form the basis on which the Capital Strategy & Asset Management Group has approached the prioritisation of bids submitted by all departments. Given limited resources, bids that were worthy, but considered as non-essential by the Capital Strategy & Asset Management Group, have had to be deferred.
- 1.8 The draft capital programme is included as Appendix 14A in the Capital Strategy.

1.9 The Overview and Scrutiny Commission considered the draft Capital Programme and Capital Strategy at its meeting on 29 January along with the views of the Scrutiny Panels. The Commission recommended that £40k for WiFi extensions in 2009/10 and 2010/11 were unnecessary and should be removed until a business case had been drawn up. As per the response from Cabinet in Appendix 2, it has remained within the programme but will only be released subject to a business case.

2. Capital Strategy & Asset Management Group

2.1 A Capital Strategy & Asset Management Group consisting of key officers from each department has considered all the bids put forward by departments. These schemes have been reviewed in relation to the Business Plan, Community Plans and Service Plans for each department.

2.2 Initial prioritisation of schemes was achieved by appraising them against criteria. The prioritisation framework used was as follows:-

Types of expenditure	Points
Essential highways infrastructure maintenance and repair	15
Other property related work to maintain infrastructure	15
Addresses Community Plan objective	5
Addresses Business Plan priority	5
Leverages external funding	10
Has significant CPA impact (e.g. addresses a killer PI)	5
Legal/mandatory/contractual commitment	10
Supports shared service provision	10
Addresses climate change impact	5
Leads to a revenue saving – payback within 3 years	10
Leads to a revenue saving – payback within 5 years	7
Leads to a revenue saving – payback within 10 years	5
Revenue cost (e.g. staffing, running costs, etc.)	-20

2.3 Finalisation of the Programme took into account the degree to which the schemes were essential, looking particularly at where contractual commitments had been entered into and the extent to which schemes delivered Council priorities as detailed in the Business Plan.

2.4 Backlog maintenance is addressed within the capital programme. A condition survey has been completed in 2008/09, which has quantified the backlog maintenance of the Council's Operational Properties as £13.569m. Of this sum, £2.256m relates to mechanical works, £1.832m relates to electrical works, and £9.481 relates to building works. To address this backlog there are amounts in the capital programme of £0.626m for 2009/10 and a further £0.700m in each of the two financial years thereafter. In addition, in 2009/10 there are budgets of £0.250m for DDA work, £0.300m for refurbishment of the Civic Centre and a revenue maintenance budget of £0.584m which will all also contribute to some degree to the reduction in the backlog. The works are being prioritised using the results and rankings of the condition survey. The 2008/09 survey was of 100% of all of the Council's Operational Properties.

However, the condition survey will continue on the basis of a rolling 5 year programme, commencing with 20% of all properties being assessed in 2009/10.

- 2.5 The Schools backlog maintenance currently totals £15.6m including the VA schools but not the 2 Academies and the 4 PFI Secondary Schools. It is planned that the backlog will be reduced following increased grant from government for school modernisation of £537k in 2009/10 and £1,460k in 2010/11. The grant level for 2011/12 has yet to be advised to the authority.
- 2.6 The footway and carriageway maintenance backlog is currently based on BVPI figures produced annually. This will change from 2009/10 to National and Local Indicators, however the method of calculation will remain unchanged.
- 2.7 The figures quoted exclude Principal Classified (A Roads) as currently funding for maintenance of these roads is provided by Transport for London as part of the LIP Settlement.
- 2.8 To remove the backlog on Non-Principal (B and C Roads) with a percentage defective figure of 5% would cost an estimated £3.1m.
- 2.9 To remove the backlog on Unclassified Roads with a percentage defective figure of 20% would cost an estimated £10.7m
- 2.10 To remove the backlog on both Cat 1 & 2 footways with a defective figure of 8% plus Cat 3 & 4 footways with an estimated defective figure of 6% would cost an estimated £6.5m
- 2.11 The backlog will be reduced by budgets for highways of £1.416m, £1.463m and £1.570m in 2009/10, 2010/11 and 2011/12 respectively. The backlog will be reduced by budgets for footways of £0.937m, £0.962m and £1.046m in 2009/10, 2010/11 and 2011/12 respectively.
- 2.12 The backlog will be adjusted each year by the annual condition survey, which will reflect annual deterioration as well the above investment.

3. **Capital Resources 2009-2012**

3.1 Capital expenditure is funded from a variety of sources:-

- Borrowing supported by the Government;
 - a) Single Capital Pot which is available for general use
 - b) Ring-fenced which is earmarked for a specific project or purpose
- Unsupported borrowing via the Prudential Framework and funded by Council Tax
- 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.

A level of funding has been identified :

-----**Summary of Capital Programme – Resources and Expenditure**-----

	2009-2010	2010-2011	2011-2012	TOTAL
	£000	£000	£000	£000
Earmarked Funding	26,109	14,566	4,978	45,653
Funded by Section 106	328			328
Capital Receipts	750	3,700		4,450
HRA Borrowing	2,000	2,000	2,000	6,000
General Fund Borrowing	18,048	23,031	23,080	64,159
Total Capital Resources	47,235	43,297	30,058	120,590
Proposed Capital Expenditure	47,228	42,801	22,175	112,204
Surplus	7	496	7,883	8,386

3.2 The revenue costs (interest and capital repayment) of the borrowing element of the funding which are included within the MTFs are set out below:

	2009/10	2010/11	2011/12
	£000	£000	£000
Revenue effects of 2009/12 Capital Programme	1,784	2,283	1,450

4. Debt Management Strategy

4.1 Under the Prudential Code, it is permissible for local authorities to undertake borrowing that is unsupported by the Government. In order to do this the authority must ensure that the expenditure is prudent, affordable and sustainable.

4.2 Until the last few years, the Authority has utilised non-housing capital receipts as its main source of funding of capital expenditure. However, currently the optimum use of capital receipts will be to pay the premiums on the repayment of those authority debts, which have high fixed interest charges. Consequently, prudential borrowing is being considered in respect of those parts of the programme, which are not covered by earmarked funding.

4.3 In 2008 there have been severe economic world difficulties which have depressed the sales of property in the whole of the UK. It is therefore difficult to accurately estimate the level of capital receipts for the period 2009-2012. Therefore a cautious view has been taken of the potential capital receipts identified through the Asset Management Review (AMR), and the following table represents a 'best prudent view' at this time in respect of an anticipated cash flow:-

	2009-2010	2010-2011	2011-2012
	£m	£m	£m
Capital Receipts	3.000	7.000	8.000

4.4 These receipts will be applied to redemption premiums in order to generate lower interest costs and produce revenue savings.

4.5 The proposed **Treasury Management Strategy** for the financing of the Authority's expenditure is set out in Appendix 15. The strategy covers both revenue and capital expenditure, as well as covering the issues of debt management and invested balances. It also covers the new annual statement on the Council's policy on making Minimum Revenue Provision (MRP).

5. **Regeneration Projects/Housing Receipts:**

5.1 Under The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, local authorities are able to reduce the amount of capital receipts they are required to pool, if the receipts are applied towards the provision of affordable housing or on regeneration projects.

5.2 Regeneration projects: "means any project for the carrying out of works or activities on any land where –

a) the land or a building on the land, is vacant, unused, underused, ineffectively used, contaminated or derelict; and

b) the works or activities are carried out in order to secure that the land or the building will be brought into effective use.... The undertaking of a regeneration project on land situated within the area of the local authority is a specified project."

5.3 Over the three-year period, the estimated housing receipts under this heading are not significant in relation to the overall programme. Those schemes, which are eligible to be funded by these housing receipts if received, are noted in the right hand column of Appendix 14A.

6. **Acceleration of Capital Allocations from 2010/11 to 2009/10**

6.1 The government is intending to bring forward capital expenditure where possible to mitigate the downturn. To that end the DCSF wrote to all local authorities inviting them to identify plans for capital expenditure in 2010/11 that could be brought forward into the next financial year (2009/10).

6.2 Initially, the suggestion was only related to the Children's Plan but a second follow up invitation from DCSF effectively widened the potential to all local authority services.

6.3 The second invitation from DCSF noted that School Modernisation Grant and Targeted Capital Fund are not ring-fenced. This allows the authority to use these grants on services other than schools, with the proviso that they should be backfilled at a later date with non-school funds spent on schools.

6.4 An application was made to the DCSF for the maximum amount (£7.46m) to be brought forward, which was agreed. An amount has been allocated in 2009/10 to Children, Schools and Families of £3.36m The remaining £4.10m is shown as "Accelerated Schemes" in the Capital Programme.

6.5 When schemes, which are approved in the Capital Programme, have been identified as suitable for bringing forward from 2010/11 to 2009/10, appropriate virements will be submitted to Cabinet for approval. These virements will transfer the necessary budgets in 2009/10 from "Accelerated Schemes" to the schemes identified. There will be offsetting virements of equal amounts for those same schemes in 2010/11.

6.6 Departments will be reviewing their schemes to identify those that can potentially be re-profiled from 2010/11 to 2009/10. Issues to be considered will relate to capacity as well as the advantages of advancing programmes.

6.7 There is no impact on the General Fund in any financial year by bringing forward these schemes.

7. Changes since 12 January 2009 Cabinet Meeting

7.1 As a result of the acceleration of capital schemes in paragraph 6 above, and of the notification of Transport for London (TFL) grant, the changes to the programme since the previous Cabinet meeting are as follows:

7.2

	2009-2010
	£m
Draft Capital Programme 12 January 2009	37.038
Accelerated Schemes – Children, Schools and Families	3.362
Accelerated Schemes - Unallocated	4.098
TFL Grant	2.730
Revised Draft Capital Programme	47.228

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1 Introduction

- 1.1 Merton's Capital Strategy for 2009-2012 has been aligned and integrated with the Business Plan for the period 2009-2012 which has been grouped into six strategic themes:-
- Sustainable Communities;
 - Safer and Stronger Communities;
 - Healthier Communities;
 - Older People;
 - Children and Young People;
 - Corporate capacity.
- 1.2 These themes are structured around the Audit Commission's Corporate Assessment themes and are derived from the shared priorities agreed between central and local government, shaped to drive improvement in local government and partnership working.

2 Planning Infrastructure

2.1 Community Plan

- 2.1.1 A key driver to Merton's progress is the Community Plan. Merton's Community Plan 2006-2015 is aligned around the Corporate Assessment themes. It is a 10-year Plan that aims to improve the quality of life and services in the area for 2015. Central to the Plan is the overall vision and a framework of principles that underpin the way in which the specific outcomes will be achieved. These principles celebrate and build on the diverse social, economic and environmental characteristics of the borough and are aimed at securing a sustainable future for those who live, work or study here.
- 2.1.2 The Plan directs the future actions of all the partners, which sign up to it, and the outcomes to be achieved are reflected in the shorter term plans which are prepared by all these agencies. Thus the Community Plan is the "Plan of Plans" for the local area. It is one of the best ways of ensuring that communities become safer, stronger, prosperous and more sustainable. The Merton Partnership is responsible for overseeing and developing the plan. The Partnership is a multi-agency partnership of local stakeholders including the Council, the Metropolitan Police, Merton Voluntary Service Council, Merton Chamber of Commerce, Jobcentre Plus, Sutton and Merton Primary Care Trust, Merton Racial Equality Partnership, Merton Unity Network, Merton College, the Merton Borough Interfaith Forum, the Learning and Skills Council as well as local Members of Parliament. Together they work to an agreed agenda to ensure that all strands of activity from various sectors reflect the diverse needs of the borough's communities.

2.2 Business Plan 2009-2012

- 2.2.1 The Business Plan sets out the Council's vision and ambitions for improvement over the next three years and how this will be achieved. Business Planning and financial planning frameworks are closely aligned and integrated with regular communication between officers with responsibility for both aspects.

2.3 Service Plans

- 2.3.1 In developing the Capital Strategy, clear linkages have also been identified with not only the Business Plan but also departmental service plans beneath this. It reflects the capital investment implications of the approved objectives of those plans, which themselves reflect the Council's proposals set out in service based strategies such as the Housing Strategy, Local Implementation Plan (Transport), and Asset Management Plans. Priorities for the Corporate Services and Chief Executive's departments are based around how the Council manages its resources effectively and how it carries out its wider community leadership role.
- 2.3.2 This Capital Strategy is a fundamental component of our approach since it reflects our strategic priorities across the Council and endeavours to maximise the contribution of the Council's limited capital resources to achieving our vision. We will work closely with residents, community organisations and businesses to focus our resources and those of our partners effectively. The strategy also sets out the management arrangements for allocating resources to individual schemes, establishing funding for projects, monitoring progress, managing performance and ensuring that scarce capital resources are allocated efficiently.

3 Priorities and Objectives for Capital Investment in key areas

3.1 Service Strategies

- 3.1.1 Each service within the Council has a key role to play in supporting the overall vision. Within each of the strategic objectives key priorities are identified and these link into departmental service plans. Central Government arrangements for resource bidding and allocation (e.g. Housing Strategy, Transport Strategy and Schools Asset Management Plan) have influenced capital investment strategies within those services. The Council's Capital Strategy brings together the departmental approach to bidding and supports its holistic approach to investment and provides the framework for resource allocation. The Council's strategy for bidding for additional resources is that the schemes must be consistent with our strategic objectives.

3.1.2 The Council's departments are:

- Chief Executives
- Corporate Services
- Children, Schools and Families
- Community and Housing
- Environment and Regeneration

3.2 Sustainable Communities

3.2.1 The objective of securing "Sustainable Communities" embraces all of the elements that enhance the quality of life for all Merton's citizens and its business community. It therefore covers many areas that require capital investment, including people's homes and local environment, transport systems to support travel choices and investment to support and attract business to Merton. Merton's ambitions for achieving sustainable communities cover cross-cutting areas such as:

- Securing new affordable housing
- Increasing the quality of existing council housing with increased tenant participation
- Enhancing the street scene
- Job and wealth creation, particularly in eastern wards and in town centres
- Investment 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 e.g. – Access to Buildings

3.5 Older People

3.5.1 There is an existing central and local government agenda, mainly through health and social care, that sets out to offer older people prospects that maximise well-being and independence. Within health, housing and adult social care policies, there is an increasing emphasis on the need for prevention and looking ahead within the promotion of independence and personal choice. Merton's ambitions for older people will involve work in a range of diverse areas such as:-

- improving access to transport;
- personal safety;
- the built environment;
- culture and leisure;
- access to new technology;
- development of options for housing.

3.6 Children and Young People

3.6.1 Merton's role is to help all children and young people in Merton to achieve the five national outcomes that the Government identified after consulting with young people. Challenges for the next three years include:-

- Building resilience and respect for others amongst children and young people.;
- Reducing the fear of crime and antisocial behaviour;
- Raising attainment and reducing educational inequalities;
- Promoting Healthy Lifestyles & Choices.

3.7 Corporate Capacity

3.7.1 Merton aims to ensure that our residents and customers will receive excellent, value for money services. The Business Plan identifies a number of elements that are cross-cutting and run through all of its strategic themes. They are factors that need to be considered in the delivery of all of the priorities and similarly need to be reflected in the Capital Strategy. The cross cutting themes are:-

- Customer access, customer services and customer care;
- Sustainable development;
- Equalities, diversity and community cohesion;
- Value for Money;

3.7.2 The Outstanding Council Programme Board (OCPB) ensures that the Council maximises efficiencies from its service review programme, in particular from cross cutting reviews.

The OCPB aims to ensure that services achieve the maximum value for money in delivering the Council's strategic priorities and provides the governance and accountability for:

- the forward programme of reviews (both service and cross-cutting);
- 'Level 1' departmental reviews progress and outcomes;
- cross-cutting reviews progress and outcomes;
- procurement reviews, recommendations and outcomes; and
- any other cross-cutting efficiency projects or significant contributions to the achievement of the Medium Term Financial Strategy.

3.8 Other Strategies

3.8.1 In addition, there are other strategies, notably the Human Resource Strategy and IT Strategy which support the achievement of the Business Plan.

4 Corporate and strategic capital expenditure appraisal planning and control

4.1 Capital Strategy & Asset Management Group(CSAMG)

4.1.1 Merton's Capital Strategy is coordinated by the Capital Strategy & Asset Management Group (CSAMG) which consists of the Cabinet member for Asset Management, senior officers from each Service Department, together with officers from Corporate Services (Finance).

4.1.2 The role of CSAMG is to ensure that all capital expenditure and investment decisions are made in an informed way, consistent with the achievement of the Council's overall corporate strategic objectives. It also has a co-ordinating, monitoring, reviewing, developing, encouraging, and reporting role, which ensures that Merton makes effective and efficient use of its capital resources, including management of its capital assets.

- 4.1.3 The CSAMG recommends to Members 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 scheme to ensure that projects are completed within time and budget. These reports are considered by the CSAMG as well as by CMT, Cabinet and the Corporate Capacity Overview and Scrutiny Panel. 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). All non-housing capital receipts are brought together as a single funding pot and are used either to finance further capital investment or for the payment of premiums on repayment of higher interest loans.
- 4.1.5 Members, through the Cabinet and Council, approve annually the Capital Programme and any in-year additions or deletions. Departmental data relating to the Council's priorities and key indicators is reported quarterly to Cabinet. Chief Officers allocate responsibility for individual projects to specific officers who will provide a progress statement for each project, detailing spend against budget, what stage in project implementation has been reached and a forecast of project outturn and revised completion dates. This monitoring information is considered by departmental management teams and management action identified where necessary. Members receive regular monitoring reports to inform and assist them - a corporate summary is considered by CSAMG and any recommendations included in the report to Cabinet. This is open to review by the Overview and Scrutiny Commission. Regular quarterly reviews include options to address problems relating to funding, delays and so on.

4.2 Risk Management

- 4.2.1 The management of risk is strategically driven by the Corporate Risk Management Group. This is the central hub of a number of Council mechanisms for risk management including a Corporate Key Strategic Risk Register, departmental risk registers and project risk registers. The Group collates on a quarterly basis the headline departmental risks and planned mitigation activity from each department, project and partnership, to be put forward for discussion at CMT. Regular reports on risk are made through the Audit Committee to Cabinet and Council.
- 4.2.2 Ongoing year-on-year significant capital items are reflected in the departmental risk registers by risk assessment of the outcome targets e.g. Waste Partnership contract. Significant new specific schemes such as the redevelopment of Wimbledon Town Centre (P4) and the St Ann's

development will have their own risk registers as part of the projects' control.

- 4.2.3 The risk of slow progress on all capital schemes is reported by a "traffic light coding" matrix, monitored by the Corporate Management Team and Capital Strategy & Asset Management Group and reported to Cabinet.
- 4.2.4 Risk of overspending on capital schemes is managed by Departmental Management Teams. This can be by financial risks identified in specific sections e.g. in the Environment and Regeneration Department, Highways Section and Traffic & Parking Section have specific financial risks. It can also be by general risks e.g. the Children, Schools and Families Department have identified risks in relation to Financial Management and the Management of Major Capital Projects.
- 4.2.5 Over and under-spending is monitored by the Capital Finance Team and reported to the Capital Strategy & Asset Management Group and 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. 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 is possible to undertake additional borrowing subject to an assessment of prudence, affordability and sustainability and this option is pursued where it is prudent, affordable and sustainable. The revenue effects of the capital programme are set out below:

Revenue effects of Capital Programme			
	2009/10	2010/11	2011/12
	£000	£000	£000
Total	1,784	2,283	1,450

6 Capital resources 2009-2012

6.1 Variety of sources

6.1.1 Capital expenditure is funded from a variety of sources:-

- Borrowing supported by the Government;
- Single Capital Pot which is available for general use
- Ring-fenced which is earmarked for a specific project or purpose
- Specific grants - earmarked for a specific project or purpose;
- Capital receipts from the disposal of surplus and under-utilised land and property; and
- Other contributions such as Section 106 and from leaseholders.

6.2 Prudential Code

6.2.1 In addition, under the Prudential Code, it is permissible for local authorities to undertake borrowing that is unsupported by the Government. In order to do this the authority must ensure that the expenditure is prudent, affordable and sustainable. Merton has utilised prudential borrowing mainly in respect of the planned local Public Service Agreement for highways and prudential borrowing may be considered in respect of some of the larger capital projects that the Council is considering over the period of the Business Plan.

6.3 Annual Minimum Revenue Provision (MRP) Statement

6.3.1 Under guidance from the Department for Communities and Local Government, authorities are required to prepare an annual statement on their policy on making MRP. This mirrors the existing requirements to report to the Council on the Prudential borrowing limit and investment policy.

6.3.2 The statement is set out in the *Treasury Management Strategy*.

6.4 Single Capital Pot

6.4.1 Single Capital Pot (Non-earmarked resources)

Non-Earmarked Resources available	2009/10 £000
Single Capital Pot (SCE (R))	
Education	5,852
Childrens Services	44
Total	5,896

6.4.2 The Single Capital Pot (SCE (R)) provides general approval to borrow to fund schemes at Merton's discretion. Resources to fund the revenue effects of the borrowing are included in the formula grant announced in the

Local Government Finance Settlement. However, as Merton is at the floor, no additional grant has been received to pay for the extra borrowing costs. Similarly, the revenue effects of HRA borrowing are included in the housing subsidy calculation.

7 Asset management review

7.1 Capital receipts

7.1.1 Capital receipts generated from the disposal of surplus and under-utilised land and property are a major source of funding and the potential available capital resources are under constant review and revision. The forecast of capital receipts included in this report is primarily based on the Asset Management Plan, from which is derived a multi-year forecast of planned land and property disposals. In addition, a forecast of receipts from the sale of council houses is included but the Council is only able to use 25% of these to finance new capital expenditure.

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 re-development of Wimbledon Town Centre (P4) and 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 i.e. the total costs of the projects are examined as well as the costs in-year.

7.3 Housing receipts

7.3.1 Under The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 local authorities are required to pool receipts from the disposal of housing land. This means that a specified proportion of each receipt has to be paid to the Secretary of State within a specified timescale. The specified amount is an amount equal to 75% of the capital

receipt in relation to the disposal of a dwelling and 50% in relation to the disposal of any other interest in housing land. Authorities are able to reduce the amount pooled if the receipts are applied towards the provision of affordable housing or on regeneration projects. The definitions of these used in the legislation are:-

- 7.3.2 Affordable housing: “means the provision of dwellings to meet the housing needs, as identified by the authority , of persons on low incomes, whether provided by the authority or a social landlord....”
- 7.3.3 Regeneration projects: “means any project for the carrying out of works or activities on any land where
- a) the land or a building on the land, is vacant, unused, underused, ineffectively used, contaminated or derelict; and
 - b) the works or activities are carried out in order to secure that the land or the building will be brought into effective use.... The undertaking of a regeneration project on land situated within the area of the local authority is a specified project.”
- 7.3.4 Those schemes, which the Council has recognised as being eligible for funding by these housing receipts, are noted in the right hand column of Appendix 14A.

8 Summary of estimated disposals 2009-2012

8.1 Potential capital receipts

- 8.1.1 In 2008 there have been severe economic world difficulties which have depressed the sales of property in the whole of the UK. It is therefore difficult to accurately estimate the level of capital receipts for the period 2009-2012. Therefore a cautious view has been taken of the potential capital receipts identified through the Asset Management Review (AMR), and the following table represents a ‘best prudent view’ at this time in respect of an anticipated cash flow:-

	2009/10 £000	2010/11 £000	2011/12 £000
Total	3,000	7,000	8,000

8.2 Debt repayment

- 8.2.1 The Council has approved a strategy to reduce its level of debt. For the period 2009-2012, the optimum use of capital receipts will continue to be to pay the premiums on the repayment of those authority debts which have high fixed interest charges. Consequently, prudential borrowing will be used in respect of those parts of the programme, which are not covered by earmarked funding.

9 Earmarked capital resources

9.1 Specific Programmes

- 9.1.1 In addition to Single Capital Pot allocations, the Government provides resources in respect of a range of specific programmes. These resources are allocated by Government departments to enable authorities to carry out capital projects which they have identified as important for their own programmes.
- 9.1.2 The government is intending to bring forward capital expenditure where possible to mitigate the downturn. To that end the Department of Children, Schools and Families (DCSF) wrote to all local authorities inviting them to identify plans for capital expenditure funded by government grants in 2010/11 that could be brought forward into the next financial year (2009/10).
- 9.1.3 In respect of Merton Council, the DCSF has agreed that £7.46m can be brought forward from 2010/11 to 2009/10, and this acceleration of funding is reflected in the Capital Programme.
- 9.1.4 An amount of £3.36m has been allocated in 2009/10 to Children, Schools and Families. The remaining £4.10m is shown as "Accelerated Schemes" in the Capital Programme.
- 9.1.5 When schemes, which are approved in the Capital Programme, have been identified as suitable for bringing forward from 2010/11 to 2009/10, appropriate virements will be submitted to Cabinet for approval. These virements will transfer the necessary budgets in 2009/10 from "Accelerated Schemes" to the schemes identified. There will be offsetting virements of equal amounts for the schemes in 2010/11.
- 9.1.6 Details of projects for which there are Earmarked Capital Resources are as follows:-

9.2 Transport

		2009/10 £000
Infrastructure	Principal Road Renewal	456
Road Safety	Local Safety Schemes 20mph Zones Education, Training & Publicity Schemes	356 164 55
Walking & Cycling	Walking Cycling Non LCN+ Cycling LCN+	117 65 286
Bus	Bus Stop Accessibility Bus Priority	75 675
Travel Demand Management	School Travel Plans Travel Awareness	246 20
FRACA (Freight, Regeneration, Environment, Parking and Accessibility Schemes)	Local Area Accessibility Freight	60 30
Local Transport Scheme		100
Parallel Initiatives	Parallel Initiatives	25
TOTAL: Transport Earmarked		2,730

Funding for 2010/11 and 2011/12 will be notified by Transport for London at later dates.

9.3 Housing

	2009/10 £000
Major Repairs Allowance	4,500
TOTAL: Housing Earmarked	4,500

Funding for 2010/11 and 2011/12 will be notified by the Department of Communities and Local Government at later dates.

9.4 Environmental Health

	2009/10 £000	2010/11 £000	2011/12 £000
Transport for London Disabled Facilities Grant	2,730 420	TBA 420	TBA 420
TOTAL: Environmental Health Earmarked	3,150	420	420

TBA – To Be Advised

9.5 Children, Schools and Families

	2009/10 £000	2010/11 £000	2011/12 £000
Extended Schools	279	144	TBA
ICT Harnessing Technology Modernisation	432 900	453	TBA TBA
Devolved Formula Capital	2,779	2,779	TBA
Wimbledon Chase DCSF Grant	1,016	306	TBA
Targeted Capital Fund	5,000		TBA
Primary Capital Programme	3,000	5,378	TBA
Childrens Centres	897	528	
TOTAL: Children, Schools and Families Earmarked	14,303	9,588	

TBA – To Be Advised

9.6 Chief Executive's

	2009/10 £000	2010/11 £000	2011/12 £000
Crime, Reduction, ASB & Drugs – funded by the Home Office	58	58	58
TOTAL: Chief Executive's Earmarked	58	58	58

9.6 Social Services

9.6.1 Allocations are expected in respect of:-

- Share of Mental Health Services Pot
- Improving Information Management

9.7 Summary of earmarked resources 2009-2012

9.7.1 The earmarked resources notified to date are summarised in the following table. It is expected that there will be additional earmarked resources notified during the financial year 2009/10:-

Earmarked Resources	2009/10 £000	2010/11 £000	2011/12 £000
Environment and Regeneration	3,150	420	420
Housing	4,500	4,500	4,500
Children, Schools and Families	14,303	9,588	TBA
Chief Executive's	58	58	58
Accelerated Schemes	4,098		
Total Earmarked Resources	26,109	14,566	4,978

TBA – To Be Advised

10 Summary of Total Resources 2009-2012:

10.1 Summary

10.1.4 The total anticipated resources over the plan period 2009-2012 is summarised in the following table:-

	2009/10 £000	2010/11 £000	2011/12 £000
Earmarked Resources Total	26,109	14,566	4,978
Section 106	328		
Capital Receipts	750	3,700	
Non-Earmarked Resources:			
HRA Borrowing	2,000	2,000	2,000
General Fund Borrowing	18,048	23,031	23,080
	47,235	43,297	30,058

10.2.2 Projects for which earmarked resources have been notified have been given authority to proceed, subject to a detailed specification and programme of works being agreed which ensures that the maximum benefits accrue to the Council within the overall constraints of the approved funding. Those schemes, on their own, represent a considerable capital investment.

11 Capital bids and prioritisation criteria

11.1 Prioritisation of schemes

11.1.1 The allocation of capital resources, on those schemes to be funded by borrowing, is focused towards the achievement of the Council's key strategic objectives as agreed by Councillors. Prioritisation of schemes is initially achieved by appraising them against criteria which were agreed by the Capital Strategy & Asset Management Group. The prioritisation framework used is as follows:-

Types of expenditure	
Essential highways infrastructure maintenance and repair	15
Other property related work to maintain infrastructure	5
Addresses Community Plan objective	5
Leverages external funding	10
Has significant CPA impact	5
Legal/mandatory/contractual commitment	10
Supports shared service provision	10
Addresses climate change impact	5
Leads to a revenue saving – payback within 3 years	10
Leads to a revenue saving – payback within 5 years	7
Leads to a revenue saving – payback within 10 years	5
Revenue cost (e.g. staffing, running costs, etc.)	-20

11.1.2 Finalisation of the Programme for 2009/10 took into account the degree to which the schemes were essential, looking particularly at where contractual commitments had been entered into and the extent to which schemes delivered Council priorities as detailed in the Business Plan. In formulating a 3-year affordable capital investment programme it is essential that such a programme provides investment for the Council's infrastructure that fully supports the strategic priorities contained within the Business Plan.

11.1.3 By applying the criteria shown above, the Corporate Management Team has reviewed the extent to which the objective in matching business plan priorities, other essential and necessary works, and the overall affordability, can be achieved.

11.1.4 Additional capital resources can be identified in the form of additional borrowing arranged under the Prudential Code. However, such borrowing, whilst it may satisfy the criteria of the Code, will, nevertheless, provide additional spending pressures on a revenue budget which is itself constrained and under pressure.

11.1.5 The overall approach to prioritisation is one which:-

- leverages funding from external private and public sector partners (e.g Groundwork Trust, Social Housing Grant)
- assesses the condition of the Council's capital assets as identified as part of the Council's asset management plans
- evaluates the backlog of maintenance identified from the condition surveys and the overall time horizon over which it would be feasible to bring assets up to an agreed standard.
- recommends a defined multi-year programme for which resources are set aside subject to availability and annual review and allocated to individual repair and maintenance schemes based on priority need
- allows all schemes to be assessed on the basis of the extent to which they address the Council's priorities as set out in the Community Plan, Business Plan and have a significant impact on Performance Indicators in respect of Comprehensive Performance Assessment.

11.2 Merton's approach to PPP/PFI

11.2.1 The Council utilises partnership arrangements with the private sector and other public sector bodies where it offers an advantage or expertise in the provision of overall service solutions. This includes Local Authority companies and consortia as well as Private Finance Initiatives.

11.3 Links to Other Relevant Strategies and Plans

11.3.1 The Council's overall Vision and Strategic Objectives have been informed by the Community Plan. Within this framework the Business Plan will draw these together setting out the targeted actions required. There are a number of individual Plans such as Housing Strategy, Local Implementation Plan (Transport), Community Care Plan and Waste Strategy. These plans are updated regularly and reviewed annually in response to changing circumstances and impact on the Councils capital investment plans.

11.4 Detailed Capital Programme 2009-2012

11.4.1 The total of the approved Capital Programme for 2009-2012 is as follows:

Total Capital Programme 2008/11	2009/10 £000	2010/11 £000	2011/12 £000
	47,228	42,801	22,175

11.4.2 The detailed approved Capital Programme for 2009-2012 follows:

Detailed Capital Programme			
Summary Capital Programme Expenditure by Department	2009-10	2010-11	2011-12
	£000	£000	£000
Chief Executive's	97	106	58
Community and Housing	7,067	6,787	6,787
Corporate Services	3,996	3,477	3,355
Children, Schools and Families	18,519	23,593	2,070
Environment and Regeneration	13,251	12,736	9,705
Invest to Save Schemes	200	200	200
Accelerated Schemes	4,098	-4,098	0
Total	47,228	42,801	22,175
Summary Resources Available	2009-10	2010-11	2011-12
	£000	£000	£000
Earmarked Grant	26,109	14,566	4,978
Section 106	328	0	0
Funded by Capital Receipts	750	3,700	0
HRA Borrowing	2,000	2,000	2,000
General Fund Borrowing	18,048	23,031	23,080
Total	47,235	43,297	30,058
Surplus Resources over Funding Required	7	496	7,883

Detailed Capital Programme

APPENDIX 14A

	Draft Programme			Total	Regeneration scheme (R)
Scheme Description	2009-10	2010-11	2011-12		
	£000	£000	£000	£000	
Chief Executive's					
Crime Reduction, ASB & Drugs - funded by the Home Office	58	58	58	174	
Total Earmarked Schemes - Chief Executive's	58	58	58	174	
CCTV Equipment Programme					
CCTV Equipment Programme	39	48	0	87	
Total Non-Earmarked Schemes - Chief Executive's	39	48	0	87	
Total Schemes - Chief Executive's	97	106	58	261	
Community and Housing					
Major Repairs Allowance	4,500	4,500	4,500	13,500	
Total Earmarked Schemes Community and Housing	4,500	4,500	4,500	13,500	
Media Fund					
Media Fund	287	287	287	861	
Radio Frequency Identification - Libraries	280	0	0	280	
Schemes funded by HRA borrowing	2,000	2,000	2,000	6,000	
Total Non-Earmarked Schemes Community and Housing	2,567	2,287	2,287	7,141	
Total Schemes Community and Housing	7,067	6,787	6,787	20,641	
Corporate Services					
Capitalisation MTFS includes an equal credit	1,500	1,500	1,500	4,500	
Civic Centre refurbishment	300	0	0	300	
DDA - Access to Buildings	250	0	0	250	
IT Equipment	380	617	545	1,542	
IT Strategy	940	660	610	2,210	
Repair and Maintenance	626	700	700	2,026	
Total Schemes Corporate Services	3,996	3,477	3,355	10,828	

Detailed Capital Programme

APPENDIX 14A

	Draft Programme			Total	Regeneration scheme (R)
Scheme Description	2009-10	2010-11	2011-12		
	£000	£000	£000	£000	
Children, Schools and Families					
Extended schools	279	144	TBA	423	
ICT Harnessing Technology Grant	432	453	TBA	885	
Modernisation	900	0	TBA	900	
Devolved Formula Capital	2,779	2,779	TBA	5,558	
Wimbledon Chase DCSF grant	1,016	306	TBA	1,322	
Primary Capital Programme	3,000	5,378	TBA	8,378	
Targeted Capital Fund (TCF)	5,000	0	TBA	5,000	
Childrens Centres	897	528	0	1,425	
Total Earmarked Schemes - Children, Schools and Families	14,303	9,588	0	23,891	
Pupil Growth	328	0	0	328	
Total Section 106 funded Schemes - Children, Schools and Families	328	0	0	328	
6th forms - additional finance	0	4,600	0	4,600	
Building School for the Future (BSF) feasibility work	30	350	1,600	1,980	
New Pupil Places (Expansion of Garfield School by 150 places)	400	0	0	400	
Pupil Growth	3,006	3,070	400	6,476	
School Meals / Kitchens	220	0	0	220	
Schools Access Initiative - Inclusion	70	70	70	210	
Schools Modernisation	162	0	0	162	
SEN - St Ann's Special School (pls Finance to buy Land)	0	1,817	0	1,817	

Detailed Capital Programme

APPENDIX 14A

Scheme Description	Draft Programme			Total	Regeneration scheme (R)
	2009-10	2010-11	2011-12		
	£000	£000	£000	£000	
Modernisation	0	1,098	0	1,098	
Targeted Capital	0	3,000	0	3,000	
Total Non-Earmarked Schemes - Children, Schools and Families	3,888	14,005	2,070	19,963	
Total Schemes Children, Schools and Families	18,519	23,593	2,070	44,182	

Environment and Regeneration Department					
Earmarked Schemes - Transport for London	2,730	TBA	TBA	2,730	
Disabled Facilities Grant - DCLG contribution	420	420	420	1,260	
Total Earmarked Schemes Environment and Regeneration	3,150	420	420	3,990	

Civic Amenity Sites					
Amenity Way Parking and Fencing	100	0	0	100	

Env Health (Housing/Environmental)					
Disabled Facilities Grant	280	280	280	840	
Private Sector Housing Programme	120	120	120	360	(R)

Grass Cutting and Tree Maintenance					
Highway trees inspection, data update and works	25	25	25	75	

Greenspaces					
Bank reinstatement at Havelock Allotments	400	0	0	400	
Electric supply into toilets at Wimbledon Park by Play area and refurbishment	60	0	0	60	
Groundwork Trust	47	47	47	141	
Leisure Services Condition of Parks, Open Spaces & Buildings	368	320	270	958	

Detailed Capital Programme

APPENDIX 14A

Scheme Description	Draft Programme			Total	Regeneration scheme (R)
	2009-10	2010-11	2011-12		
	£000	£000	£000	£000	
Match funding towards a sports pavilion at Wimbledon Park Athletics Track	20	0	0	20	
Mayor's Priority Parks	50	0	0	50	
Merton & Sutton Cemetery Repairs (50% share of contribution)	500	300	200	1,000	
New pavilion at Abbey Recreation Ground	0	150	0	150	
Minor Land Purchases	5	0	0	5	
Parking management - CPZ; disabled parking bays & waiting restrictions	380	380	380	1,140	
Phipps Bridge Allotments	32	0	0	32	
Reprofiling of bank at Wimbledon Park Lake which currently has metal retaining edges which are sharp and no longer fit for purpose.	30	0	0	30	
Restoration of South Park Gardens	33	0	0	33	(R)
Trees for Cities Programme (& Other Tree Planting/Nature Conservation)	25	25	25	75	(R)

Highway Maintenance					
Bishopsford Road Bridge - Remote footway replacement	120	0	0	120	
Bridge Inspection	26	39	31	96	
Bridge Repairs General	50	50	50	150	
Bushey Road bridge repair	150	140	10	300	
Demand for Surface Water Drainage - Flooding	53	56	59	168	
Highways Maintenance - Borough Roads	1,416	1,463	1,570	4,449	
Maintenance Anti-Skid and Coloured	142	149	156	447	
Public Rights of Way Improvement Plan	20	20	20	60	
Repairs to Footways	937	962	1,046	2,945	
Replacement of Structures - Revenue	22	24	26	72	
Selby bridge treatments	50	50	0	100	
Wimbledon Bridge	50	200	0	250	

Detailed Capital Programme

APPENDIX 14A

	Draft Programme			Total	Regeneration scheme (R)
Scheme Description	2009-10	2010-11	2011-12		
	£000	£000	£000	£000	
Leisure Centres					
Replacement of Leisure Centre Plant and Machinery	600	600	600	1,800	
Leisure Facilities and Support Services					
Decoration and upgrading of public hall facilities	18	78	0	96	
Wimbledon Theatre Refurbishment	550	0	0	550	
On and Off Street Parking					
Replacement of parking machines	133	0	0	133	
Plans and Projects					
Climate Change Initiatives	120	120	140	380	
Property Management and Review					
P4 Site Development	750	2,750	0	3,500	
Regeneration Partnerships					
Investment In Deprived Areas - East Merton	80	80	80	240	(R)
Mitcham Town Centre Development	50	50	50	150	(R)
Unlocking Development in Morden Town Centre	370	370	370	1,110	(R)
Street Lighting					
Street Lighting Replacement Programme	206	195	245	646	
Traffic & Parking Management					
Area Traffic calming measures/investigation	90	90	90	270	
Minor traffic / danger reduction measures	100	100	100	300	
Traffic surveys & Investigations	30	30	30	90	
Introduction of 20mph zones and 20mph limits	180	102	0	282	
Wimbledon Area Traffic Study	108	72	0	180	

Detailed Capital Programme

APPENDIX 14A

Scheme Description	Draft Programme			Total	Regeneration scheme (R)
	2009-10 £000	2010-11 £000	2011-12 £000	£000	
Transport and Plant					
Eastfields Station - Highway Improvements	200	0	0	200	(R)
Mitcham Town Centre Transport Improvements	50	50	50	150	(R)
Morden Town Centre Highway Improvements	80	100	100	280	(R)
Replacement of Fleet Vehicles	735	500	500	1,735	
Waste Operations					
Alley Gating Scheme - Fly Tipping	50	50	50	150	
Barrows and Bins Replacement Programme	50	50	60	160	
Planned Maintenance of Re-use/recycling Sites	40	40	40	120	
Waste Phase B requirements - Replace Large Waste Collection Vehicles and Purchase Kitchen Waste Collection Vehicles & Associated Household Containers	0	2,089	2,465	4,554	
Total Non-Earmarked Schemes Environment and Regeneration	10,101	12,316	9,285	31,702	
Total Schemes Environment and Regeneration	13,251	12,736	9,705	35,692	
Energy Utilities Invest to Save	100	100	100	300	
Invest to Save Schemes - General	100	100	100	300	
Invest to Save Schemes	200	200	200	600	
Accelerated Schemes					
Earmarked Funding	4,098	0	0	4,098	
Non-Earmarked Funding	0	-4,098	0	-4,098	
Total Accelerated Schemes	4,098	-4,098	0	0	
TOTAL CAPITAL PROGRAMME	47,228	42,801	22,175	112,204	

TREASURY MANAGEMENT STRATEGY

Review of 2008/09 and Forward Strategy 2009/10

1. INTRODUCTION

- 1.1 The Authority has adopted the CIPFA Code of Practice for Treasury Management, and requires that treasury strategy be reported to Council for approval. 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 support this are managed to provide financing at least cost.
- 1.2 The income and expenditure to be incurred in treasury (borrowing and investment) activities, is determined in the corporate budget. The latter takes due account of the Prudential Code Regulations in respect of affordability and sustainability, and establishes *Prudential Indicators* that determine the amount of borrowing that may be incurred. The Treasury Strategy is the means by which the budget for borrowing and investment is to be achieved.

2. BACKGROUND

2.1 2007/08 Closing

The debt redemption programme which was the key feature of the 2007/08 strategy did not progress as planned, due to delays in realising the capital receipts required to finance redemption premiums. Nonetheless, the £15m of redemptions that were implemented allowed the budgeted debt management saving to be achieved. The amount of funds under investment remained relatively stable during the year, and interest rates held above 5.25% throughout. These factors contributed positively, and treasury performance in 2007/08 produced an overall better than budget performance.

2.2 2008/09

- 2.2.1 Throughout 2008/09 treasury activities have complied with the parameters set by the Prudential Indicators agreed in the 2008/09 Budget Report.
- 2.2.2 No new long-term borrowing has been undertaken to date in 2008/09, (5th February 2009).

- 2.2.3 Progress on debt redemption has been limited by the amount capital receipts available to finance redemption premiums, but nonetheless some £7.4m of long-term debt has been redeemed during the year:

	£m.	Reduction of £m.	Average interest rate%
1 st April 2006	185.5		6.7
1 st April 2007:	177.5	-8.0	6.6
1 st April 2008:	162.5	-15.0	6.6
5 th February 2009	155.1	-7.4	6.5
		-30.4	

(In addition there is currently c. £587,000 borrowed on an annuity basis to finance short-life assets such as vehicle and IT equipment.)

- 2.2.4 LBM's debt is essentially on fixed rate terms, and therefore without any new borrowing or re-financing of debt maturities, debt cost is stable. Movements in Base Rate do not feed through to long-term debt cost in the short-term. (Although any occasional temporary borrowing is affected). Therefore debt cost remains within budget.
- 2.2.5 The balance of General Fund investments has increased during the year, and this has supported investment income in a period where the Base rate has fallen from 5.25% to 1%.

	£m.	Average interest rate%
1 st April 2007:	88.75	5.25
1 st April 2008	94.00	6.05
5 th February 2009	107.00	5.56

The overall total of cash under investment includes approximately £10m attributable to the Pension Fund, and is subject to the general fluctuating pattern of cashflow.

- 2.2.6 The return on LBM's portfolio of investments is affected by Base Rate changes in a much shorter timescale than the effect of changes on long-term debt. However, the investment strategy for 2008/09 had anticipated interest rate reduction, and a proportion of investments had been placed in longer-period fixed rate deposits to beyond 2008/09 year-end. This has provided substantial protection of investment performance relative to the 2008/09 treasury budget, and despite the recent precipitate reductions in the Base Rate it is expected that overall, investment return will be maintained at a level which will deliver, and possibly better, budget performance for the year.

- 2.2.7 Recently market events have drawn focus onto the issue of creditworthiness and the security of funds deposited. LBM tightened its credit policy earlier in 2008/09, in response to market information, and has not been affected by the defaults experienced to date by some Local Authorities. The tightening of credit policy has brought LBM's deposits into the major UK and Irish Clearing Banks, and the largest UK Building Society. All of these have the security of expected Government support should this be required.
- 2.2.8 The tightening of credit policy improves security, but limits the range of deposit-takers with whom LBM will deal. This makes it difficult to place the adequately priced longer-period fixed-rate deposits that are required to protect LBM's investment return in a climate of falling interest rates. Whilst it has been possible to place sufficient fixed-rate deposits to offer substantial confidence that the 2008/09 budget can be achieved, much more is required to support the 2009/10 budget. Investment activity in the remainder of 2008/09 will concentrate on trying to place fixed rate deposits that will secure an adequate return for 2009/10, i.e. 5 to 18 months deposit. In pursuing this objective, the current cautious attitude to creditworthiness will be continued and the extent of longer term investment limited to the 40% Prudential Indicator Limit set under paragraph 6.4.3.
- 2.2.9 The currently very cautious attitude to credit risk is prudent, and should continue until there is improved liquidity in the market, and until there is more information available regarding counterparty financial stability, (for example after publication of adequate annual accounts).
- 2.2.10 Treasury performance relative to budget is monitored and modelled, and currently both debt cost and investment income are expected to allow the treasury budget target for 2008/09 to be achieved.

3. EXTERNAL ECONOMIC INFLUENCES

- 3.1 Treasury strategy is influenced by the effect of interest rate movements on borrowing cost and investment return. To inform consideration of this, forecasts are obtained from a consensus of professional sources.
- 3.2 The downturn/recession in the world and UK economies, and the liquidity issue in the banking sector, have caused the UK Base Rate to fall to 1.0% (at 5th February 2009). Forecasts suggest rates may fall further from this level and remain even as low as 0.5% through 2009/10.

- 3.3 There is also at present a divergence between market interest rates (LIBOR) and the official Base Rate, the former remaining stubbornly above the latter. This is caused by the liquidity crisis in the banking market, and is acting to delay the effect of Base Rate reductions on the real economy, and prompting unusually large reductions in official rates. Whilst this situation prevails it allows investment at a level above the Base Rate, but also protracts the period over which official rates will be maintained at low levels.
- 3.4 Long-term interest rates are however considered close to their base level. These rates reflect the market's expectation of economic growth and inflation over many years, and the effect of movements in short-term interest on these long-term rates is proportionate. Current forecasts expect that long-term borrowing for 25 –50 years will be available at near 4.5%, and 10-year funds at circa 4%. In historical terms these appear reasonable levels for long-term borrowing.

4. FINANCING EXPENDITURE 2009/10

4.1 Revenue Expenditure and Cashflow

- 4.1.1 Revenue income and expenditure are set to balance over time, and this is determined via the setting of the budget. However, in the short-term expenditure and income are unlikely to balance on any one day, and deficits have to be financed, and surpluses invested. Deficits may be financed by either applying any invested funds that can be drawn-down on that day, or by temporary borrowing, (including overdraft).
- 4.1.2 DCLG guidance determines that a tranche of liquidity, (described as Specified Investments) be available to support management of cashflow deficits, and this has been established; (see section 5.3). However, application of otherwise invested funds does mean that their ongoing investment is curtailed, and so investment return is compromised.

4.1.3 Where it is not practical or economic to have cash investments maturing or recalled on the date of a deficit, temporary borrowing, (repayable within the year), will need to be arranged. (DCLG guidance does not prescribe whether it should be liquidity or temporary borrowing that is applied to cashflow deficits, and the decision on which to use is an operational one, based on relative practical and economic advantage). Temporary borrowing is accommodated, under the Prudential Code, in the margin between the Operational Boundary and Authorised Limit for borrowing, and this allows temporary borrowing of up to £30m. In 2009/10, (and particularly in the remainder of 2008/09), it may be economically appropriate to exploit the capacity for temporary borrowing to ensure that investment strategy is not disrupted by cashflow events.

4.2 **Capital Expenditure (short-life assets)**

4.2.1 The financing options for short-life assets (e.g. vehicles and IT equipment) are borrowing, leasing, or usage of set-aside balances. Best practice requires the financing period to match the expected life of the asset, (and so avoid finance cost continuing after disposal). The latter usually precludes the usage of set-asides, since their use implies the loss of an ongoing investment return, which over time can prove less economic than the alternatives of borrowing or leasing.

4.2.2 For leasing to be the most economic option, there must be a disciplined programme of asset management and replacement. Without this, lease terms may have to be extended, incurring additional costs. Budget constraints often cause asset replacement cycles to be extended, and the prospective benefit of leasing is then eroded or lost.

4.2.3 Borrowing allows ownership of assets, and this offers flexibility in the timing of asset replacement and benefit from disposal proceeds. Borrowing, particularly on an annuity basis matched to the life of assets, offers a disciplined financing programme, and is overall a relatively low cost option. It is therefore proposed that for 2009/10 annuity borrowing be the normal means of finance for short-life assets.

4.3 **Capital expenditure (major long-term assets)**

4.3.1 Expenditure not financed by grants may be financed by borrowing, usage of set-aside funds, or leasing.

4.3.2 Leasing is not normally an economically attractive option for long-term assets given that Local Authorities have access to preferential direct borrowing rates or set-aside funds.

- 4.3.3 The usage of set-asides foregoes the return available from their investment, and which is the cost of their usage. In the interest rate scenario forecast for 2009/10 investment rates are expected to be significantly below borrowing cost, and this argues that new capital expenditure should be financed from set-asides rather than borrowing.
- 4.3.4 However, it should be noted that the current economic and market situation is exceptional, and it would therefore be appropriate for officers to have scope to make the decision to borrow or not as practical circumstances develop, rather than for this to be anticipated at this time.

4.4 Debt Redemptions

- 4.4.1 The principal amount of any debt that is redeemed in 2009/10 could be financed either by the usage of set-asides, or re-financed by new borrowing at a lower interest rate.
- 4.4.2 The amount of set-asides available for this purpose is limited, and whilst their application would reduce the amount of debt outstanding, it reduces cash liquidity. Liquidity is important because it allows cashflow and borrowings to be managed for least cost. In addition, given the forecast interest rate scenario it is important to maximise the amount of funds remaining under investment, so as to support investment income, and this argues that it will be appropriate to finance redemptions by undertaking replacement borrowing at lower cost.
- 4.4.3 Replacing items of existing debt by new borrowing can be economic, and where fixed rate finance replaces fixed rate finance, there is the advantage that the margin of cost saving is definite. (The opportunity-cost of using set-aside funds is a variable rate).

5. DEBT MANAGEMENT STRATEGY 2009/10

- 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 5th February 2009 is:

Debt maturing in:	£	Average rate %	% of total
Less than one year	142,466	4.85	0.09
1 to 2 years	181,638	4.80	0.12
2 to 5 years	263,020	4.81	0.17
5 to ten years	5,966,258	9.86	3.83
10 to 15 years	40,400,000	8.50	25.96
15 to 20 years	30,700,000	6.30	19.72
20 to 30 years	12,500,000	5.20	8.03
30 to 40 years	13,500,000	6.64	8.67
40 to 50 years	32,000,000	4.70	20.56
50 to 55 years	20,000,000	5.04	12.85
	155,653,382	6.48	100.00

- 5.3 The profile of the Authority's debt is such that the largest maturity in any one year is 12.3% 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.
- 5.4 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.
- 5.5 The most expensive existing debt matures in 5 to 15 years, and the life of this debt is sufficiently short to offer the prospect of negotiating a re-structuring of that debt to a lower interest rate over a longer term. (This is also an area where redemption may be economically advantageous.) However, the current market (credit-crunch) and interest rate (recession) scenarios have diverted lenders from their normal willingness to deal re-structuring, and therefore it is not possible at this time to anticipate a programme of re-structuring.
- 5.6 The Authority has established a Treasury Prudential Indicator for variable rate exposure, set at a maximum 50% of total debt. 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.

- 5.7 Some 39% of existing debt is in the form of Lender's Option 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. Currently the total 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. In addition, the level of prevailing long-term interest rates (c.4.5% to 4.95%) relative to the option rates limits the risk of exercise:

Option exposure	£ prospectively repayable	% of total debt
Market rates in range %:		
4 to 4.99	5,000,000	3.0
5 to 5.99	34,000,000	21.0
6 to 6.99	15,500,000	10.0
7 to 7.99	2,000,000	1.0
8 to 8.99	6,500,000	4.0
	63,000,000	39.0

- 5.8 At the current level of interest rates, and those forecast for 2009/10 only the 3.0% of debt in the 4 to 4.99% range is at risk of exercise. The risk of exercise for the higher rate groups is currently considered very limited; (and at current replacement rates would be welcomed). Whilst current exposure falls within the Prudential Indicator limit, it is considered that given the current level of consequential exposure, no new variable rate borrowing will be appropriate for 2009/10.
- 5.9 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).
- 5.10 A programme of debt redemption has been central to debt-management strategy since 2006/7. Whilst progress has been made, some £30m has been redeemed in and since 2006/7, the original schedule of redemptions planned for 2006/7, 2007/08 and 2008/09 has been curtailed by lack of capital receipts or revenue resources which regulations require be used to finance redemption premiums. (Debt redemption requires the payment of a premium to the Lender as compensation for their loss of future interest payments when their loan is redeemed.) The programme has also been affected by the late 2007 change of PWLB redemption regulations, which has acted to make redemptions more expensive to implement.

- 5.11 Going forward the current forecast for the availability of capital receipts could finance a redemption programme as follows:

	Principal (£ million)	Existing Interest Rate % (average)	Margin above refinance rate %	Premium (£ million) to redeem Principal	Prospective revenue saving from redemption/ restructuring £ p.a.
2009/10	4.50	10.625	6.10	2.40	166,000
2010/11	6.45	10.25	5.75	3.40	225,000
2011/12	21.00	9.0	4.5	8.00	440,000
totals	31.95			13.80	831,000

Beyond these three years, and in the current volatile economic environment, it is unreliable to anticipate further progress. However, with LBM's average cost of debt at 6.48%, and longer-term investment return at perhaps 4.5%, debt redemption should remain a key component of future treasury strategy.

- 5.12 The pace at which the strategy can be pursued will be determined by the availability of capital receipts with which to finance premiums. It should also be noted that the level of saving from redemption is indicative, and dependent on the movement of market interest rates. (And when a specific redemption is in prospect, it would be re-evaluated to ensure its economic value before redemption is implemented).
- 5.13 Whilst adequate set aside funds are currently available to redeem principal amounts, it is recommended that for 2009/10 replacement borrowing be allowed where this offers economic advantage.
- 5.14 In addition to the management of direct borrowings, some actions may be appropriate on existing leases. Whilst at their inception these were arranged to offer good value, the aging of the underlying assets and changes to the replacement cycle can detract from the benefit of the original terms. Where this occurs, a range of options from extension of lease period to early termination and buy-out will be evaluated and action taken as appropriate.

6. INVESTMENT OF SET-ASIDES 2009/10

6.1 The funds under investment comprise set-aside balances, (e.g. unapplied capital receipts), and cashflow surpluses in the Authority's General Fund. Investment of these balances is governed by the Local Government Act 2003 and DCLG Guidance.

6.2 DCLG Guidance requires that the treasury strategy report informs Members that *investment policy is to prioritise security and liquidity rather than yield*, and explain how *security* is implemented, and adequate *liquidity* maintained.

6.3 Security

6.3.1 Investments are to be placed only with deposit takers that can demonstrate their creditworthiness via: an adequate credit rating by a DCLG-approved rating agency, or a statutory guarantee or unconditional guarantee from an adequately rated parent company, or, in the case of non-rated UK Building Societies, an asset base that compares well with that of an adequately rated Society.

6.3.2 Fitch ratings Ltd are the agency normally used for credit rating purposes, but equivalent Moody's data may also be used.

6.3.3 The Authority's criteria for sufficiently high creditworthiness for the placement of deposits in 2007/8 and 2008/9 was a minimum Fitch rating (and definitions) of:

- F1** Highest credit quality on a twelve-month view
- A** Low expectation of credit risk developing
- C** Adequate/strong institution with limited weaknesses
- 3** Reasonable possibility of external support

A higher rating being required for any deposits of longer than one year.

6.3.4 From the onset of the current 'credit crunch' environment, deposits were moved progressively into counterparties with significantly higher ratings, and in particular those with a credible expectation of Government support. These are the senior UK Clearing Banks, the largest UK Building Society, and the two main Irish Banks covered by the Irish Governments guarantee scheme. Deposits at 6th February 2009 are rated:

- F1** Highest credit quality on a twelve-month view
- AA** (80% of deposits) Very low expectation of credit risk developing
- A** (20% of deposits) Low expectation of credit risk developing
- C** Adequate/strong institution with limited weaknesses
- 1** External support expected (From Central Govnmnts.)

6.3.5 The move to higher ratings has been reviewed, and it is concluded that with continuing problems in the financial market, the policy of requiring a higher than normal credit rating be continued. It is therefore proposed that the Authority's creditworthiness standard for new deposits in 2009/10 should be:

- 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 (From Central Govnmnts.)

6.3.6 In setting this standard it should be noted that the banking crisis has already prompted the rating agencies to reduce ratings, and even hitherto very substantial banks are at, and some below, the above level of rating. There is thus little margin to accommodate any downgrades of existing deposit counterparties before non-compliance with the 2009/10 policy. Nonetheless, provided a downgrading remains at or above the previous minimum rating, the level of security would in normal circumstances be considered reasonable, and so only downgrades to below that level would need to be treated as immediately significant, or if external support was withdrawn.

- 6.3.7 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 deposit in a single institution is with Barclays, amounting to c.23% of the overall invested balance. A uniform distribution across the five main UK banks would be 20% per institution, and if the spread is increased to six to seven major institutions, a uniform spread would be in the region of 15% each. If the higher level of credit ratings is to be maintained, it would be ambitious to hope that a wider spread could be reliably achieved. This being so, it is proposed that a spread of 15-20% per counterparty be targeted, but that up to 25% be allowed in any one of the five main clearing banks, subject to them not being on negative watch.
- 6.3.8 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 2009/10 transactions becomes problematic in terms of available counterparties or significant impairment of investment strategy and performance, the Director Corporate Services may need to exercise discretion to temporarily adjust the policy, pending a further report to Members.
- 6.3.9 In establishing credit policy, it is necessary to balance security with the need for investment to support the corporate budget. To obtain security beyond that implied by the proposed minimum credit rating, it would be necessary to place investment directly in Government bodies, such as HM Treasury or Local Authorities. However, deposits in central government bodies normally pay interest at significantly lower rates than available from money market deals, and in a scenario where the level of interest rates is already well below normal budgetary expectations, this would be a further handicap. Local Authorities may pay closer to, although below, market rates, but they are not reliably available for deals on a day-to-day basis. Against this background, and given adequately rated counterparties, the usage of Banking sector deposits remains relevant. However, if the market situation deteriorates further, maturing and new money should be reinvested into governmental deposit facilities where these are available.

6.3.10 In addition to the above, there will be a maximum allocation for non-bank investment in particular categories:

	Maximum % of portfolio	Maximum Duration (yrs)	% Allocation at 05.02.09
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

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 2009/10, it is considered that for 2009/10 the minimum percentage of investments to mature within a year should be 60% of the total investment portfolio. Given implementation of the proposed credit rating criteria, investments in this one-year category will comply with the DCLG definition of *Specified Investments*.

6.4.3 Funds outside the minimum allocation to *Specified Investments* may be invested beyond one year or with counter-parties outside the normal credit-rating criteria so as to diversify, obtain higher yield, and stabilise yield by extending investment duration. However, since such investments can introduce a higher level of risk, DCLG Guidance requires the Council to approve a proposed maximum allocation. Taking into account a scenario of interest rates falling precipitately to levels which are damaging to the treasury budget, it is important that there is scope to exploit any opportunities that the interest rate yield curve presents. Thus it is proposed that the allowance for investment beyond one year be:

2008/09	2009/10	2010/11	2011/12
%	%	%	%
40	40	33	33

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 be dramatically lower in 2009/10 than they were in 2008/09. Therefore in general it would be appropriate to fix now a substantial proportion of the available funds in longer deposits of up to, or even beyond, one year. This would secure returns at a relatively high level whilst market rates fall.

However, the practicality of implementing this is already problematic. Banks sufficiently secure for longer-period deposits are heavily discounting the trend of future Base Rate movements, if they are dealing at all. And the Banks that are dealing at rates appropriate to securing the investment return that budget achievement requires are at their credit limit for their current credit status. Thus consideration is being given to depositing funds with creditworthy Building Societies, and renewing and forward-dealing transactions with the key Banks currently being used. However, progress is likely to be opportunistic rather than systematic.

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 as considered appropriate for 2009/10. 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 For 2009/10 there is though some mitigation of the effect of falling interest rates. Some deposit transactions have already been placed on longer-period fixed-rate terms. However, the extent of this, (approximately 25% of the portfolio), is not sufficient to provide adequate protection, and efforts are being made to progress this further.

6.5.5 Investment strategy would be reviewed and adjusted as the year, and interest rate movements, progress.

7 Annual Minimum Revenue Provision (MRP) Statement

- 7.1 Under 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 e.g. buildings over 40 years, IT equipment over 5 years etc. However, in the charge to the General Fund and consequently to the Council Tax payer, this depreciation is reversed out and substituted by a MRP charge on the authority's total long term debt. In respect of capital expenditure incurred up to 1 April 2008, this charge was a straight 4%.
- 7.3 The government's intention is that the charge to the General Fund for Prudential Borrowing will be more closely aligned to the equivalent of the depreciation charge.
- 7.4 Capital Expenditure in 2008/09
The 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 in 2008/09 and thereafter the government allows two options. Both options are closely linked to what the depreciation charge would have been and are likely to have similar revenue consequences. The first option is called the Asset Life Method. The second option is called the Depreciation Method. Although there is little to choose between the options, CIPFA Financial Advisory Network advises that the Depreciation Method could cause problems with impairments and enhancements. Therefore in March 2008, Council accepted the use of the Asset Life Method in respect of capital expenditure incurred in 2008/09. Since March 2008, the DCLG has introduced two choices within the Asset Life Method. As well as the Equal Instalment method, authorities can also use the Annuity Method. The Annuity Method is suitable for where revenues, in relation to an asset, will increase over time. The annuity method will give a higher MRP in the early years and a lower MRP towards the end of the assets life. The Annuity Method is not that applicable to the capital expenditure of this authority and it is recommended that confirmation is given that the Equal Instalment method is to be used in 2008/09.
- 7.5 Capital Expenditure in 2009/10
For the same reasons as set out above, it is recommended that for capital expenditure in 2009/10 the use of the Asset Life Method is continued using equal annual instalments.

8. TREASURY 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:

8.2 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.

	2008/09	2009/10	2010/11	2011/12
£,000	187,500	195,561	210,695	225,323

8.3 The **Authorised Limit** is the *maximum* level to which external debt should rise interim to completion of treasury strategy and with allowance for risk.

	2008/09	2009/10	2010/11	2011/12
£,000	217,500	225,552	240,752	255,552

8.4 The **Capital Financing Requirement (CFR)**, agreed as prudent and affordable to finance, must not be exceeded by the Authority's prospective net debt:

£,000	2008/09	2009/10	2010/11	2011/12
Operational Boundary	187,500	195,561	210,695	225,323
Set-aside investments	100,000	100,000	100,000	100,000
Net external debt	87,500	95,561	110,695	125,323
Forecast CFR	160,072	181,680	196,814	211,442

8.5 The actual amount of gross debt outstanding at 5th February 2009 was £157.2m., including £1.5m of temporary borrowing. The net of investments amount is therefore £57.2m, which is comfortably below the CFR ceiling.

8.6 **Exposure Limits** to control volatility in debt costs, and support investment liquidity.

Maximum % Exposure to:	2008/0	2009/1	2010/1	2011/12
Fixed rates	100	100	100	100
Variable rates	50	50	50	50
Investments over one year	40	40	33	33

- 8.7 The **profile of debt maturities** is to be controlled to minimise the risk of requiring significant re-financing when conditions for borrowing or other finance are disadvantageous. The control is calculated on total borrowing outstanding:

	Lower limit %	Upper limit %
Under 12 months	0	12
1yr to 2yrs	0	12
2yrs to 5yrs	0	36
5yrs to 10 yrs	0	60
10yrs and over	50	100

8.8 PRUDENTIAL SYSTEM FOR CAPITAL FINANCE - PRUDENTIAL INDICATORS AND BORROWING LIMITS

	2007/08 Budget £000	2007/08 Actual £000	2008/09 Budget £000	2008/09 Latest £000	2009/10 Budget £000	2010/11 Budget £000	2011/12 Budget £000
Capital Expenditure							
General Fund	39,226	32,190	56,400	40,800	33,263	44,256	15,180
Housing Revenue Account	4,508	5,680	6,514	6,200	6,500	6,500	6,500
Net Revenue Stream							
General Fund - Budget Requirement	138,522	137,396	145,801	146,320	150,113	150,194	150,194
Housing Revenue Account	28,155	27,906	29,067	29,067	29,723	31,209	32,769
Capital Financing Costs							
General Fund	13,700	13,452	14,497	14,297	16,709	19,383	21,883
Housing Revenue Account	-800	-872	-500	-500	-500	-500	-500
Ratio of Capital Financing Costs to Net Revenue Stream							
General Fund	9.89%	9.79%	9.94%	9.77%	11.13%	12.91%	14.57%
Housing Revenue Account	-2.84%	-3.12%	-1.72%	-1.72%	-1.68%	-1.60%	-1.53%
Impact of Capital Investment on Council Tax and Housing Rents							
<u>General Fund</u>							
Effect on Band D Council Tax (£)					24.56	31.43	19.96
Effect on Band D Council Tax (%)					2.25%	2.82%	1.74%
<u>Housing Revenue Account</u>							
Effect on Average Weekly Rent (£)					0.15	0.70	1.22
Effect on Average Weekly Rent (%)					0.19%	0.85%	1.49%
	Budget 31-Mar-08 £000	Actual 31-Mar-08 £000	Budget 31-Mar-09 £000	Latest 31-Mar-09 £000	Budget 31-Mar-10 £000	Budget 31-Mar-11 £000	Budget 31-Mar-12 £000
Capital Financing Requirement							
General Fund	153,533	153,533	168,270	168,270	187,870	200,995	213,995
Housing Revenue Account	-12,375	-12,375	-8,195	-8,195	-6,195	-4,195	-2,195
Overall	<u>141,158</u>	<u>141,158</u>	<u>160,075</u>	<u>160,075</u>	<u>181,675</u>	<u>196,800</u>	<u>211,800</u>
Net External Borrowing							
Gross External Debt	165,000	165,161	187,500	187,500	195,561	210,695	225,323
Investments	93,000	92,581	100,000	100,000	100,000	100,000	100,000
Net Borrowing	<u>114,000</u>	<u>72,580</u>	<u>111,000</u>	<u>87,500</u>	<u>95,561</u>	<u>110,695</u>	<u>125,323</u>
Net Borrowing and CFR Comparison							
Overall CFR	141,158	141,158	160,075	160,075	181,675	196,800	211,800
Net Borrowing	<u>114,000</u>	<u>72,580</u>	<u>111,000</u>	<u>87,500</u>	<u>95,561</u>	<u>110,695</u>	<u>125,323</u>
	<u>27,158</u>	<u>68,578</u>	<u>49,075</u>	<u>72,575</u>	<u>86,114</u>	<u>86,105</u>	<u>86,477</u>

PRUDENTIAL SYSTEM FOR CAPITAL FINANCE - BORROWING LIMITS

	2008/09 Budget £000	2008/09 Latest £000	2009/10 Budget £000	2010/11 Budget £000	2011/12 Budget £000
Forecast Operational Boundary	187,500	187,500	195,561	210,695	225,323
Forecast Authorised limit	217,500	217,500	225,552	240,752	255,552

MEDIUM TERM FINANCIAL STRATEGY 2009-2012

1. Background

- 1.1 Merton's Medium Term Financial Strategy (MTFS) has been developed to support financial planning over a three year planning horizon. It forms the financial framework within which the Council will develop its Business and Service Plans.
- 1.2 This strategy represents a 3 year financial plan which incorporates Revenue and Capital expenditure plans and illustrates the implications of the budget proposals over a three year period.
- 1.3 This financial plan is based on the business and financial planning that have taken place over the period from April 2008 to February 2009 and reflects the decisions taken as part of setting the Council Tax and housing rent levels for 2009/10.

2. Strategic Aims

The strategic financial aims that form the foundation for the period to 31st March 2012 are as follows:

- 2.1 To ensure that balanced budgets are set for both the General Fund and Housing Revenue Account for each of the years 2009/10, 2010/11 and 2011/12 and that each spending department is responsible for maintaining expenditure within approved limits;
- 2.2 To ensure that spending plans are closely aligned to the Council's strategic aims and objectives as set out in the Business Plan;
- 2.3 To ensure that revenue and capital budgets are fully integrated;
- 2.4 To ensure that there is an agreed strategy to maintain levels of reserves which are prudent and consistent with maintaining its CAA Use of Resources rating. In addition, that the level of reserves incorporates an analysis and assessment of the risks associated with the budgets proposed;
- 2.5 To achieve the target set in relation to the General Fund balances of £11.4m by 31/03/09, subject to review based on the levels of prevailing future risk or changing circumstances.
- 2.6 To ensure that effective procedures are in place to make certain that budgets are continually monitored and reviewed to ensure that resources continue to be targeted towards meeting key objectives;
- 2.7 To produce a rolling 3 year affordable capital programme which is fully resourced and targeted towards meeting the Council's strategic objectives;

- 2.8 To provide the budget planning framework to facilitate Council Tax setting over a three year planning horizon.
- 2.9 To achieve minimum efficiency savings of 4% per year over the period of the MTFS;
- 2.10 To meet the National Procurement Strategy targets;
- 2.11 To ensure that deficits do not arise on the Collection Fund;
- 2.12. To review the impact on the level of funding of liabilities in the Pension Fund, currently 90%, of the credit crunch and recession;
- 2.13. To assess the key financial risks within the Council's budget and make provision for those risks within a contingency fund;
- 2.14 To ensure that the Council complies with the requirements of the Prudential Code of Borrowing;

3. **Key Elements of the Financial Strategy**

3.1 Growth

The Business and Service plans of the authority will result in growth in departmental revenue expenditure of:

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
	£m	£m	£m
Departmental Growth	2.766	1.204	1.475

3.2 Service Pressures

There are cost pressures in all areas but significant ones are:

- Adult Social Care Placements
- Income – Parking Services, Building/Development Control, Adult Social Care
- Education Needs Transport
- Community Services – achievement of savings

3.3 Formula Grant

The 2009/10 local government finance settlement and an indicative 2010/11 settlement were announced on 21st January 2009, by John Healey MP, Minister for Local Government. This confirmed the allocations announced as part of the current system of three-year settlements on 24 January 2008 which are as follows:-

	Actual 2009/10	Forecast 2010/11	Forecast 2011/12
Formula Grant	£m 66.751	£m 67.733	£m 67.733

Merton's funding is the minimum available, the floors being set at 1.75% and 1.5%. For estimate purposes it has been assumed that there will be no increase in formula grant in 2011/12

3.4 Dedicated Schools Grant

Estimated Dedicated Schools Grant is as follows:

	Forecast 2009/10	Forecast 2010/11	Forecast 2011/12
Dedicated Schools Grant	£m 98.133	£m 102.168	£m 104.211

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 £6.350m at 31st March 2008.

3.5 Inflation Projections

The financial year 2008/09 has been very volatile and inflation projections have fluctuated significantly. However, the Bank of England's stated monetary policy objective is "to deliver price stability – low inflation – and, subject to that, to support the Government's economic objectives including those for growth and employment. Price stability is defined by the Government's inflation target of 2%". So, the Monetary Policy Committee is still tasked with meeting an inflation target (CPI) of 2% in the medium term. The MTFs for 2009/10 includes 2.0% for the pay award, 1.5% for general prices and additional amounts for extra inflation provision for those areas of high inflation (e.g. transport, care homes).

3.5.1 Pay:

2008/09 award: There has been no change to the interim arrangements agreed pending the results of arbitration which were reported in December. The local government employers have agreed to the union's request for a 2.45% pay rise for staff, with an extra £100 for the lowest paid, backdated to April, as an interim measure. The outcome of arbitration is awaited.

2009/10 award: On 12th January 2009, the Trade Union Side of the National Joint Council (NJC) submitted its pay claim for 2009-2010, seeking "a one-year, across the-board pay increase of at least the level of retail price inflation, with additional increases for the lower paid."

The MTFS previously reported to Cabinet includes 2.5% for the 2009/10 pay award but in the light of current and anticipated trends in pay awards over the forthcoming financial year it has been decided to reduce the provision to 2%. This will reduce the estimated costs of pay in 2009/10 by approximately £0.440m.

3.5.2 Prices: CPI annual inflation, the Government's target measure, was 3.0% in January (December 3.1%) with the same factors as for the RPI having an effect, excluding housing factors. RPI inflation was 0.1% in January, down from 0.9% in December and the reduction was mainly due to transport costs where fuel prices (petrol and diesel) fell, along with car prices and maintenance and repair costs. Air fares also fell. Upward pressure came from recreation and culture costs in the form of toy and games prices, newspapers, books and stationery and holidays abroad. There was a large reduction in mortgage interest payments and house depreciation which are excluded from the CPI.

3.5.3 Utilities – Previous reports throughout the budget process have updated Members on the volatility of the price of utilities. During the height of the summer, utilities costs were increasing greatly and an initial estimate for 2009/10 was that an additional £1.051m would be needed. However, the Cabinet report on 15th December indicated that as a result of the reduction in oil prices in recent weeks, officers had reviewed utilities cost projections and proposed that the estimated increase in budgets could be reduced by £0.275m to £0.776m. There are no further contracts to renew before 1st October. Wholesale utility prices seem to have stabilised at around 70% of the levels that were prevailing at the time of previous renewals in the summer and it considered that the provision for inflation on utilities can be reduced further by £0.180m to £0.596m. The utilities market remains a very volatile area with wholesale prices subject to wide fluctuation dependent on a variety of economic and political factors.

The MTFS previously reported included provision for utilities costs above 1.5% in leisure centres of £0.185m in 2009/10. This has now been reviewed and it is unlikely to be required.

3.5.4 The outlook for inflation - the Bank Base rate has been reducing since January 2008 and on 5th February 2009 it was reduced to 1.0%. In its February 2009 Inflation report, the Bank of England advises that "in the central projection, CPI inflation falls well below the 2% target in the medium termthe near term path of inflation is uneven. That reflects two further factors: first the marked fall in energy prices which drags down sharply on inflation during 2009; and, second, the direct impact of the temporary cut in VAT, which pulls down inflation during 2009 but briefly pushes it back towards the target in early 2010. The balance of risks around the central projection for inflation is judged to be slightly on the downside."

Quarter 4	2007	2008	2009	2010	2011
CPI Inflation	2%	3.75%	0.5%	2.25%	2%

Source: HM Treasury: Pre-Budget Report 2008

It is expected that RPI inflation is likely to turn negative for a period in the early part of 2009 which reflects the impact of measures taken to reduce housing costs and mortgage interest payments, but could increase rapidly if the strategy of quantitative easing is introduced.

3.6 Interest Rate Projections

3.6.1 Treasury strategy is influenced by the effect of interest rate movements on borrowing cost and investment return. To inform consideration of this, forecasts are obtained from a consensus of professional sources.

3.6.2 Investment Income:

The past year has seen economic turmoil. In response to the credit crunch and recession, the Bank of England has reduced interest rates seven times since January 2008. The base rate has reduced from 5.25% in February 2008 to 1.0% on 5th February 2009. There is currently a consensus among economic commentators that the rate could fall further, even to 0%. The MPC stated that “the outlook for business and residential investment has deteriorated. And the availability of credit to both households and businesses has tightened further, pointing to the need for further measures to increase the flow of lending to the non-financial sector.”

The implications of the MPC reduction in interest rates to 1% means that the Council’s investment income budget is under increasing pressure. The impact has been mitigated by a slight reduction in the cost of borrowing for the authority and a more significant mitigation by some debt redemption, which the authority has just completed. Whilst it is inevitable that such a dramatic reduction of interest rates will affect investment income in due course, the implication of this scenario for investment income in 2008/9 has been mitigated by treasury’s strategy of placing fixed rate deposits for extended periods. There is also some protection for the first quarter of 2009/10, but thereafter, reinvestment will be exposed to whatever market rates are at the time, and this is forecast to be significantly below where investment rates have been in recent years.

2010/11 may prove more problematic, unless rates increase, as some of the Council’s longer term investments will expire and rates available will be less favourable.

3.6.3 Debt Management

Unfortunately, reductions in the Base Rate do not feed through to borrowing cost in the short-term; since virtually all long-term finance is on effectively fixed rates.

Against this background of largely fixed debt costs and falling investment returns, the key strategy tool to support the treasury budget is the redemption of debt. This can remove both relatively high debt costs, and in using hitherto invested funds to finance the redemption, reduce the amount of funds under investment and exposed to low and prospectively falling interest rates. However, this strategy requires the use of capital receipts to finance redemption premiums, and the programme for realising these receipts is delayed, (to an extent because of the deteriorating economic environment). Also, the cost of redeeming debt has risen as interest rates have fallen.

3.7 Available Revenue Reserves

General Fund - The Council's General Fund reserve at the 31st March 2008 stands at £10.394m. The Council has a strategy to increase the level of reserves to approximately £11.4m by 31st March 2009. The extent of any further contributions to and/or from general reserves in 2010/11 and 2011/12 will be considered in the next year's budget process.

Housing Revenue Account (HRA) – The HRA reserve at the 31st March 2008 stands at £2.638m. The Council's target level for the reserves for the HRA for the period to 31st March 2010 is £1.637m.

3.8 Assessment of Risk and Balances to mitigate risk

3.8.1 The Council's budget for 2008/09 has been analysed to identify key areas of risk. Costs that are regarded as fixed have been disregarded along with Schools' budgets. The key areas of risk have been identified as:-

	Total £m
Demand Led Expenditure	66.9
Employees related	92.4
Supplies	41.9
Demand Led Income	27.9
Rental Income	3.0
Other Income	3.0
Investment Income	3.1
	238.2

3.8.2 In addition, the savings proposals for 2009/10 have been assessed in terms of deliverable risk. The level of deliverable risk is:-

	£000	%
Low	2.583	39.4
Medium	3.009	46.0
High	0.954	14.6
Total	6.546	100.0

3.8.3 In light of the current economic climate the areas to be assessed has been expanded (e.g. income has been analysed over demand-led investment income and other) and the levels of risk have been reassessed. The results are set out below:-

	Min %	Mid %	Max %
Demand Led Expenditure	7.5%	9.0%	12.0%
Employees related	0.5%	1.0%	2.0%
Supplies	2.0%	3.0%	4.0%
Demand Led Income	7.5%	9.0%	12.0%
Rental Income	2.5%	3.5%	4.0%
Other Income	2.5%	3.5%	4.0%
Investment Income	2.5%	3.5%	4.0%
Savings Delivery	5.0%	10.0%	15.0%

Assessed Risk	Min £m	Mid £m	Max £m
Demand Led Expenditure	5.0	6.0	8.0
Employees related	0.5	0.9	1.8
Supplies	0.8	1.3	1.7
Demand Led Income	2.1	2.5	3.3
Rental Income	0.1	0.1	0.1
Other Income	0.1	0.1	0.1
Investment Income	0.1	0.1	0.1
Savings Delivery	0.3	0.7	1.0
Total Risk	9.0	11.7	16.1

3.8.4 In order to cover the middle position of risk, the balances strategy set out in paragraph 3.8.6 needs to be maintained.

3.8.5 The mix of deliverable and political risk of the savings proposals is set out in the following chart, i.e. those savings where there is deemed to be a high political impact and a high risk of non-deliverability are 3.3%, or £0.216m by value, of the total gross savings.

DELIVERABILITY RISK	High	0.00% (0.0% 2008/09)	11.27% (1.4% 2008/09)	3.30% (27.9% 2008/09)
	Medium	4.90% (8.1% 2008/09)	32.94% (19.9% 2008/09)	8.13% (2.2% 2008/09)
	Low	23.07% (33.8% 2008/09)	9.61% (5.8% 2008/09)	6.78% (0.9% 2008/09)
		Low	Medium	High

REPUTATIONAL RISK

3.8.6 General Fund Balances

A report on the Council Balances and Reserves Strategy was taken to the Overview and Scrutiny Commission on 6th November 2008. The strategy has been reviewed and updated. At this stage it is not considered appropriate to reduce the level of balances in an uncertain financial climate to offset the budget gap. Also, given that the gaps identified in the budgets for 2010/11 and 2011/12 would not be covered by them. In taking a decision on the level of balances, it is important to take into consideration current and future budget pressures and recognise that in order to set a balanced budget over the next three years there is a need for significant net reductions in the budget which the authority is looking to do and for which Deloitte was appointed to help formulate proposals. Incorporating the latest information, the effect on the Council's balances strategy would be as set out below:-

	£m
Balance b/f @ 31/3/2007	10.4
Forecast Contribution 2008/09	1.0
Estimated balances c/f 31/3/09	11.4
Forecast Contribution 2009/10	0.0
Estimated balances c/f 31/3/10	11.4

In addition, the Council has revenue reserves the total of which is set out in the following table:-

	31st March 2008 £000	Net Change in 2008/09 £000	Forecast 31st March 2009 £000
Total Revenue Reserves	32.958	(1,957)	31,001

A more detailed analysis of revenue reserves is provided in Appendix 9.

3.9 It is regarded that the opening level of General Fund reserves of £10.4m at 1st April 2008 will be adequate provision to cover the minimum level of risk. The proposed progression to £11.4m at 31st March 2009 will then give substantive cover near the middle risk level on current assumptions.

3.10 Assessment of Financial Standing including Funds, Provisions and Reserves

As at 31st March 2008, the Council had £32.958m of fund balances (excluding Pension Fund) and revenue reserves, and £3.6m of capital reserves.

	Balance @ 31/03/2008 £m
General Fund for general use	10.394
General Fund Schools	6.350
Housing Revenue Account	2.638
Collection Fund	2.548
Revenue Reserves	11.028
Total	32.958

This level of fund balances and reserves is considered adequate, but will be enhanced over the period to 31st March 2009 by the planned increase in the General Fund balance described in paragraph 3.8.6 above.

Pension Fund – The recent valuation (31/3/07) found the funding level of the pension fund was 90%. The adjusted contribution rates have been certified as meeting the deficiency in the Fund over the next 12 years.

Collection Fund – The balance on the Collection Fund at 31st March 2008 attributable to Merton was £1.978m (included in the £32.4m fund balances above). The budget for 2009/10 incorporates the use of £1.400m of this surplus.

Insurance Fund – At 31st March 2008 the Insurance Fund stood at £4.296m. On current information it is not considered that additional provision is required over the period to 31st March 2010

3.11 Financial Control Process

In order to ensure that budgets are robust, Merton undertakes an equalities impact assessment and also a risk assessment, in relation to its budget proposals and sets aside an appropriate contingency reserve to mitigate against any risks. A key element of maintaining and increasing the level of the Council's reserves, is to ensure that potential overspending is identified and controlled. Merton has a robust financial control process, in which expenditure is monitored monthly by budget managers, considered by Departmental Management teams, Corporate Management Team, Cabinet and scrutinised by the Corporate Capacity Scrutiny Panel. A key element of this regular process, is the identification of management action by officers who are responsible for the management of budgets. This budget management process has been key to the Council's development of its financial reserves.

4. Forecast Financial Position

The forecast financial position of Merton over the next 3 years is based on the detailed projections below:

4.1 Revenue – General Fund

Assumptions are:

- Pay increases of 2.0% in 2009/10, and 2.5% in 2010/11 and 2011/12
- Price increases at 1.5% for each year of the plan period
- Additional inflation provision for those areas of high inflation (e.g. transport, care homes)
- Increases in Formula Grant (i.e. Revenue Support Grant and Business Rates income) for 2009/10, and 2010/11 as announced in the final Local Government Finance Settlement on 21st January 2009.
- Increases in Dedicated Schools Grant for 2009/10, and 2010/11 as announced by the Minister of State for Schools and 14-19 Learning

Key inclusions are:

- The setting of a Council Tax increase of 2.5% for 2009/10 with increases in 2010/11 and 2011/12 still to be determined, 0% has been used to determine the maximum level of savings/additional income to be identified;
- The incorporation in the forecast of the full year effects of savings and growth

Caveats are:

- The outcome of the arbitration process in respect of the pay award @ 1 April 2008.
- Negotiations are continuing with the Trade Unions in respect of the pay award @ 1 April 2009.

	Forecast 2009/10 £m	Forecast 2010/11 £m	Forecast 2011/12 £m
Revenue Budget brought forward from previous year	144.935	148.452	149.434
Less: Levies	(0.675)	(0.729)	(0.788)
Revenue Budget brought forward exc. levies	144.260	147.723	148.646
Technical and Corporate adjustments (See Appendix 5)	7.028	14.763	10.213
Savings b/f (including full year effects of 2007/08)	(0.778)	(0.540)	0.000
Growth b/f (including full year effects of 2007/08)	0.993	0.214	0.000
Forecast Budget Requirement (inc. Growth and Savings)	151.503	162.160	158.859
Add: Levies	0.729	0.788	0.826
Forecast Budget Requirement	152.232	162.948	159.685
Formula Grant (RSG and Business Rates)	66.751	67.733	67.733
Council Tax (2.5% in 2009/10, 0% in 10/11 & 11/12)	81.701	81.701	81.701
Total Resources	148.452	149.434	149.434
Revised Gap(before savings & Council Tax increase)	3.780	13.514	10.251
Savings/Income proposals	(6.546)	(0.191)	0.248
Revised Gap after Savings/Income	(2.766)	13.323	10.499
Growth agreed to date	2.766	1.204	1.475
Revised Gap after Savings/Income and Growth	0.000	14.527	11.974

A number of options available to the Council to identify the savings and additional income required in future years are being considered including:-

- the identification of efficiency savings (3% cashable savings equates to approximately £4m p.a.), along with any investment required;
- additional income arising from a review of existing income from fees and charges and identification of new sources of income;
- value for money reviews. A specific programme of value for money reviews will be brought forward to Cabinet at the start of the new financial year;
- Council Tax increase

The savings and growth have been analysed into income, changes in legislation, implications for front line services, savings efficiencies relating to people, process, procurement/contracts and property matters, and growth relating to people, process, procurement/contracts and property matters. This is summarised in Appendix 10.

Revenue – HRA

Assumptions:

- Council housing tenanted stock of 6,352 at 31/03/08, reducing to approximately 6,300 at 31/03/09 and 6,300 at 31/03/10
- Housing Subsidy to be paid by Merton to the CLG - £8.8m in 2008/09 and also £8.8m in 2009/10
- rent increase for 2009/10 at an average of 6.29% (£4.85 per week) in accordance with the Government's rent restructuring guidance. The maximum increase per property is 5% (inflation) +0.5%+ £2 per week.
- An increase in the total service charge for caretaking, estate cleaning and block cleaning in 2009/10 by £0.74 per week. This year is the last year of the agreed three-phase increase to take into account historical undercharging and therefore 2009/10 will reflect a full recharge to tenants.
- An increase in the communal heating service charge by 5%. This reflects the national increase in fuel costs between 2006/07 and 2007/08. We are aware that fuel costs have been subject to large increases since 2007/08 and will be warning tenants to expect significant increases in future years.
- to amend all other tenant service charges (grounds maintenance, communal lighting and TV aerials). The overall effect for tenants who receive all these services is an increase of £0.30 a week in 2009/10.
- no change to the Supporting People service charges for 2009/10 as the service is currently being reviewed and this is likely to lead, in due course, to either a decrease or no changes to the charges to residents.
- door entry and fire safety equipment maintenance costs will be charged separately for the first time, replacing the general maintenance charge. Where tenants are in receipt of both services there has been undercharging in previous years. Costs have also increased because we now have many more door entry systems than in previous years and we have increased our investment in fire safety to meet Health & Safety Executive requirements. Door Entry is £0.49 pw and Fire Safety Equipment Maintenance is £0.38 pw.
- basic rent charges for garages to increase by 12.5% for tenants and leaseholders (average £1.19 pw) and by 25% for all other licensees (average £2.57 pw). This will enable further remedial works to ensure the garage stock remains a viable investment and the council meets its obligation to garage tenants in maintaining the stock.
- increase in parking space charges by £0.18 per week to £1.62 per week.

- Major Repairs Allowance (MRA) of £4.4m in 2008/09 and £4.5m in 2009/10 available to spend on the capital programme. In 2009/10 the HRA is proposing to draw down its full estimated Supported Capital Expenditure (SCE) borrowing allocation of £2.090m in order to alleviate budget pressures on the HRA. Therefore The overall capital investment in the HRA for 2009/10 is £6.6m
- HRA reserves are £2.638m at 31/3/08 and an estimated £1.637m at 31/03/09 and £1.637m at 31/3/10

Housing Revenue Account - Revenue	2008/09	2009/10
	£m	£m
Proposed Savings & Income Generation	(3.210)	(1.828)
Budget Pressures	3.210	1.828
HRA Draft Capital Programme	2008/09	2009/10
	£m	£m
MRA – Major Repairs Allowance	4.4	4.5
Borrowing	2.1	2.1
Total Draft HRA Capital Programme	6.5	6.6

4.3 Local Area Agreements

4.3.1 The LAA is a three year agreement between central government and a local area, represented by the lead local authority (Merton Council) and other key partners through the Local Strategic Partnership. Merton's first LAA covers the period 2007-10. It sets out a number of key outcomes to be achieved locally over its three year period, based on a negotiated balance of national and local priorities. Thematic partnerships have been established by the Merton Partnership to coordinate delivery of the LAA; each thematic partnership includes a Cabinet member on its membership. The LAA includes 12 'stretch' targets and pump priming grant will be available to support the delivery of these targets over the three-year period. In return for delivering the stretched performance, Performance Reward Grant (PRG) can be secured for reinvestment in the Merton area. PRG is secured by the achievement of at least 60% of each stretch target.

4.3.3 New-style Local Area Agreements: Under the new performance framework, local authorities will negotiate new Local Area Agreements for 2008-11 containing up to 35 other targets selected from the set of 198 national indicators in CSR07 plus 16 statutory education and early years targets. The resulting reduction in reporting burdens, along with the removal of ring-fenced grants, aims to facilitate the delivery of shared outcomes. However it will also be necessary for the council to publish performance against all of the 198 national indicators.

4.3.4 Area Based Grant (ABG)

The Area Based Grant is a central feature of the new performance and finance framework introduced in the 2007 Comprehensive Spending Review (CSR07), which included the negotiation of new Local Area Agreements. For CSR07 the grant determinations for ABG reflect the allocations agreed by Departments for 2008/09, as well as the indicative allocations for 2009/10 and 2010/11, thus enabling local authorities to establish the constituent grant streams comprising ABG. For 2008/09, the Merton Partnership's Executive Board agreed that the constituent grants of ABG should continue funding existing financial arrangements. A The decision to maintain the status quo in 2008/09 was one taken by many local authorities given the short timescale for implementation of the ABG and the spending commitments already made against these grants for 2008/09 budgets.

The current allocations for ABG for 2009/10 and 2010/11 compared to those originally advised in CSR07 are shown below

	2008/09	2009/10	2010/11
CSR07	£7.004m	£7.348m	£10.468m
Nov 2008	£7.253m	£7.456m	£10.576m
Difference	£0.249m	£0.108m	£0.108m

Note: the original CSR07 settlement for 2009/10 ABG was for £10.733m as it included £3.385m for the Supporting People programme. This was removed from the ABG in November 2008 and the inclusion of Supporting People in ABG has been postponed until 2010/11. The 2010/11 figure includes £3.385m for the Supporting People programme.

5. **Merton Council Plans and Strategies**

5.1 Community Plan

5.1.1 A key driver to Merton's progress is the Community Plan. The Plan has been produced by the Merton Partnership, a partnership of all the key agencies in the borough, in consultation with the local community and therefore reflects priorities which are wider than just those of the Council. Merton's Community Plan 2006-2015 has been realigned around the Corporate Assessment themes. It is a 10 year Plan that aims to improve the quality of life in the area for 2015. Central to the Plan is the overall vision and a framework of principles that underpin the way in which the specific outcomes will be achieved. These principles celebrate and build on the diverse social, economic and environmental characteristics of the borough and are aimed at securing a sustainable future for those who live, work or study here.

5.1.2 The Plan directs the future actions of all the partners which sign up to it, and the outcomes to be achieved will be reflected in the shorter term plans which are prepared by all these agencies over the next few years. Thus the Community Plan is the "Plan of Plans" for the local

area. It is one of the best ways of ensuring that communities become safer, stronger, prosperous and more sustainable.

5.1.3 The Merton Partnership is responsible for overseeing and developing the plan. The Partnership is a multi-agency partnership of local stakeholders.

5.2 Business Plan

5.2.1 The council's Business Plan sets out the key improvement priorities for the next three years, based on the council's six priority themes:

- Sustainable Communities;
- Safer and Stronger Communities;
- Healthier Communities;
- Older People;
- Children and Young People; and
- Corporate Capacity.

5.2.2 The plan is a rolling three-year plan, which is refreshed annually. The refresh process ensures that the plan remains up to date and in line with residents' needs, political priorities, and available resources.

5.2.3 The Business Plan is developed in conjunction with the annual budget process, so that priorities and their associated targets and the resources available are planned together. This ensures that the priorities, actions and targets set out in the plan are achievable and realistic. In March 2008, Council agreed the Business Plan 2008-11, which refreshed the Business Plan 2007-2010.

5.2.4 For 2009-2012, Members considered the Business Plan proposals in two stages, outlined below:

- Stage 1: Departments submit proposed priorities, planned outcomes and performance measures
- Stage 2: Departments submit proposed targets over a three year period

5.2.5 The Business Plan consists of a series of priorities, planned outcomes, performance measures and annual targets for the period 2009-2012.

5.2.6 The proposals have been arrived at through consultation with the council along with local residents, businesses and partnership organisations. Within the council departments, directors and Cabinet Members are consulted, and the proposals also go through the scrutiny process. It is essentially an improvement plan reflecting both local and national priorities for improvement.

5.2.7 The business planning process has taken place in tandem with the budget planning process to ensure we have a set of affordable and

achievable targets. Targets are therefore identified as being either achievable within the current budget or, if additional funding is required, where this is to come from, i.e. from a capital bid or from an external funding source.

5.3 Service Plans 2009-2012

5.3.1 The Service Plans itemise the budgets for each Council department. The revenue budgets include growth and savings which have been fully scrutinised during the budget process. Budget growth and savings are part of an integrated service planning process which starts early in each year in order to avoid last minute problems and are part of an ongoing process.

5.4 Capital Strategy and Programme for 2009-2012

5.4.1 Merton’s strategy for its capital investment and capital funding is set out in full in the Capital Strategy for 2009-2012. It is aligned and integrated with the new Business Plan for the period 2009-2012 which has been structured around six strategic themes as set out in paragraph 5.2.1

5.4.2 These themes are structured around the Audit Commission’s Corporate Assessment themes and are derived from the shared priorities agreed between central and local government, shaped to drive improvement in local government and partnership working.

5.4.3 The revenue effects of the Capital Programme are incorporated into the revenue budget.

	2009/10 £m	2010/11 £m	2011/12 £m
Revenue effects of 2009-12 Capital Programme	1.784	2.283	1.450

5.4.4 The Business Plan and the financial plans, such as the revenue budget and capital strategy are properly co-ordinated and fully integrated.

5.4.5 This Capital Strategy is a fundamental component of our approach since it reflects our strategic priorities across the Council and endeavours to maximise the contribution of the Council’s limited capital resources to achieving our vision. We work closely with residents, community organisations and businesses to focus our resources and those of our partners effectively. The strategy sets out the management arrangements for allocating resources to individual schemes, establishing funding for projects, monitoring progress, managing performance and ensuring that scarce capital resources are allocated efficiently. In the Capital Strategy, clear linkages are identified with the Business Plan and departmental service plans beneath this. It reflects the capital investment implications of the approved objectives of those plans, which themselves reflect the Council’s proposals set out

in service based strategies such as the Housing Strategy, Local Implementation Plan (Transport), and Asset Management Plans. Priorities for the Corporate Services and Chief Executive's departments are based around how the Council manages its resources effectively and how it carries out its wider community leadership role.

5.4.6 Priorities and Objectives for Capital Investment in Key Areas

Service Strategies

Each service within the Council has a key role to play in supporting the overall vision. Within each of the strategic objectives key priorities are identified and these link into departmental service plans. Central Government arrangements for resource bidding and allocation (e.g. Housing Strategy, Transport Strategy and Schools Asset Management Plan) have influenced capital investment strategies within those services. The Council's Capital Strategy brings together the departmental approach to bidding and supports its holistic approach to investment and provides the framework for resource allocation. The Council's strategy for bidding for additional resources is that the schemes must be consistent with our strategic objectives.

All Capital Expenditure bids are assessed using prioritisation criteria.

5.4.7 An allocation of capital resources totalling £47.2m has been agreed for 2009/10. This includes a programme of projects which are funded by resources which have been earmarked for specific work programmes. There are a host of other projects which require funding and these will be prioritised and funded as capital resources are identified and generated from the Asset Management Review.

5.4.8 Key Features of the funding of the capital programme are:

- funding of the programme from supported capital borrowing, unsupported borrowing (under the Prudential Code) capital receipts, grants and other contributions;
- earmarked funding from the government towards specific projects to be maximised as far as possible and wherever it is consistent with Council priorities;
- supported borrowing via the Prudential Code to be utilised to enable capital receipts to support the debt management strategy;
- the use of asset disposals identified via the ongoing Asset Management Review to continue to be used to finance new capital projects and debt redemption where financially prudent.

3 Year Forecast:

Capital Resources

	2009/10	2010/11	2011/12
	£m	£m	£m
Earmarked Funding	26.1	14.6	5.0
Section 106	0.3		
Capital Receipts	0.8	3.7	
Non-earmarked resources:			
HRA Borrowing	2.0	2.0	2.0
General Fund Borrowing	18.0	23.0	23.1
Total Capital Resources	47.2	43.3	30.1

5.5 Treasury Management Strategy

5.5.1 Merton's strategy for its borrowing and investment is set out in full in the *Treasury Management Strategy for 2009-2012*. The Treasury Strategy describes how it is planned to finance the Authority's expenditure at least cost, by appropriate usage of borrowing, leasing and invested balances.

5.5.2 Treasury performance in 2007/08 produced an overall better than budget performance. In 2008/09, with its tight credit risk strategy, the Council has not been affected by the defaults experienced to date by other Local Authorities and, despite the economic turmoil and dramatic interest rate cuts, Treasury performance is forecast to meet the budget.

5.5.3 The budgets for Treasury Performance over the three-year period 2009-2012 reflect current and predicted interest rate reductions. However, with the continuing need for a very cautious attitude to credit risk, in 2009/10 in particular, it will be challenging to attain the investment returns required to meet the budget. This challenge is being addressed with the use of fixed rate deposits and a small amount of debt redemption. With these measures it is forecast that the Treasury Performance will meet the budget requirements.

5.6 Asset Management Strategy

5.6.1 The Council implements an asset management review programme that assesses 20% of its operational buildings annually. The objective of the ongoing review is to challenge whether the property represents value for money to the authority.

5.6.2 This process has been supplemented with a comprehensive high level strategic review of all operational property (with the exception of parks and open spaces, which was the subject of a separate review). The purpose of this strategic review was to sift the operational portfolio to identify those which were performing poorly in terms of a range of corporate criteria, and service related suitability criteria, and to identify opportunities for rationalisation and improvement. This stage 1 review

has now been completed, in parallel with a revised assessment of the value of the Council's non-operational portfolio.

- 5.6.3 The next stage of this review has been to assess the short, medium and longer term properties in more detail to establish a revised disposals programme, and to feed into the Capital Programme where there is investment need. This process will continue to be progressed during the course of 2009/10, with a view to implementing changes to the portfolio during this plan period and beyond. The review has identified a range of future development and disposal opportunities that effectively provide a strategy for change and improvement to the Council's operational estate up to and beyond 2014/15.
- 5.6.4 The non-operational portfolio currently plays a significant part in supporting the Council's revenue budget. Income producing property is only retained where the return on capital employed justifies its value for money, or where it is required for Council development eg regeneration.
- 5.6.5 The outcomes of the overall property review process feed into the asset management decision making processes. This demonstrates how the Council ensures that its operational estate both improves over time and contributes to the achievement of wider corporate and service objectives.
- 5.6.6 In parallel with the above review process, the Council is also progressing its programme of ward based reviews, which explore Council and other public sector assets on an area basis, to explore opportunities for these to contribute better to the delivery of the Council's broader community agenda.

5.7 Procurement Strategy

In alignment with the national procurement strategy the council has identified key themes to be explored:

- Stimulating markets and achieving community benefits.
- Doing business electronically.
- Partnering and collaboration.
- Cultural shift.
- Leadership.
- Capacity building.

The Procurement Strategy is a plan that facilitates and improves procurement throughout the council.

The strategy provides a framework to which all procurement activities by the council are to be effectively managed. Procurement activities are co-ordinated through a Procurement Board and Forum group. The groups provide a platform to develop the objectives of Procurement

and support the delivery of the Procurement Strategy across the councils.

The Procurement Strategy is being reviewed to incorporate policy objectives, departmental service delivery plans and the Sustainable Community Strategy. The Performance Management Framework is supporting the Procurement agenda within service planning.

The activities of officers in entering into contracts are regulated by the Council's Contracts Standing Orders which are due to be reviewed during 2009. Both the Contract Standing Orders and the Financial Regulations form part of the constitution, and reflect the transfer of day-to-day management responsibility in the implementation of the Council's strategies, and exercise of its functions, from elected members to officers. The Procurement Toolkit is available through the Council's Intranet, to assist officers, to follow good practice in relation to Procurement.

Implementation of an E-procurement system Alito and Proactis - purchase to pay, both took place in spring 2007. The roll out of both across the Council will continue throughout 2009/10 with a training programme designed to disseminate best practice across the council. Both of these systems will enhance control and improve procurement across the authority. The Council has also promoted and is actively using Purchasing Cards to ease and reduce the costs of standard low cost purchases.

Procurement is a key element in the Council's prime objective of providing services under the banner fitter, faster, focused to local users. The Council's Procurement arrangements are already making a considerable difference to the way we work, get value for money and respond to the needs of local users. Procurement will continue to ensure that whatever resources we use will provide value for money, within the framework of best value and continuous improvement. This will ensure that we maximise the use of resources in the achievement of strategic objectives set out in the Business Plan, Sustainable Community Strategy and LAA.

The Government has set new challenges each year to meet ongoing savings targets of three percent. A new approach to Procurement is a key ingredient in the council meeting these Government targets. The Procurement Strategy will provide the framework for achieving the efficiencies required within the context of maintaining a capacity, which enables the council to be more efficient and effective with its resources.

The council endeavors to provide new and innovative ways of delivering services and acknowledges the significance of partnerships and achieving best value. The creation of sustainable partnerships enables the council and its suppliers to deliver a value added service to its users.

The Procurement Strategy and operational tools will embrace the principles of how we achieve value for money whilst delivering a better service to our users. Ongoing collaborative arrangements with the Police, PCT, Merton College, Schools and other local councils are still a priority in enabling us to achieve substantial efficiency savings.

The council is continuing to increase its relationship with the voluntary and community sector in Merton and with local SME's. Funding for specific projects has been earmarked throughout the 2009/10 financial year increasing the possibility of working further with the voluntary sector. The Council's Procurement Strategy and Selling to the Council Guide continues to provide opportunities to increase the extent to which both the voluntary and community sector in Merton and local SME's supply goods and services to it.

5.8 Human Resource Strategy - Workforce Development

5.8.1 The aim of workforce planning is to:

- Embed a culture of workforce planning within the Council to help meet CAA Key Lines of Enquiry (KLOE) (in particular 3.3), Equality Standards, Scrutiny Review and statutory reporting requirements (e.g. Audit Commission)
- Work with wider service providers across the locality to ensure a partnership approach to workforce development planning and joint outcomes through partnership
- Provide Line Managers with relevant and reader friendly workforce data and a toolkit to help them both recruit and retain competent and motivated staff and to plan and achieve the service plans of their respective business units
- Help line managers manage their budgets via the new absence, establishment, recruitment and learning and development data reports
- Support Heads of Service, section managers, Human Resources teams and corporate / directorate working groups on such issues as equalities, learning and development, Investors in People (IiP) and workforce planning
- Develop a consistent and corporate approach to planning the workforce need during the next 1/3/5 years

5.8.2 The Workforce Development Plan 2007-2012 is Merton Council's third Workforce Development Plan and each year has seen a refined and improved process, so that workforce planning has been embedded as an essential aspect of the business planning process. Without forward planning and forecasting its workforce needs the council would not be able to achieve the aim of providing excellent services for the residents of Merton.

5.9 Information Technology (IT) Strategy

- 5.9.1 The IT strategy is linked to the council's forward business and service plans through key objectives.
- 5.9.2 The objectives define the direction of IT in the council for the three year period.
- 5.9.3 The strategy is built up from input from the business and IT. Thus the forward direction of the IT strategy is closely linked to our forward business plans. The strategy is delivered as part of an Effective Merton project.
- 5.9.4 A capital budget plan is in development to match the projects that are identified in the strategy. It will be necessary to prepare a VFM and a business case for each project before starting work. Each project will need an approval from the departmental director to confirm:-
- that the project should go ahead;
 - there is revenue to support ongoing expenditure;
 - and
 - that we will get the benefits.
- 5.9.5 The Capital Programme 2009-2012 currently includes investment in IT of:

	2009/10 £000	2010/11 £000	2011/12 £000
Total	1,320	1,277	1,155

- 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.

5.10 Performance management

- 5.10.1 A key element of the performance management framework is the 'golden thread' which links the various plans that the Council produce. It shows how budgetary and workforce planning feed into the business planning process. It also shows how each member of staff contributes to their team and departmental service plans and ultimately to the

council's overall priorities for improvement as laid out in this Business Plan. It also shows how the work of the council feeds into the Community Plan, which has been developed by the Merton Partnership. The priorities in the Business Plan are the key ways in which the council will be making our contribution to achieving the priorities laid out in the Community Plan.

5.10.2 The priorities and targets set in this Business Plan were agreed after considering the expected budget and staffing resources of each department. This ensures that the targets, whilst challenging, can realistically be met. The targets will be reviewed in 2009/10 and 2010/11, alongside the Medium Term Financial Strategy and workforce development plan, as part of the budget setting process. This will ensure that any changes in resources are reflected in the Plan and that it continues to reflect our priorities as they change over time.

5.11 Efficiency Targets and Gershon Review

5.11.1 As part of the 2004 Spending Review (covering the years 2005-06 to 2007-08 inclusive), all parts of the public sector were required to achieve 2.5 per cent annual efficiency gains. For councils in England, this amounted to a target of £3.0bn, of which at least half had to be cashable, meaning that cash resource would be released which could be reallocated to spend in priority areas or used to hold down Council Tax. Non-cashable gains normally represent improvements in productivity or greater service quality from the same level (or a proportionately smaller increase) of resources. Overall Councils significantly exceeded this target. More than £3bn efficiency gains were delivered by the end of 2006-07, a year ahead of schedule, and by the end of 2007-08 the total value of cashable gains alone was greater than £3bn.

5.11.2 Merton delivered £11.2 million of efficiency savings over the three year period of SR04, equating to 8.4% and exceeding the 7.5% target. Of these, over £10.7 million were cashable savings, more than double the target set for Merton of just over £5 million.

5.11.3 The 2007 Comprehensive Spending Review has set the public sector a new challenge: to achieve three per cent annual efficiencies, but this time all gains must be cash releasing. For councils in England, this amounts to a target of £4.9bn by the end of March 2011. While there are no mandatory targets for individual authorities, each council will be required to report their progress through National Indicator 179, part of the National Indicator Set, and where there is evidence of underperformance, this will be followed up by the local Government Office.

SECTION 4

- 5.11.4 The DCLG published a Value for Money Delivery Plan for local government, to set out where gains can be achieved, and the National Improvement and Efficiency Strategy, to set out how the DCLG will work with the local government sector in partnership to help deliver the gains. The network of Regional Improvement and Efficiency Partnerships, which are led by and serve the local authorities in each region, are central to this strategy, and they have each produced their own regional strategies to ensure that they are responding to local needs.
- 5.11.5 The Council has set itself challenging internal targets and aims to achieve further cashable annual efficiency savings of 4% per year over the period of the MTFS, in excess of the Government target and recognizing the importance of the agenda in Merton.
- 5.11.6 A Cabinet member (the Deputy Leader) has VfM and efficiency within her portfolio. The Performance Management Framework is being utilised to drive and embed the VfM and efficiency agenda with inclusion of these areas within the Business Plan and within Service Planning Guidance for 2009/10 and via the inclusion of VfM objectives within appraisals. The efficiency programme is continuing to be promoted across the organisation using a dedicated area on the intranet and with an expanding range of relevant internal training being provided for staff.
- 5.11.7 The Outstanding Council Programme Board (OCPB) was established at the end of 2007 to ensure that the Council maximises efficiencies from its service review programme, in particular from cross cutting reviews. OCPB consists of CMT and the Performance and Business Improvement Manager. OCPB aims to ensure that services achieve the maximum value for money in delivering the Council's strategic priorities and provides the governance and accountability for these.
- 5.11.8 In October 2008 Merton appointed Deloitte to assist the Cabinet and Outstanding Council Programme Board to formulate the increased efficiency savings needed across the organisation to put us on a more stable financial footing and assist in addressing the budget shortfall in the MTFS. This is a major programme for the Council, which will involve the co-operation of all service areas in order to identify and deliver the savings to ensure a balanced budget over the medium term. Deloitte will make a preliminary report on potential savings in April 2009.

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Committee: Council

Date: 4 March 2009

Agenda item: 5

Wards: All

Subject: Business Plan 2009 - 2012

Lead officer: Abdool Kara

Lead member: Councillor Samantha George, Deputy Leader and Cabinet Member for Corporate Resources

Forward Plan reference number: 671

Contact officer: ben.harris@merton.gov.uk, Policy and Partnerships Manager, extn. 4632

Recommendations:

- A. That Council agree the Business Plan 2009-12 as part of the budget and policy framework, including the text and the package of priorities, planned outcomes, performance measures and targets that together will form the published version of the Plan.
 - B. That Council agree to delegate to the Chief Executive, in consultation with the Leader of the Council, the authority to amend the Business Plan 2009-12 should this be required.
-

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 On 23 February 2009, cabinet considered the draft business plan package and content, and recommended it to Council for approval.
- 1.2 This report presents to Council the proposed Business Plan 2009-12, including the package of priorities, planned outcomes, performance measures and targets, and related text.

2. DETAILS

- 2.1 The Council's Business Plan sets out the key improvement priorities for the next three years, based on the council's six priority themes:
 - (i) Sustainable Communities;
 - (ii) Safer and Stronger Communities;
 - (iii) Healthier Communities;
 - (iv) Older People;
 - (v) Children and Young People; and
 - (vi) Corporate Capacity.
- 2.2 The Business plan is a rolling three-year plan, which is refreshed annually. Therefore, the proposed Business Plan 2009-12 refreshes

the Business Plan 2008-11, agreed by Council on 5 March 2008. The refresh process ensures that the plan remains up to date and in line with residents' needs, political priorities, and available resource.

- 2.3 The Business Plan is planned and developed in conjunction with the budget, to ensure that priorities and resources are aligned, and that performance targets are challenging, yet realistic.
- 2.4 The final package of priorities, planned outcomes, performance measures and targets has been arrived at through consultation with departments, between directors and cabinet members and twice through the scrutiny process. The table of priorities, planned outcomes, performance measures and targets is attached at appendix I
- 2.5 The text of the business plan 2008-11 has also been updated for 2009-12. Whilst the structure of the plan has been rolled forward, the content has been updated to reflect the current context and priorities. The text is attached at appendix II.

3 ALTERNATIVE OPTIONS

- 3.1 The information contained within this report is part of a structured business planning process, integrated with the budget timetable. It must be considered by Council in order to adhere to the corporate timetable.

4. CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1 The following consultation activity has been undertaken:
 - consultation findings, for example from the Annual Resident's Survey, have formed an explicit input to consideration of new or revised business plan priorities and targets;
 - all members were invited to attend a business planning/budget briefing on 7 October 2008;
 - cabinet members were consulted on 1 October 2008, 15 December 2008 and 23 February 2009;
 - scrutiny panels and the overview and scrutiny commission considered the proposals in October/November 2008 and again in January 2009; and
 - individual meetings between directors and cabinet members have taken place throughout the process.

5. TIMETABLE

- 5.1 An integrated timetable for business planning and the budget has been developed.

6. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1 The financial, resource and property implications of the proposals for 2009-12 have been fully considered.

7. LEGAL AND STATUTORY IMPLICATIONS

7.1 None.

8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1 The human rights, equalities and community cohesion implications of the proposals for 2009-12 have been fully considered.

9. CRIME AND DISORDER IMPLICATIONS

9.1 The crime and disorder implications of the proposals for 2009-12 have been fully considered.

10. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1 The risk implications of the proposals for 2009-12 have been fully considered.

11. APPENDICES – the following documents are to be published with this report and form part of the report

11.1 APPENDIX I: Business plan tables 2009-12.

11.2 APPENDIX II: Business plan text 2009-12

11.3 Background papers

11.4 The Business Plan 2008-11.

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Table of proposed priorities and planned outcomes (Business Plan 2009-12)

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	09/10 Target	10/11 Target	11/12 Target	Lead department	Comments	
Improve public safety	Increase the level of public assurance that neighbourhoods are safe	Perceptions of anti-social behaviour (percentage of residents who are worried or fairly worried about anti-social behaviour)	59% (Annual Residents' Survey)	59%	58%	58%	Chief Executive's	Mission for Merton indicator (08/09) Links to National Indicator 17 and LAA Target (local)	
		Percentage of residents who are worried or fairly worried about crime	59.41% (Annual Residents' Survey)	58%	57%	57%	Chief Executive's	Mission for Merton indicator (08/09) LAA Target (local)	

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	09/10 Target	10/11 Target	11/12 Target	Lead department	Comments	
		Perceptions of drunk or rowdy behaviour as a problem (percentage of residents who are worried or fairly worried about drunk and rowdy behaviour in their area)	47% (Annual Residents' Survey)	46%	45%	44%	Chief Executive's	Mission for Merton indicator (08/09) LAA Target (local) National Indicator 41	
		Dealing with local concerns about anti-social behaviour and crime issues by the local council and police	To be set following results of Place Survey in December	N/A (no survey)	TBC	N/A (no survey)	Chief Executive's	NEW for 2009-12 LAA Target (designated) – target to be negotiated as part of the LAA refresh National Indicator 21	

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	09/10 Target	10/11 Target	11/12 Target	Lead department	Comments	
	Reduce the occurrence and effects of drug use	Drug users in effective treatment	408	424 individuals	432 individuals	TBC by Safer Merton Partnership	Chief Executive's	Links to LAA Target (designated) National Indicator 40	
Develop the council's local leadership role and the capacity of the community and voluntary sector	The LSP delivers against stated outcomes in the LAA	Percentage of 2007 LAA reward grant achieved (stretch targets)	63% (TBC)	70%	80%	LAA ended	Chief Executive's	Date inserted to differentiate between Merton's two LAAs Payable at end of year 3	
		Percentage of LAA designated Performance Indicators on target	86%	90%	90%	90%	Chief Executive's	Performance measure reworded to differentiate between Merton's two LAAs Final methodology for awarding performance grant still to be confirmed	

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	09/10 Target	10/11 Target	11/12 Target	Lead department	Comments	
	Ensure that people who live, work and learn in Merton feel that the council treats them fairly	Standard for the New Equality Framework for Local Government	New measure – baseline to be set	Moving towards excellence	Excellence	Excellence	Chief Executive's	New framework will be released by IDeA in early 2009, and implemented across local government from April 2009	
		Percentage of staff who believe that the council actively promotes equality of opportunity and values diversity	71% (2006 survey; 2008 target 82%)	N/A (no survey)	86%	N/A (no survey)	Corporate Services	Note - Data will not be collected again until 2010	
		Percentage of residents who agree that the council is an authority which treats people in a fair and non-discriminatory way	57% (Annual Residents' Survey)	62%	65%	68%	Chief Executive's		

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	09/10 Target	10/11 Target	11/12 Target	Lead department	Comments	
	Developing strong and positive relationships between people from different backgrounds	Percentage of people who believe people from different backgrounds get on well together in their local area	85% (Annual Residents' Survey)	85.5%	86%	86.5%	Chief Executive's	Mission for Merton indicator (08/09) Links to Designated LAA Target and National Indicator 1	
		Percentage of residents who agree that Merton council is a council that tackles racism	39% (Annual Residents' Survey)	43%	44%	45%	Chief Executive's	Mission for Merton indicator (08/09)	

Safer and stronger communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	09/10 Target	10/11 Target	11/12 Target	Lead department	Comments
		Score against the National Indicator 'building resilience to violent extremism'	To be set in January, out of a maximum of 20	12 out of 20	14 out of 20	16 out of 20	Chief Executive's	NEW for 2009-12 National Indicator 35 Links to LAA Target (local) - LAA Target (local) – these targets will be renegotiated as part of the refreshed LAA as we now have more information on how data will be collected

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	09/10 Target	10/11 Target	11/12 Target	Lead department	Comments	
	The council contributes to the development of a thriving third sector in Merton	Environment for a thriving third sector	Baseline to be set following survey in 2008/09	N/A (no survey)	Baseline + 3 percentage points	N/A (no survey)	Chief Executive's	NEW for 2009-12 National Indicator 7 LAA Target (local) – these targets will be renegotiated as part of the refreshed LAA as we now have more information on how data will be collected	
Increase public involvement in the democratic process in line with the new governance	Increase public interest and involvement in the scrutiny process	Number of members of the public involved in the work of overview and scrutiny	429 (year to date, September 08)	900	1000	1100	Chief Executive's		

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	09/10 Target	10/11 Target	11/12 Target	Lead department	Comments	
arrangements from the local government and public involvement in health act 2007	Improve the quality of scrutiny work	Percentage of councillors who agree that the scrutiny function is effective (local survey)	61% (2007/08 survey)	70%	70%	70%	Chief Executive's		
	Development opportunities and support given to councillors as representatives of their local wards	Percentage of councillors with an agreed personal development plan	55% (quarter 2, 08/09)	80%	20%	50%	Corporate Services	Revert back to original planned outcome wording	
		Percentage of councillors who have attended development sessions	76.67% (quarter 2, 08/09)	75%	30%	35%	Corporate Services		

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	09/10 Target	10/11 Target	11/12 Target	Lead department	Comments	
		Percentage of councillors who agree their learning and development is good in terms of relevance, convenience and quality	New measure so no baseline	50%	60%	70%	Corporate Services	NEW for 2009-12	
	Increase effectiveness of community forums	Average number of attendees per community forum	26 (year to date, November 2008)	28	34	40	Chief Executive's	Mission for Merton indicator (08/09 and proposed 09/10)	
	Residents feel that the council listens and involves them in decision making	Percentage of residents who feel that the council involves residents when making decisions	49% (Annual Residents' Survey)	52%	54%	55%	Chief Executive's	NEW for 2009-12 Proposed Mission for Merton indicator (09/10)	

Safer and stronger communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	09/10 Target	10/11 Target	11/12 Target	Lead department	Comments	
		Percentage of residents who feel that the council listens to residents' concerns	56% (Annual Residents' Survey)	59%	61%	62%	Chief Executive's	NEW for 2009-12 Proposed Mission for Merton Indicator (09/10)	
	Residents feel informed and understand the work of the council	Percentage of residents who feel that the council keeps residents informed about what they are doing	75% (Annual Residents' Survey)	77%	78%	80%	Chief Executive's	NEW for 2009-12 Proposed Mission for Merton Indicator (09/10)	

Sustainable Communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
Better meet the housing needs of Merton's residents and communities	Increasing the supply of affordable housing	Number of affordable homes delivered (gross)	73 (September 08)	105	105	This will be finalised after the LDF site capacity study. GOL Approval required – summer 2009	Community and Housing	'Across the borough' removed to recognise the rebalancing agenda (east-west) and align with Housing Strategy (See Appendix I)	
	Support vulnerable people and prevent homelessness, wherever possible	Average number of families in B&B accommodation The average length of stay of families in B&B	0 (September 08) 0 weeks (September 08)	No more than 4 families at any one time Average stay not to exceed 1 week	No more than 4 families at any one time Average stay not to exceed 1 week	No more than 4 families at any one time Average stay not to exceed 1 week	Community and Housing Community and Housing		

Sustainable Communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
		Number of households living in temporary accommodation	92 (September 08)	87	87	87	Community and Housing	National Indicator 156
	Improve housing conditions in council-owned stock through consulting and communicating with tenants on the option of transferring their homes to a new, local housing association, established for this purpose	Percentage of non-decent council homes	61.78% (September 08)	66%	64%	55%	Community and Housing	LAA Target (designated) National Indicator 158 (with amendment to wording, the two indicators are now aligned)
		Percentage of responsive repairs completed within agreed timescales	92.7% (September 08)	98%	98%	99%	Community and Housing	
		Average turnaround (re-let) time for void properties	39.6 days (September 08)	29 days	28 days	26 days	Community and Housing	

Sustainable Communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
	Increase resident involvement and overall satisfaction with the housing service	Local authority tenants' satisfaction with landlord services	69% (June 08)	N/A (no survey)	75%	N/A (no survey)	Community and Housing	Mission for Merton indicator (08/09) National Indicator 160	
Ensure that Merton's residents have access to high quality learning opportunities and information provision within the community	Develop and implement an adult education strategy to meet the aspirations of the community, within the context of Learning and Skills Council (LSC) priorities and resources available	Meet the LSC targets for learners on accredited courses Meet the LSC targets for learners on non-accredited courses The 'success rate' i.e. % of achievers against starters	1,321 learners (07/08 academic year) 3,782 learners (07/08 academic year) 63% (2007/07 academic year)	Target to be confirmed in June 2009 Target to be confirmed in June 2009 76%	TBC – June 2009 TBC – June 2009 76%	TBC – June 2009 TBC – June 2009 76%	Community and Housing Community and Housing Community and Housing	Mission for Merton indicator (08/09) Mission for Merton indicator (08/09) Mission for Merton indicator (08/09)	

Sustainable Communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
	Increase the reach of the library service within the community	Number of visitors accessing the library service online	41,226 (October 08)	50 45,3 49,8 80	90 49,8	54,8 80	Community and Housing	New for 2009-12 – to reflect amendment to planned outcome wording and national indicator 9
		Number of people accessing the library service by borrowing an item or using a People's Network (PN) terminal at least once in the previous 12 months	42,000 (October 08)	43,100 45,255	45,255	47,518	Community and Housing	NEW for 2009-12 – to reflect amendment to planned outcome wording and National Indicator 9

Sustainable Communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
Improve the quality of the public realm, the urban environment and residents' satisfaction with its key elements		Number of new members of Merton Libraries	18,200 (October 2008)	20,000	22,000	24,200	Community and Housing	NEW FOR 2009-12 – to reflect amendment to planned outcome wording and National Indicator 9
	Better quality of built environment relating to both existing and new development	Progress in implementing Local Development Framework (LDF), Area Action Plans and supplementary planning guidance	The Core Strategy of the LDF is being prepared.	Core Strategy consultation complete.	Core Strategy Public Inquiry takes place	Public Inquiries take place into the Development Control Development Planning Document (DCDPD) and site specific allocations.	Environment and Regeneration	New for 2009-12 Note completion is dependent on the outcome of the Public Inquiry Inspector's report.
	Improve the management of the local environment	The percentage of sites surveyed with little or no detritus	46%	51%	56%	61%	Environment and Regeneration	Baseline/ measurement uses National Indicator 195 approach

Sustainable Communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
		The number of fly tips reported in streets and parks	1,206 (April – August 2008)	3,000	2,900	2,800	Environment and Regeneration	Mission for Merton indicator (08/09)	
	Improve residents' perception of public realm services	Proportion of residents surveyed who are satisfied with street cleaning	58%	64%	66%	68%	Environment and Regeneration	Measured by Annual Residents' Survey	
		Proportion of residents surveyed who are satisfied with refuse collection	66%	70%	72%	74%	Environment and Regeneration	Measured by Annual Residents' Survey	
		Proportion of residents surveyed who are satisfied with parks and open spaces	65%	66%	68%	72%	Environment and Regeneration	Measured by Annual Residents' Survey	

Sustainable Communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
	Improve the street scene in Mitcham, Morden and Wimbledon town centres	Progress made in implementing public realm improvement schemes in the 3 town centres	Strategy being prepared	1. Complete Mitcham enhancements to Eastfields Station 2. Commence enhancements in Wimbledon town centre	1. Complete enhancements in Wimbledon Town Centre 2. Commence enhancements in Morden town centre	Complete enhancements in Morden town centre	Environment and Regeneration	New for 2009-12	
	Protect and improve our parks and open spaces	Number of green flag awards	2 (September 2008)	3	4	5	Environment and Regeneration		
		The percentage of sites surveyed in the 20 parks most affected by graffiti, with a low incidence of graffiti	Dependent on surveys which will be taking place shortly	5 percentage point improvement	Further 5 percentage point improvement	Further 5 percentage point improvement	Environment and Regeneration		

Sustainable Communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
		Net change in hectares of Merton owned open space accessible to the public	317 hectares	No change	Additional 2 hectares	Additional 1 hectare	Environment and Regeneration	
Ensure that Merton's residents have access to job opportunities and thriving	Facilitate the creation of new jobs and business especially in the eastern wards	Percentage occupancy in incubator unit	80% (June 2008)	80%	80%	80%	Environment and Regeneration	

Sustainable Communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
town centres	Redevelop and revitalise Mitcham and Morden town centres	Work with partners and relevant stakeholders to regenerate Mitcham town centre	Planning policy prepared	Discussion with potential developers on possible regeneration schemes/ single site development. Implement agreed action plan to improve the public realm, business support and the environment	Work to secure planning applications for redevelopment of sites ensuring public consultation	Further work underway leading to greater footfall for retail	Environment and Regeneration	Slight amendments to targets to more accurately reflect work that will take place
		Work with partners and relevant stakeholders to identify regeneration potential in Morden	Development and consultation on vision and programme for two year initiatives of enhancements	Delivery begins of two year initiatives programme for town centre management	Area Action Plan embedded in planning policy	Two year initiatives programme complete which contributes to greater footfall	Environment and Regeneration	

Sustainable Communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
	Improve the quality of cultural and community facilities in Wimbledon	Construction of a new auditorium and community space in Wimbledon	Consultants appointed to progress land dead	Improve ments to 'back of house' facilities at theatre implemented	Planning permission granted	Construction underway	Environment and Regeneration	
Develop and implement a holistic approach to environmental sustainability including waste management	Reduce energy use and carbon dioxide emissions	CO2 emissions from housing per head	2.239 tonnes (relates to 2006)	2.210 tonnes (relates to 2007)	2.173 tonnes (relates to 2008)	2.137 tonnes (relates to 2009)	Environment and Regeneration	Indicator wording amended
		Reduction in CO2 emissions from planning policy and the 'Merton 10% rule'	750 tonne reduction (2007/08)	325 tonne reduction	400 tonne reduction	550 tonne reduction	Environment and Regeneration	

Sustainable Communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
		Annual amount of CO2 emissions from five of the council's operational buildings (civic centre, Russel Road, Worsfold House, Morden Park House and Gifford House)	945.18 (YTD October 08)	1,900 tonnes	1,800 tonnes	1,700 tonnes	Corporate Services		
	Improve the sustainability of the transport system	The number of schools with school travel plans	61 out of 68 (June 2008)	68	Target achieved	Target achieved	Environment and Regeneration		
	Minimise waste and increase levels of recycling	Percentage of household waste recycled and composted	30.17% (year to date 2008/09)	32%	35%	37%	Environment and Regeneration	LAA target	

Sustainable Communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
	and composting	Municipal waste landfilled	72.2% (April – June 2008)	72%	66%	60%	Environment and Regeneration	Mission for Merton indicator (08/09) LAA target National Indicator 193	
		Residual household waste per household	293 kgs (April – August 2008)	712 kgs	691 kgs	644 kgs	Environment and Regeneration	NEW for 2009-12 LAA Target (designated) National Indicator 191	

Healthier communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
Promoting healthy lifestyles and choices for children and young people	Increased participation of children and young people in sport	The percentage of 5-16 year olds who spend at least 2 hours a week on high quality PE & school sport	93.1%	TBC	TBC	TBC	Environment and Regeneration/Children, Schools and Families	LAA Target (local) This indicator is being replaced by National Indicator 57, and targets will be set once new baseline established at least 5 hours PE
	Facilitate an increase in the amount of competitive sport	The number of young people involved in sport as a result of inter-borough competitions	630	700	750	800	Environment and Regeneration	Amendment to wording to reflect wider base of competition
	Reduction in childhood obesity and increased levels of physical	Percentage of schools with purpose built on-site kitchens for the preparation of healthy food	93%	98%	Target achieved	Target achieved	Children, Schools and Families	

Healthier communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
	fitness in Merton schools							Mission for Merton indicator (08/09) LAA Target (local) National Indicator 52

Healthier communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
		Obesity among primary school age children in Reception Year	12.3%	13.3%	13.6%	13.3%	Children, Schools and Families	NEW for 2009-12 – inserted to replace school lunches indicator – better measure of planned outcome LAA target (designated) National Indicator 55 Note targets supplied to us by PCT; national targets are to reduce the rate of increase

Healthier communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
		Percentage of schools achieving healthy schools award	65%	87%	90%	93%	Children, Schools and Families	LAA Target (Stretch) Targets are for calendar years
	Improve health and well being of young people leaving public care	Average percentage of children looked after for at least 12 months who had their teeth checked by a dentist and an annual health assessment during the 12 months	82%	87%	87%	87%	Children, Schools and Families	Targets are for financial year
	Reduction in the level of mental health issues affecting children and young people fulfilling their life potential	Progress towards a comprehensive CAMHS service (score in self-assessment checklist)	15 out of 16	16	Target achieved	Target achieved	Children, Schools and Families	National Indicator 51

Healthier communities									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
Promoting healthy lifestyles and choices for adults	Contribute to the government target of increasing participation in sport and leisure activities	Number of people over 50 attending sports sessions at the council's 3 sports centres	7,709 (April – August 2008)	15,700	16,250	16,500	Environment and Regeneration		
Improve access to a range of social care services for adults in need	Increased opportunities and support to enable people to determine their own service provision	People supported to live independently through social services (all adults)	Will be available following the Grant Funded Org Survey in Jan 09	TBC	TBC	TBC	Community and Housing	NEW for 2009-12 National Indicator 136	
		Admissions of 18-64 year olds to residential/nursing care per 10,000 population	1.2 (September 08)	Less than 2.5	Less than 2.5	Less than 2.5	Community and Housing	Targets represent a high Dept. of Health banding	

Healthier communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
		Carers receiving needs assessment or review and a specific carers service, or advice and information	11.6% (September 08)	17%	25%	25%	Community and Housing	LAA Target (designated) National Indicator 135 2011/12 target to be reviewed once LAA complete
		Number of vulnerable people achieving independent living	86% (September 08)	65.36%	70.45%	70.45%	Community and Housing	LAA Target (designated) National Indicator 141 2011/12 target to be reviewed once LAA complete
		Timeliness of social care assessment	83% (September 08)	85%	88%	88%	Community and Housing	LAA Target (Designated) National Indicator 132 2011/12 target to be reviewed once LAA complete

Healthier communities								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
	Increased choice in use of social care services	The number of people receiving direct payments	158 (September 08)	300 people	300 people	300 people	Community and Housing	Mission for Merton indicator LAA Target (stretch)

Older people								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
Increase opportunities for independence, choice and control for people over 50	Deliver the strategy for people over 50 action plan	Achieving independence for older people through rehabilitation/intermediate care	Baseline figure will be available in Feb 09 following first collection period			TBC	Community and Housing	LAA Target (local) National Indicator 125
			Baseline available following first Place Survey results (Feb 09)	TBC	TBC	TBC	Community and Housing	LAA Target (designated) National Indicator 139
Enable people over 50 to make a contribution	Recognise and value older people and	People over 65 who say that they receive the information, assistance and support needed to exercise choice and control to live independently	60.31 (September 08)	66	66	66	Community and Housing	MOVED (previously a priority)
		Admissions of over 65 year olds to residential/nursing care per 1,000 population	47.8% (Annual Residents' Survey)	55%	56.5%	56.5%	Community and Housing	LAA Target

Older people								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
	ensure they have a say in matters that affect them	Percentage of older people who feel that their local area is a place where different backgrounds get on well together	86.3% (Annual Residents' Survey)	86%	87%	89%	Community and Housing	LAA Target (local)

Children and young people								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
Ensure children and young people stay safe	All agencies protect children and young people through implementing effectively the child and young person concern model, implementing the common assessment framework and engagement in the national ContactPoint project	Percentage of initial assessments for children's social care carried out within 7 days of referral	80%	87%	89%	89%	Children, Schools and Families	Amendment to planned outcome wording LAA Target (designated) National Indicator 59
		Number of child protection designated teachers, health visitors and school nurses who are trained in the use of the Child Concern Model	150	150	150	150	Children, Schools and Families	Target seeks to maintain number.
Enable children and young people to enjoy and achieve	Reduce the number of children excluded from secondary school (including academies)	Rate of permanent exclusions	0.26%	0.15%	0.15%	0.15%	Children, Schools and Families	Stretch LAA Target National Indicator 114 Targets are for academic year

Children and young people									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
		Rate of fixed term exclusions	7.7%	7.8%	7.7%	7.7%	Children, Schools and Families	Stretch LAA Target Targets are for academic year	
	Reduce the disproportionate number of secondary school black and minority ethnic children who are excluded (including academies)	Rate of permanent exclusions	0.16%	0.2%	0.15%	0.15%	Children, Schools and Families	LAA Target (local) Targets are for academic year	
		Rate of fixed term exclusions	6.8%	8.2%	7.7%	7.5%	Children, Schools and Families	LAA Target (local) Targets are for academic year	
	Improve educational outcomes in primary schools	Number of primary schools in the east of the borough achieving DCSF national floor targets	16 out of 19	18	19	Target achieved	Children, Schools and Families		
		Percentage of pupils achieving level 4+ in English and maths at KS2	72%	78%	79%	80%	Children, Schools and Families	Statutory LAA Target National Indicator 73	

Children and young people								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
	Improve educational outcomes in secondary schools through implementing the secondary strategy (including academies)	Achievement of 5 or more GCSEs at A*-C or equivalent including English and maths	45%	50%	51%	52%	Children, Schools and Families	Mission for Merton indicator Statutory LAA Target Targets are for academic year
	Further improve educational outcomes for young people in care, using the virtual school as a key mechanism for improvement	Looked after children achieving 5 or more A*-C at GCSE or equivalent including English and maths	9%	At least 22%	At least 22%	At least 22%	Children, Schools and Families	National Indicator 101 Statutory LAA Target Targets are for academic year
Enabling children and young people to make a positive contribution	Reduce young people's involvement in offending as victims and as perpetrators	Percentage of young offenders who re-offend	TBC	TBC	TBC	TBC	Children, Schools and Families	LAA Target (local) Targets to be set once guidance from Youth Justice Board received

Children and young people									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
	Improve the quality and increase participation in Merton Youth Services	Number of accredited outcomes achieved by young people through the youth service	475	650	650	675	Children, Schools and Families	Stretch LAA Target	
		Number of 13-19 year olds participating in the Youth Service	1,458	1,700	1,700	1,700	Children, Schools and Families		
Ensure Merton children and young people achieve economic wellbeing	Reduce the percentage of young people who are not in education, employment, training (NEET)	16 to 18 year olds who are not in education, employment or training (NEET)	6.1%	TBC	TBC	TBC	Children, Schools and Families	Stretch LAA Target National Indicator 117 As part of LAA refresh we are seeking to renegotiate these targets in light of economic downturn	

Children and young people									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
		Care leavers who are not in education, employment or training (NEET)	47%	TBC	TBC	TBC	Children, Schools and Families	As part of LAA refresh we are seeking to renegotiate these targets in light of economic downturn	
		Young offenders who are not in education, employment or training (NEET)	88%	TBC	TBC	TBC	Children, Schools and Families	National Indicator 45 As part of LAA refresh we are seeking to renegotiate these targets in light of economic downturn	
Improve service management	Enhance the learning opportunities of children and young people with Special Educational Needs/Learning Difficulties and Disabilities in	Total number of new statements issued Number of new statements naming independent or non-maintained schools	91 (33.6 per 10,000) 0	34.7 per 10,000 No more than 10	34.6 per 10,000 No more than 10	34.5 per 10,000 Not more than 10	Children, Schools and Families	LAA Target (local) Planned outcome replaced to better reflect the activity	

Children and young people									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
	Merton schools	Capacity of specialist provision in the borough	366	366	366	386	Children, Schools and Families	NEW indicator for 2009-12	
	Improve the balance of supply and demand for schools places	The percentage of unfilled places in primary schools	15%	Up to 10%	Up to 10%	Up to 10%	Children, Schools and Families	NEW Indicator for 2009-12	
		The percentage of unfilled places in secondary schools	3.6%	Up to 10%	Up to 10%	Up to 10%	Children, Schools and Families	NEW Indicator for 2009-12	
	Develop further extended services across the borough in partnership with other agencies	Percentage of schools providing access to extended services	63%	100%	Target achieved	Target achieved	Children, Schools and Families	Performance measure wording amended National Indicator 88 Targets are for academic year	

Children and young people								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
	Improve service provision for children and young people with disabilities	Number of families of children with disabilities to receive direct payments	45	50	60	60	Children, Schools and Families	
		Number of transition plans in place for all children with disabilities known to children's social care by age 16	100% (2007/08)	90%	90%	90%	Community and Housing	Mission for Merton indicator Target allows for one plan to miss timescale
	User involvement in service planning	Number of young people participating in the TellUs 3 survey	1,157	At least 900	At least 900	At least 900	Children, Schools and Families	Mission for Merton indicator 900 is sample size required by Ofsted for statistical validity, although higher sample rates are desirable Targets are for academic year

Children and young people									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
		Percentage of Looked After Children participating in reviews	95%	95%	95%	95%	Children, Schools and Families		

Corporate capacity								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
Our customers: We will engage with our customers to continuously improve and deliver services driven by their need	Improved access to our services for our customers	Number of services delivered through the contact centre	10	12	14	16	Corporate Services	Revert back to original priority wording, with minor change Performance measure replaced as Merton Link at full capacity
		Percentage of relevant buildings that are compliant with the disability discrimination act	87.16% (quarter 2, 08/09)	95%	95%	95%	Corporate Services	All statutory dda work will be completed during 2009/10 (subject to funding). Any outstanding work will be to further improve accessibility as and when required to make reasonable adjustments for customers and staff

Corporate capacity								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
		Number of e-enabled payment transactions accepted via the website	35,546	34,500	35,000	35,000	Corporate Services	
		Number of e-enabled service interactions available on the council's website	859	887	907	927	Corporate Services	
		Number of months 'the percentage of website users who found what they were looking for' is above the London average	5	7	8	9	Corporate Services	NEW Performance measure wording amended

Corporate capacity								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
	Our Customer Service Standards met and exceeded	Average number of minutes for a customer to be seen in Merton Link	13.45 minutes (October 2008)	15 minutes	13 minutes	11 minutes	Corporate Services/Community and Housing	
		Percentage of customers seen within 30 minutes in Merton Link	86.45%	90%	91%	92%	Corporate Services/Community and Housing	
Our people: we will have the right people, in the right job, doing the right things, at the right time	A workforce that reflects the community we serve and respects and celebrates its diversity	Percentage of employees from Black and Minority Ethnic (BME) groups	17.37%	21%	22%	23%	Corporate Services	
		Percentage of employees who are disabled	3.85%	5.5%	5.75%	6.00%	Corporate Services	

Corporate capacity									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
	A workforce that produces excellent results through motivated and skilled staff	Percentage of staff who perceive Merton as a good place to work	57% (2006 survey; 2008 target – 68%)	N/A (no survey)	71%	N/A (no survey)	Corporate Services	Data will not be collected again until 2010	
		Percentage of overall staff expenditure spent on agency staff	10.03%	7.6%	7.4%	7.2%	Corporate Services		
		Percentage of total divisional staff spend in children's social care on agency staff	28.51% (quarter 2, 08/09)	25%	25%	25%	Corporate Services/Children, Schools and Families		
		Number of working days lost to sickness	4.69 (year to date, October 2008)	9.00	8.5	8.00	Corporate Services		

Corporate capacity									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
		Percentage turnover of staff with less than two years of service	11.78% (year to date, October 2008)	18%	16%	15%	Corporate Services		
		Reduction in turnover of staff in posts recognised as difficult to fill	New measure	1.5%	1.5%	1.5%	Corporate Services	NEW for 2009-12	
Our internal processes: we will work smarter to deliver sustainable performance and service improvements in a risk based environment	Robust and timely performance monitoring and reporting systems that produce accurate data	Management arrangements score in Audit Commission's Data Quality review	3 (2007/08)	4	4	4	Chief Executive's	Amendment to priority wording	
		Percentage of required indicators produced within timescales	79.49% (year to date)	97%	97.5%	97.5%	Chief Executive's		

Corporate capacity									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
		Percentage of figures amended after reporting on the dashboard	21.07% (year to date)	15%	10%	10%	Chief Executive's		
		Provide budget monitoring reports to customers within 10 days of month end	75% (year to date, October 08)	93%	98%	100%	Corporate Services	NEW for 2009-12	
Our finances: we will manage our financial resources effectively and with integrity	Improved financial management	Expenditure for the overall council budget to be on target, with no major overspends	New measure	100%	100%	100%	Corporate Services	NEW for 2009-12 Maintaining 100% for this target will be an on-going challenge in the current financial climate.	

Corporate capacity								
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments
		Overall (CPA) rating for Use of Resources	3	4	4	4	Corporate Services	(MOVED) This performance measure will be reviewed once the framework for the Comprehensive Area Assessment has been finalised by the Audit Commission
	Stronger control over assets	Percentage of social services debt collected: (a) under one year old; (b) one to two years old; (c) over two years old	(a) 78.97% (b) 96.44% (C) 98.72% (Year to date, October 08)	(a) 80% (b) 97% (c) 99%	(a) 80.5% (b) 97.5% (c) 99.1%	(a) 81% (b) 98% (c) 99.2%	Corporate Services	

Corporate capacity									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
	A council which delivers value for money	(CPA) rating for value for money	3 (2007/08)	3	4	4	Chief Executive's	This performance measure will be reviewed once the framework for the Comprehensive Area Assessment has been finalised by the Audit Commission	
		Percentage of savings achieved through improved efficiency	2.8% (year to date)	4%	4%	4%	Chief Executive's	Mission for Merton indicator Links to National Indicator 179	

Corporate capacity									
Priority	Planned outcome	Performance measure	Baseline – latest position	2009/10 Target	2010/11 Target	2011/12 Target	Lead department	Comments	
		Number of invoices below £100 as a percentage of the total number of invoices	34.98% (year to date)	25%	20%	15%	Chief Executive's		

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Welcome and Introduction

Welcome to the London Borough of Merton's Business Plan 2009-12

This plan sets out what the council aims to achieve for residents over the next three years. Our goal is to provide you with a council that meets your needs, that puts you, our customers, first, and provides you with high quality services that are excellent value for money.

You will see that we have not just given a description of what we are going to do; we have also set firm targets so that you can judge how well we are performing.

The plan has been influenced by what you have told us. Many of you will have had a chance to contribute to consultations that the Council has run or that have been carried out by The Merton Partnership. These have included reviews of planning in the borough and considerations of the key issues facing residents in all aspects of life in the borough.

The plan is organised under a series of themes that link across the Local Strategic Partnership, the Sustainable Community Strategy and the Local Area Agreement. We have done this to show how the things that we intend to do are brought together to have a real impact on people's lives.

The themes also show how the council works with other agencies and organisations in the borough to deliver our jointly agreed vision and aspirations for the borough and its communities. Merton's residents know that real improvements need everyone in the borough to work together. We hope that the themes clearly show how the council will contribute to these partnerships and help ensure they deliver results.

Of course, the world does not stand still. Over the next three years the council and its partners may have to respond to new and unforeseen challenges. We will therefore review the plan each year to see how well we are performing and to make any changes that are necessary.

Thank you for taking the trouble to read the plan. We value all comments and we are happy to answer any questions that you may have. Please send any queries or views to Abdool Kara, the Assistant Chief Executive, abdool.kara@merton.gov.uk

A Profile of Merton

Merton is an outer London borough situated to the south west of central London. The demographics of the borough and some of its defining characteristics are listed below.

- Population of 199,300 (mid-year 2007 estimate) – projected to increase to 207,400 by 2015 – living in 78,000 households.
- Three main town centres: Wimbledon, Mitcham and Morden.
- Predominantly suburban in character, with high levels of commuter flows in and out of central London.
- Good connections with the London transport network – the District and Northern lines both run through the borough, Tramlink provides connections between Wimbledon and Croydon via Mitcham and Morden, and numerous over-ground stations and bus routes provide easy access to central London and neighbouring boroughs, including via the new Mitcham Eastfields station.
- Significant amounts of green space – notably Wimbledon and Mitcham commons. The borough also has 67 parks and open spaces, 11 nature reserves and 17 allotment sites.
- 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.
- Seven libraries provide Internet access, summer reading schemes and homework clubs as well as traditional book, CD, DVD and video lending.
- Three leisure centres provide a wide range of 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 £1,401.31 (2008/09) (this will need updating once the final council report has been written) 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.

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 £31,600 per annum, but the difference between the highest and lowest paid wards is £17,521 per annum.
- Male life expectancy in Figge's Marsh ward in the east of the borough, is only 73 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.

Reducing these inequalities by bridging the gap between the east and west of the borough is the key theme of the borough's second Local Area Agreement negotiated with central government, which began in 2008 and runs for three years until 2011.

An overview of the council – key facts

- The council is comprised of 60 elected Councillors, representing 20 wards and three political parties. The whole council usually meets five times a year, and is responsible for agreeing the council tax and setting the overall direction of the council.
- A cabinet of nine councillors from the ruling party, supported by two Assistant Cabinet Members makes the majority of decisions throughout the year, with Overview and Scrutiny arrangements supporting the decision-making process.
- Regulatory committees are appointed by the council and perform planning and licensing regulations.
- The council has a revenue budget of £247m in 2009/10. Over 50% of this will be spent on education, with around another 30% being spent on social care (to be updated for 2009/10, following budget Council on 4 March 2009).
- Approximately 5,000 council employees provide a range of public services, from street cleaners and town planners to teachers and social workers.
- Council staff work in five main departments:

Chief Executive's Department

This department advises and supports the rest of the council in creating the strategies, policies and planning mechanisms needed to provide appropriate, responsive and value for money services that continually strive for improvement. It includes the Crime and Disorder Reduction Partnership, which has responsibility for tackling community safety, anti-social behaviour (ASB), and substance misuse within the borough. Teams include:

- Policy and Partnerships
- Performance and Business Improvement
- Stronger Communities
- Communications
- Safer Merton (the Crime and Disorder Reduction Partnership)

Children, Schools and Families Department

This department leads on improving the life chances of local children and young people alongside key Children's Trust partners from the statutory and voluntary sectors. The overall focus of work is to ensure that children and young people enjoy good health, stay safe, enjoy and achieve in their education, make positive contributions and achieve economic wellbeing. Specifically the department provides social care services for children and families, youth services, youth offending services, early years services, services for children with special educational needs and works closely with schools to improve standards. The department has three divisions:

- Social Care and Youth Inclusion
- Education
- Commissioning, Strategy and Performance

Community and Housing

The Community and Housing department provides community services and accommodation that focus on people in need. It aims to provide residents with the chance to live independently in suitable homes within sustainable communities and with opportunities for learning and development. Divisions are:

- Housing
- Community Care (adult social care)
- Adult Education
- Libraries and Heritage

Corporate Services

This department provides a wide range of services to Merton residents and to council departments and staff. Divisions include:

- Audit and Support
- Customer Services
- Civic and Legal Services
- Finance
- Human Resources
- Information Technology Services

Environment and Regeneration

The department provides the widest range of front line services of any department, with the overall aim of maintaining and improving the local environment and economy. Divisions include:

- Regeneration and Leisure
- Streetscene and Waste
- Public Protection and Development (Planning)

Core Capacity Statements

Chief Executive's Department

Director	Abdool Kara, Assistant Chief Executive
Cabinet member(s)	Councillor Samantha George, Deputy Leader and Corporate Resources Councillor Tariq Ahmad, Community Safety and Engagement Councillor Henry Nelles, Assistant Cabinet Member, Customer Services and Performance
Number of employees (FTE)	Approximately 80 (NB Safer Merton also 'hosts' some additional personnel from the Police, other partners, and Sutton and Merton Mediation Service)
Total anticipated revenue budget for 2009/10 (gross)	Approx £8.2m, including: <ul style="list-style-type: none"> ▪ c£1.1m Primary Care Trust budgets allocated to Drugs but paid directly to the Mental Health Trust; ▪ c£620k infrastructure grant funding to the voluntary and community sector; ▪ £150k Preventing Violent Extremism funding from Communities and local Government via the Government Office for London; and ▪ Local Involvement in health (LINK) funding (£125k from the Department of Health. <p>In addition the CDRP host c£450k police staff paid directly by the Metropolitan Police.</p>
Total anticipated projected income for 2009/10 (if relevant)	£100,000 target for income from advertising, sponsorship and filming in the borough. £199,000 from the neighbourhood wardens (including £136,000 from the Housing Revenue Account). £107,000 from CCTV (including £105,000 from the HRA). Total: £406,000
Capital budget for 2009/10	£58,401 to Safer Merton from the Safer and Stronger Communities Fund £172,000 for CCTV Capital expenditure Some IT capital for specific development projects, eg improvements to the Complaints IT system.
Forecast changes affecting the department over the next three years	
Changes to funding levels	The council as a whole is facing a very tight financial situation for the next three years, and in all likelihood beyond. As a result, the department will need to contribute to the achievement of efficiency savings, and to innovative ways of reducing spending, while still delivering excellent services. Drugs budgets are likely to be cut this year by 6 per cent. The Young Person's substance misuse grant will be allocated direct to the Children, Schools and Families Department. The pooled treatment budget will go directly to the PCT, and not to the DAAT (Drug and Alcohol Action Team).

Changes to income levels	The department is looking to increase the amount of revenue it can raise through Advertising, Sponsorship and Filming, though this will be challenging during a time of economic recession. In 2008/09 the neighbourhood wardens and CCTV have brought in additional income, and this level of funding will be sustained in 2009/10.
Changes to staffing levels	<p>The budget round for 2009/10 has seen the deletion of two posts from within the Performance & Business Improvement Team. In Safer Merton there have been a number of cuts in posts as funding from the Home Office has reduced, but new Policing posts have been brought in, the DIP Team have been contracted out. Currently posts are being re-evaluated as part of a restructuring to match the roles to the work undertaken.</p> <p>The whole council is likely to be impacted by the outcomes of the current Efficiency Project, the outcomes of which are unknown at the time of writing. This may lead to further changes in team structures and sizes over the next two to three years.</p>
What the department must do to meet its obligations under the Community Plan and Local Area Agreement	<p>The Chief Executive's Department is responsible for The Merton Partnership, and for driving the delivery of the new Sustainable Communities Strategy (SCS) and the Local Area Agreement (LAA). It monitors the performance against the SCS and the targets in the LAA.</p> <p>Safer Merton and the Stronger Communities Team are the leads on the Safer and Stronger theme, and have targets to meet in line with this. The other teams in the Department contribute to the Corporate Capacity theme and also have related targets.</p> <p>There will be new requirements under the forthcoming Comprehensive Area Assessment, in particular the Area Assessment which will look at how we work with partners such as the police and health services to deliver significant achievements and improved outcomes for local people in our area. The first CAA reports are due from November 2009.</p>
New legislation or regulatory requirements	<p>The Local Government and Public Involvement in Health (LGPIH) Act 2007 continues to have a major impact upon the department, which is leading on the implementation of a number of its elements, including the new powers for Scrutiny, the new performance framework, including the Corporate Area Assessment, the duty to involve and the new LAA arrangements.</p> <p>The new Local Democracy, Economic Development and Construction Bill includes duties to promote democracy, to respond to petitions and a requirement for a dedicated resource for scrutiny.</p> <p>There are many new pieces of legislation that impact on Safer Merton and these will be integrated into their work through out the year. It is anticipated that there will continue to be a growth in the legislation around violent crime, policing, and ASB that will need to be taken on board. Specifically new ASB legislation that came in last year will need to be implemented around parenting orders, and this work is being undertaken in partnership with the Children, Schools and Families Department. The London Safeguarding Adults policy will have a knock on effect to the working of Safer Merton and it's delivery requirements, along with the Mayor of London's strategies to tackle crime in the capital. Safer Merton will also need to adhere to the hallmarks of effective practice for CDRPs and may be assessed against this during the year.</p>
General trends in local government policy	This is a time of much change for local government, taking on the new 'place-making' agenda, empowering local communities, creating more choice and personalisation for service users, and driving efficiency. And of course, the impacts of the recession also have to be managed,

	including increased demands on some services, and reducing income from charges. The focus on community cohesion and counter-terrorism also remains a key agenda. The new focus on violent crime and youth crime will be integrated into the work of Safer Merton, and it is expected that in the current economic climate there will be an increase in acquisitive crime and work is underway to tackle this. The department will be leading on many of the new initiatives, shaping the council's response to its new powers, duties and responsibilities. These new initiatives will all have to be delivered in a tight financial environment, with the government expecting big efficiency savings, and low council tax rises for the foreseeable future.
Relevant changes to demographics of residents and/or service users	The population is expected to continue to grow, officially reaching just over 200,000 by 2011, although locally we estimate that this represents an undercount of perhaps 15,000. The gap between males and females is predicted to widen, with approximately 6,000 more women than men by 2011. The number of over 50s is also expected to rise to nearly 28% of the population by 2011. In addition, the population is likely to become increasingly diverse, with the widening of EU membership, and growth in the number of residents from South Africa. An influx of differing foreign nationals may have an impact on the types of crime being committed, and so affect the work of Safer Merton.
Any other changes	The 'Mission for Merton', a continuing conversation with local people about their views and aspirations for the borough, continues to shape our work, providing a greater sense of purpose and direction. May 2010 will also see local elections in London Boroughs, and we will need to remain conscious of this through the next 12 months. Safer Merton, amongst others, has started work for and around the 2012 Olympics, including crime and disorder infrastructure planning.

Children, Schools and Families

Director	Yvette Stanley
Cabinet member(s)	Lead - Cllr Debbie Shears, Deputy – Cllr Krystal Miller
Number of employees (FTE)	447.74
Total anticipated revenue budget for 2009/10 (gross)	£162 Million
Total anticipated projected income for 2009/10 (if relevant)	£125 Million
Capital budget for 2009/10	£15 Million
Forecast changes affecting the department over the next three years	
Changes to funding levels	The budget for the next three years is expected to be tight, due to a lower than expected settlement from central government.
Changes to income levels	It is envisaged that the dedicated school grant will increase by approximately £5 to 6 million each year over the period 2007-2011.
Changes to staffing levels	The current efficiency project is likely to inform potential changes in staffing levels once the initial assessment phase is completed.
What the department	All LAA designated and stretch targets have delivery plans, which

must do to meet its obligations under the Community Plan and Local Area Agreement	<p>detail the activity to be undertaken to deliver the LAA.</p> <p>The community plan is currently being refreshed, the outputs fit the Every Child Matters outcomes and are based on activities described in the Children and Young People Plan.</p>
New legislation or regulatory requirements	<p>Care Matters place additional duties on the LA regarding looked after children, this is described more fully in the key drivers section.</p> <p>The implementation of the new inspection framework – the Corporate Area Assessment will replace the Corporate Assessment, Joint Area Review and Annual Performance Assessment.</p>
General trends in local government policy	Key trends are increased efficiency, improved outcomes for customers and improved partnership working.
Relevant changes to demographics of residents and/or service users	There is an increase in birth rates of 8%, this has a significant implication for pupil place planning. The BME population in schools continues to increase this has implications regarding the provisions of universal and target services and informs the council's community cohesion agenda.
Any other changes	<p>The increased national focus on child protection has increased the workload for social care teams and will lead to changes in practice on a local and national level.</p> <p>The economic downturn is likely to increase the demand for some services.</p>

Community and Housing

Director	Simon Williams
Cabinet member(s)	<p>Councillor Diane Neil Mills - Regeneration</p> <p>Councillor Maurice Groves - Community Services</p> <p>Councillor Linda Scott - Housing, Adult Social Care and Health</p>
Number of employees (FTE)	c. 915
Total anticipated revenue budget for 2009/10 (gross)	£86.5 million
Total anticipated projected income for 2009/10 (if relevant) (includes HRA)	£48.5 million
Capital budget for 2009/10	£8.5 million
Forecast changes affecting the department over the next three years	
Changes to funding levels	The Medium Term Financial Strategy (MTFS) highlights the need for corporate efficiency savings equivalent to 4% to be made in 2009/10 and 2010/11.
Changes to income levels	Income charges have increased in line with inflation or central government determinations where applicable
Changes to staffing levels	In the light of the MTFS and the Transformation Programme it is likely that staffing levels will reduce.
What the department	The department leads on the Older People and Healthier Communities

must do to meet its obligations under the Community Plan and Local Area Agreement	themes of the LAA and Community Plan, and has a number of both designated and local indicators to monitor and deliver against, including one stretch target relating to direct payments.
New legislation or regulatory requirements	From 2009/10 the bulk of grant funding will be via the Area Based Grant and no longer ring fenced to specific activities. It is envisaged that this will result in the need for a corporate bidding process to obtain funding. A new Comprehensive Area Assessment framework will come into force from April 2009, replacing the previous Comprehensive Performance Assessment framework. Responding to reporting requirements of new National Indicator Set. <i>Putting People First</i> has the force of statutory guidance and requires councils to change adult social care to deliver support through personal budgets.
General trends in local government policy	Key trends are increased efficiency, improved outcomes for customers and improved partnership working.
Relevant changes to demographics of residents and/or service users	Projected population increases from 2007 - 2010: 16-60/65 = 0.46% 60/65-84 = 0.09% 85-90+ = 5.29% This increase in the older population has been built into future service and financial projections
Any other changes	

Corporate Services

Director	Caroline Holland
Cabinet member(s)	Cllr Samantha George, Deputy Leader and Cabinet Member for Corporate Resources Councillor Henry Nelles, Assistant Cabinet Member, Customer Services and Performance
Number of employees (FTE)	496.40
Total anticipated revenue budget for 2009/10 (gross)	£28.785m
Total anticipated projected income for 2009/10 (if relevant)	£5.659m
Capital budget for 2009/10	£3.996m
Forecast changes affecting the department over the next three years	
Changes to funding levels	Included in the budget figures above are savings of £1.639m and growth of £224k Reduced central government funding for the council as a whole 5% reduction in Housing Benefits administration grant from

	Department for Work and Pensions
Changes to income levels	Reduction in income from Merton Translation Services and Local Land charges Potential decrease in collection rates for Council Tax and Business Rates due to the recession
Changes to staffing levels	HR re-structure Legal Services re-structure Finance re-structure IT re-structure
What the department must do to meet its obligations under the Community Plan and Local Area Agreement	Review funding Healthier Communities – Benefit take up by older people
New legislation or regulatory requirements	Constitution arrangements Welfare Reform Agenda Changes to fees and charges in Local Land Charges Government Connects – the need to increase security when information sharing between public bodies
General trends in local government policy	Increased efficiency drive Shared support services
Relevant changes to demographics of residents and/or service users	Due to the recession there may be an increase in Housing Benefit and Council Tax claimants and potential customer increase in Merton Link and Contact Centre Due to the ageing population there is the need to provide focused, specific advice on pension and welfare benefit related issues
Any other changes	New financial regulations SORP 2008 and IFRS will impact on the council's accounts

Environment and Regeneration

Director	Sarah Tanburn (Interim)
Cabinet member(s)	Councillor Neil Mills, Regeneration Councillor Ahmad, Community Safety & Engagement Councillor Groves, Community Services Councillor Simpson, Environment Councillor Brierly, Planning & Traffic Management Councillor George, Corporate Resources
Number of employees (FTE)	750 (Dec 2008)
Total anticipated revenue budget for 2009/10 (gross)	£60,974,000 (includes overheads and capital funding)
Total anticipated projected income for 2009/10 (if relevant)	£30,073,000
Capital budget for 2009/10	£10,516,000 (excludes TfL funding)
Forecast changes affecting the department over the next three years	
Changes to funding levels	Significant pressures on resources are likely to mean savings are required – will be quantified in 2010/11 and subsequent budget

	processes.
Changes to income levels	Various changes in the nature of specific grants claimable by the Department are anticipated but the net effect on income cannot be quantified at this stage.
Changes to staffing levels	Very much dependant upon decisions taken as part of the budget processes. Overall staffing levels for the Department are likely to fall.
What the department must do to meet its obligations under the Community Plan and Local Area Agreement	The Department has individual or shared responsibility for over 20 LAA targets. These are set within the context of the aspirations included in the Community Plan which is currently being revised.
New legislation or regulatory requirements	Traffic Management Act 2004 in relation to parking enforcement & processing/responding to representations against Penalty Charge Notices. GLA Act 2007 which gives new planning powers to Mayor of London. Revised London Plan. Legislative & Regulatory Reform Act 2006 which introduces new statutory code of practice for regulators. Unfair Commercial Practices Directive which harmonise consumer protection legislation and introduces new sanctions. Energy Performance of Buildings Directive which extends HIPS to public buildings, and commercial, rented and newly built properties. New Roads and Streetworks legislation covering notices, FPNs and permits. New planning legislation which has changed the Permitted Development arrangements. Planning Bill which proposes a new system for approving infrastructure of national importance with the aim of streamlining decision making.
General trends in local government policy	The deteriorating international financial situation (notably the credit crunch) will adversely effect the Department's income position and add to the economic problems experienced by the poorer communities and areas. As such service demands related to deprivation will increase whilst funding available generally will reduce. This is in the context of an increasing need to fund expenditure from income sources rather than Central Government and the comparatively low level of funding from Central Government. Merton has ongoing major budgetary pressure which is being dealt with through an Efficiency Review and will lead to further savings being identified in 2009/10 More services being provided on a partnership basis with local authorities, public sector organisations, the third (voluntary) sector and the private sector. Greater emphasis on place shaping, community leadership and community engagement. Increasing contribution to reducing climate change. Pressure to simplify service users ability to contact local authorities and access information/advice.
Relevant changes to demographics of residents and/or service users	Population expected to increase to 210,000 with notable increases in numbers of teenagers, children of primary school age, young people and BME. There is likely to be a need to focus capital expenditure on increasing the number of primary school places which means that other capital projects have a lower priority. Number of households increasing. Increasing numbers of short term migrants. More older people with a dependent need to increase their activity rates.
Any other changes	Declining business base.

	<p>Growing pressure on the infrastructure with particular concerns about housing stock.</p> <p>Declining competitiveness of Morden and Mitcham centres and secondary shopping centres.</p> <p>Need for higher levels of sustainability as part of the response to climate change.</p> <p>Growing importance of "Cultural Services"</p> <p>Preparing for the 2012 Olympics.</p> <p>Growing customer expectations about service standards.</p>
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Achievements in 2008/09

The council has delivered a number of significant achievements in the last year, and received several positive judgements from external inspectors.

Comprehensive Performance Assessment

Updated figures for the CPA are not yet available along with the DOT which has an embargo until 05/03/09 – this will be inserted by the time of publication.

Every council receives a CPA star rating from the Audit Commission. The CPA star rating is made up of the Corporate Assessment score, the Use of Resources score, and individual service scores. Each has a maximum score of 4.

The council's CPA star rating improved in 2007 following the successful Corporate Assessment. This improved our Corporate Assessment score from 2 to 3, and the overall CPA score to 3 star. The council maintained its 3 star rating in the 2007 CPA results, which were announced in February 2008.

In December 2007, the council improved its Use of Resources score from 2 to 3, demonstrating that the council is performing well, and consistently above minimum requirements.

The individual service scores (out of a maximum of 4) are outlined in the table below:

Benefits	Children & Young People	Culture	Environment	Housing	Social Care for Adults
3	3	2	3	3	3

A separate scoring element from the Audit Commission that does not contribute to the CPA categorisation is the Direction of Travel (DoT) assessment. Our DoT for 2007 is 'Improving Well', equivalent to a score of 3 out of 4.

Improving Sustainable Communities

We have made significant progress against our Sustainable Communities priorities in the last year. As a result:

- 93% of sites surveyed had little or no litter, 81% had little or no detritus, 99% had little or no fly posting, and 92% little or no fly tipping;
- 100% of offensive graffiti was removed from council housing within one day;
- 27% of waste is now recycled or composted;

- concerns about traffic congestion amongst residents have fallen by five percentage points;
- the council has won a number of awards, including the LGC Award for Sustainable Development, for the 'Merton Rule';
- Merton has retained the lowest number of households in temporary accommodation of any London borough;
- no families have to live in hostel accommodation; and
- 97.3% of responsive housing repairs were completed on time, exceeding the Business Plan target of 92.5%.

Making communities safer and stronger

The council is working towards building safer and stronger communities. Key successes in the past year include:

- Merton has sustained its excellent performance on crime and public safety, remaining consistently in the top four safest London boroughs;
- crime has fallen by 6.5% in the last 12 months, and 13.2% in the last two years;
- 85% of residents think that their local area is one where people from different backgrounds get on well together, an increase of 4% from 2007;
- 75% of residents think that the council keeps them informed, an increase of 5% from 2007;
- holding a number of events under the community cohesion umbrella, including Peace Week, Black History Month, Holocaust Memorial Day and Lesbian Gay Bisexual And Transgender (LGBT) month;
- the councils 'Parklife' initiative, which tackled anti-social behaviour in one of the borough's parks, came second in the national Home Office Crime Reduction awards; and
- Merton became one of the first London boroughs to complete a Strategic Assessment, which was cited as an example of best practice by the Government Office for London.

Making Merton healthier and improving life for older people

As the eighth healthiest London borough Merton is a healthy place to live, with low numbers of residents suffering from a long-term limiting illness. The council has also made progress in joining up and delivering services for older people in the past year. In particular we:

- have developed a new Supported Living Team to provide day-to-day housing and personal assistance;
- held the successful seventh Celebrating Age festival which took place in September 2008.
- continued to improved our services to adults and older people;

- introduced electronic home care monitoring;
- developed a housing scheme partnership for older people with care needs who will have the opportunity to purchase a flat or become a tenant - the scheme will be open at the beginning of the new financial year;
- set up a new joint working service for care management and occupational therapy teams to reduce waiting times;
- set up a weekly job club for people with learning disabilities and offering a work taster week at the council;
- was highly commended at the Local Government Chronicle (LGC) Awards 2008 for the 'Community Involvement' award for the High Path Day Centre.

Improving life for children and young people

The borough's priorities for children and young people are based around the five 'Every Child Matters' priorities, and incorporate the recommendations of the 2007 Joint Area Review (JAR). Achievements in 2008/09 include:

- Merton Council's young resident's survey 2008 indicates that 81% of young people agree that Merton is a good place to live;
- 92.1% of 5-16 year olds spend at least two hours a week on high quality PE and school sport;
- one of the lowest rates in the country of children in care as result of a strong focus on prevention and early intervention;
- prompt and effective child protection work co-ordinated by the Merton Safeguarding Children Board;
- improved access to a good range of childcare places;
- continued improvements to early years provision;
- improved education for 5-16 year olds with better targeting of support;
- excellent GCSE results with an increase in pupils achieving 5 A*-C grades, amongst the most significant improvements both in London and nationally;
- improvements to school attainment levels and reduced exclusion with a national award winning initiative 'Black Boys Can' project;
- effective multi agency work through our eight children's centres offering co-ordinated support to the local communities;
- a good range of activities aimed at reducing antisocial behaviour and diverting young people from offending;
- significantly reduced re-offending rates with effective work with young offenders and a well-developed partnership with Merton Police.

Improving the capacity of the council

In order to deliver improved services it is important that we maintain the capacity of the council.

Our customers:

- We have increased the council buildings open to the public that are suitable for and accessible by disabled people to almost 90%.
- We have reduced the average waiting times for Merton Link customers to 12.7 minutes and improved access to services through the council's website.
- Merton's website came second in a mystery shopping exercise, was rated as the sixth best local authority website nationally and also rated as 'excellent' in the annual survey of all UK local government websites.
- We were rated as the best performing council in London by the Student Loan Company for completing student loan applications.
- The council has begun a three-year programme of accreditation for the Customer Service Excellence Standard, with an aim to achieve accreditation for all front-line services by 2011.

Our Finances:

- The council has improved the 'Use of Resources' score to a '3' and consistently achieves above the required standards.
- In addition, the percentage of residents who feel that the council provides good value for money increased by 9%.
- Our consultation on our accounts with stakeholders, was nationally recognised by CIPFA as best practice and is being used by other councils as a model example.

Our Internal Processes:

- We have delivered high levels of savings and efficiency gains compared with other London boroughs.
- Legal Services have been successfully reassessed against the Law Society's Lexcel Practice Management Standards.
- The Registration Service received the highest mark possible for organisational and technical skill by HM Inspectorate of Registration.

Our People:

- Merton has achieved Level 2 status in a CIPFA's Employer Accreditation Scheme for Continuing Professional Development.
- Merton has been awarded the Member Development Charter by London Councils.
- Merton is the first local authority in London to host an Ambassador's programme, which focuses on engaging with community organisations

by sharing the benefits of working for Merton and seeking their support to act as ambassadors to promote Merton as an employer of choice.

- Introduction of the Workright scheme and a Mencap co-ordinator to improve job opportunities within the council for people with a learning disability.

Planning for improvement

We have an established planning infrastructure that allows us to express our vision and ambitions for the community, make sure our priorities for improvement are properly resourced, and ensure that these high level priorities are reflected in the work programmes of the departments, divisions, teams and individual staff throughout the organisation.

Sustainable Community Strategy

In 2006, the Merton Partnership launched the Community Plan, covering the period 2006-2015. Over the past year, the Partnership has been working on refreshing the Plan, to ensure it is up to date and relevant, and that it meets the requirements of the new Sustainable Communities Act. In line with new government terminology, the Plan has been renamed the Sustainable Community Strategy. The Strategy is a ten year document setting out a vision for the quality of life and services for people in Merton, and a plan of action to achieve this. The Strategy guides how the council, local organisations, the community and voluntary and private sectors, health authority, fire brigade and police work together to improve Merton. The refreshed Strategy will run from 2009 to 2019.

The Local Area Agreement (LAA) – ‘Bridging the Gap’

The LAA is a three year agreement between Merton and central government. Following changes to LAAs by central government, the council re-negotiated its LAA, with the second LAA launched in April 2008. The LAA will also undergo an annual refresh process. The theme of the LAA is ‘Bridging the Gap’, aiming to reduce the inequalities between the east and the west of the Borough. It will be delivered jointly by the council and The Merton Partnership. The agreement contains 12 stretch targets, the achievement of which will earn the Partnership a significant level of reward grant. The LAA has been developed to reflect and deliver the longer term objectives of the Sustainable Community Strategy.

Business Plan

The Business Plan sets out the council's vision, ambitions and resulting priorities for improvement over the next three years, and describes how these will be achieved. It is important to remember that the Business Plan only sets our priorities for improvement and associated targets - it does not include targets for the many other areas of core, day-to-day activity that we are not prioritising for improvement. Targets for maintaining performance in these areas are set out in departmental service plans (see below). The Business Plan translates our ambitions into a number of high-level service priorities and targets. As a leading member of the Merton Partnership, our priorities have been developed to support the Community Plan and strengthen our role as community leader for the borough.

Business planning is integrated with financial planning. The Business Plan drives internal resource allocation in line with our Medium Term Financial Strategy, with changes in allocations determined in accordance with policies and priorities.

Mission for Merton

In September 2007 the council began an exercise (which came to be called the 'Mission for Merton') to deepen its understanding of what local people see as important for the borough. A series of conversations have been held with around 50 community groups. These have been continued into 2008, and the results gathered from these exercises have strongly influenced the plans and programmes of activity of the Council, reflected where appropriate in this 2009-12 business plan.

Local Development Framework (LDF)

The LDF sets out the council's vision and strategy for development and place shaping over a 15 year period. The LDF forms part of the government's new spatial planning system, which requires preparation of a Core Strategy to link with and help to deliver the Sustainable Community Strategy. Merton has begun this process and is due to carry out consultation later in 2009. In addition, the LDF has been influenced by the outcomes of the 'Mission for Merton'.

Service Plans

Service Plans set out how our departments and divisions will help us achieve the Business Plan targets. They also include cross-cutting issues, such as value for money, equality and diversity considerations, sustainability, and customer access and care. Departments and divisions update their Service Plans every year in line with revised Business Plan priorities and targets.

Medium Term Financial Strategy (MTFS)

The MTFS is a rolling, three-year financial strategy that sets the financial context for the council over the next three years. The aim of the MTFS is to maximise available financial resources, and ensure that we make informed decisions that match the desire to improve to the resources that are available. A strong link between the MTFS and the Business Plan is therefore important to ensure that the priorities for improvement contained in the Business Plan are underpinned by good analysis and projections of the resources that will be available to the council.

Capital Strategy

The Capital Strategy is a fundamental component of our planning system as it maximises the contribution of the council's limited capital resources to achieving our vision and priorities. We work closely with residents, community organisations and businesses to focus our resources and those of our partners effectively. The Strategy also sets out the management

arrangements for allocating resources to individual schemes, establishing funding for projects, monitoring progress, managing performance and ensuring that scarce capital resources are allocated efficiently. In developing the Capital Strategy, clear linkages have been identified with the Business Plan targets and objectives, and those of the departmental service plans beneath this. It reflects the capital investment implications of the approved objectives of those plans, which themselves reflect the council's proposals set out in service-based strategies, such as the Housing Strategy, Borough Spending Plan (Transport), and Asset Management Plans.

Annual Review

A proper part of the planning cycle must include a formal review of the success of the previous planning and performance cycle in order to learn lessons and improve planning. It is also important that we provide evidence to the public of how we have performed against our plans, so as to enhance accountability and inform democratic processes. Therefore, in the autumn of each year we produce a performance and financial review, looking back at the previous financial year, and feeding into business planning for the next financial year.

Our Vision

The Council's Vision

In short, Merton should be renowned as the south west London suburb that is a great place to live and call home, where citizens are also neighbours and take responsibility for improving their own lives and neighbourhoods, supported by good value local services from Merton Council.

The Council's Mission

Our mission is to make Merton a great place to call home, where the council provides opportunity for individuals and families to prosper in south west London. We will enable local people to fulfil their ambition by providing educational opportunity and good value services in a safe and sustainable suburb.

The council will bind Merton's distinct communities together with a common sense of belief in safe neighbourhoods, social progress and educational opportunity, bridging the gap between the inequalities that exist in the borough.

Under the Mission for Merton programme we will focus on the following five strands which will deliver tangible benefits to local people:

- Safer Merton: covering the drive to make the borough a safer place, tackling anti-social behaviour in particular, and to ensure cohesion between communities and generations.
- Sustainable Merton: a commitment to improve the local environment whilst providing access to better local amenities, transport and social housing.
- Enterprise Merton: a commitment to stimulate enterprise in the borough, reduce red tape to support small businesses, promote employment opportunities and keep council tax down.
- Healthy Merton: a commitment to enhance the lives of vulnerable, younger and older residents through improving health and social opportunities.
- Opportunity Merton: a programme to improve education, from nursery level to adult provision, to develop local cultural and leisure offers for all, and to increase participation in local decision making.

These strands support, inform and enrich the six key themes of the Business Plan. The ambition for each of these themes is outlined below.

Sustainable Communities

Our ambition is to promote and support the local economy through the challenge of the current economic downturn, building resilience and stability and at the same time looking for opportunities to prepare for future recovery.

We have a role to play in supporting local businesses and encourage entrepreneurs through working with partners to manage town centres, address skills needs, and build on and develop sectors with particular strengths for the future. Our residents will benefit from a cleaner and more attractive physical environment and improved access to good quality housing, leisure and transport facilities and learning and employment opportunities. We have a key strategic role to 'place shape' to achieve environmental and economic improvement by the creative use of powers and influence to promote the general well-being of communities and their citizens.

Safer and stronger Communities

We will maintain our current position as a low crime borough, and our residents will see Merton as a safe place to live, work and learn. Relationships between Merton's many diverse communities will be positive, the voluntary and community sector will play a full part in tackling social problems, and citizens of the borough will actively contribute to the development and delivery of council services.

Healthier Communities

Our ambition is to promote engagement in healthy living and lifestyle changes through delivering a range of recreational and cultural activities at the same time as we use our business regulatory functions to stop illegal activities which adversely affect the health of residents eg selling cigarettes to children. We will have a well developed and defined role in the promotion of healthier communities, with a special focus on reducing the health inequalities between the eastern and western wards.

Older People

We will engage constructively with older people about their needs and aspirations as part of a broad approach that promotes choice, control and independence. While the traditional areas of health and care are not left aside, the major direction is one where people over 50 are able to access information easily as well as advice and support in putting their choices into effect. We will work in partnership with the Primary Care Trust to provide an integrated approach that will empower people to manage their own health and well-being. We will add value to peoples' lives by offering tools and techniques to enable them to take responsibility for their lifestyle changes.

Children and Young People

Merton has the highest ambitions for children and young people. We will work with our partners to provide outstanding services which promote and improve the life chances of all children and young people. We are particularly determined to help those facing obstacles or challenges to overcome them, and to 'bridge' or 'narrow' the gap in outcomes which exists between some children and their peers.

Corporate capacity

Our residents and customers will receive excellent, value for money services. We will improve customer access to our services, set high standards of customer care and take advantage of new technology. We will manage our resources to provide value for money, high standards of governance, financial control and budget management. We will recruit and develop our workforce so that it is equipped and motivated to deliver effective services.

Being clear about our priorities

This Business Plan sets out a number of priorities and targets for the next three years. Developing these has required a complex balancing act between the level of competing demands we face, and the level of resources that we anticipate having available in that period. So how have we decided what is and what is not a priority?

Local concerns

Our overriding aim is to improve the lives of Merton's residents by responding to the concerns of those who live, work and learn in the borough. We carry out a number of consultations to identify what these concerns are and receive other forms of feedback, for example through:

- the Annual Residents' Survey;
- the Place Survey;
- Community Forums;
- consultation with specific user groups and community groups; and
- complaints, comments and suggestions.

In 2007 we widened our existing knowledge of our communities through an extensive consultation exercise, which we called the Mission for Merton, and we have continued that conversation with local people and communities with an ongoing programme of consultation in 2008.

These methods consistently tell us that residents are most concerned about crime and anti-social behaviour, the level of council tax, and street cleanliness. As a result, this plan contains commitments to improve all of these areas.

This evidence, plus further consultation carried out by the Merton Partnership's thematic partnerships, has informed the development of the refreshed Sustainable Community Strategy, which is due to be launched in June 2009. We have therefore reflected the priorities being set out in the Sustainable Community Strategy within our own Business Plan. This will ensure that the two key documents reflect each other and that we contribute, along with our partners, to delivering the outcomes residents want.

The council's second LAA - 'Bridging the Gap', which began in April 2008 – set out the actions which will help to deliver the vision set out in the current Community Plan. Delivery of the LAA will contribute to the longer term objectives outlined in the new Sustainable Community Strategy and this 2009-12 Business Plan. Its overarching theme is to reduce inequalities between the east and the west of the borough.

Our understanding and knowledge of local needs

The council is committed to tackling the areas of deprivation in the east of the borough. This issue is mainly dealt with through the Merton Neighbourhood Renewal Strategy. Many of our Business Plan priorities are particularly focused on improving the life chances of those who live, work and learn in Mitcham. This is part of a coordinated effort to reduce the inequalities between east and west of the borough, and to break the cycles of deprivation, including through the LAA as mentioned above. Examples of priorities that deal with these issues are the redevelopment of Mitcham town centre, and improving the educational attainment of people in the east of the borough.

National priorities and Government legislation

Central and local government have together set out 'shared priorities' for improving services that we aim to support. Our policies and activities broadly reflect those shared priorities. In addition, the government has laid out a small number of specific requirements for local government to aim to achieve. Considering these has also impacted on how we have prioritised our resources.

The council is continuing to respond to the Local Government and Public Involvement in Health Act, which became law in October 2007, and the resulting guidance and secondary legislation. This includes the national set of 198 performance indicators, the new duty to involve, changes to the inspection regime, with the introduction of the Comprehensive Area Assessment (CAA) later in 2009, and new arrangements for Local Areas Agreements (LAA). The Business Plan has been updated to ensure it is fully in line with both the LAA and the national indicator set.

The council is also in the process of responding to the recent White Paper, 'Communities in Control', which was published in July 2008. The White Paper emphasises the importance of community engagement and involvement and, in line with the new 'duty to involve', the council is ensuring it is responding to and preparing for the proposals in the White Paper.

Central Government inspection and assessment

The Comprehensive Performance Assessment (CPA) has been a key driver of continuous improvement across all service areas over the past seven years. As part of the changes enacted by the Local Government and Public Involvement in Health Act the CPA will be replaced by the Comprehensive Area Assessment (CAA) later in 2009. CAA will look not just at the performance of the council, but instead at the local area as a whole, and what the outcomes are like for local people. It will also look at how well the council works with other partners in the local area, including the voluntary sector.

The CAA will be a more proportionate inspection regime, with no rolling programme of inspection. Instead, there will be an annual assessment of the local area, and the outcomes delivered for local people, plus an annual assessment of individual public bodies, including the council. The first CAA

results are due to be published in October 2009 and Merton is working hard to ensure that both the council and the Merton Partnership are prepared for the new regime.

Financial resources

We have developed Business Plan priorities, and their related targets, alongside our current and predicted budget over the life of the plan as set out in the Medium Term Financial Strategy. The targets are intended to be challenging yet realistic when considering the available resources, and our need to continue to provide high quality core services that have not been prioritised for improvement. As an organization we are constantly striving to release additional resources through making efficiency improvements. Funding settlements from central government expect councils to make 3% annual efficiency savings, and we will at the very least meet those targets, although we anticipate going well beyond them.

Continuous improvement

The priorities in this Business Plan are those that have been identified as most in need of further improvement through additional targeted resources. This does not mean that we will not strive for continuous improvement across all services. We will work with residents and service users, within our existing budget, implementing value for money systems and efficiency savings to continue providing excellent and improving services for the residents of Merton. Where we have already achieved a high level of success in a specific area we will aim to maintain that, but the focus of priorities identified in this Business Plan will switch to a different area for improvement.

The Merton Partnership

The Merton Partnership brings together representatives from the public, private and voluntary and community sectors in Merton. The Partnership promotes joint working, community involvement and a good quality of life in the area. It develops and delivers the borough's Community Plan/Sustainable Communities Strategy and the Local Area Agreement (LAA).

The council's relationship with its partners is becoming increasingly important as we strive to deliver 'joined up services' and tackle key priorities in the borough through the Merton LAA.

The Merton Partnership consists of three tiers:

The Merton Partnership – this is the full partnership body that provides the governance and representation to ensure that the Partnership identifies and delivers the aspirations of the local community. It is chaired by the Leader of the council as the person with the clearest legitimate democratic mandate in the borough. It receives reports and briefings on the strategic issues for the borough, and has a coordinating function for the Partnership.

The Executive Board – this is the decision-making body for the Partnership and it is currently chaired by the Chief Executive of the council. The Executive Board brings together the key resource holders in the borough to ensure that the work of the Partnership is given the leadership and capacity it needs to deliver improvement. The Executive is committed to working proactively, sharing data and resources and implementing cross-cutting projects, to achieve the aspirations set out in the Sustainable Community Strategy and to deliver the LAA.

Thematic Partnerships – these partnerships coordinate the delivery of the Partnership's objectives across the following thematic areas:

- sustainable communities;
- safer and stronger communities;
- children and young people;
- healthier communities; and
- older people

Because this Business Plan is arranged by the same themes (with an additional 'corporate capacity' theme), this helps to ensure that the council's priorities match the longer term aspirations set out in the Sustainable Community Strategy. Other partnership organisations will continue to make sure their business plans (or equivalent corporate documents) achieve the same set of jointly agreed goals. In this way the Partnership is working towards delivering the key outcomes needed to improve the quality of life for residents of Merton.

Achievements in 2008/09

- Renegotiating and delivering a 'new style' LAA (as required by the Local Government and Public Involvement in Health Act 2007).
- Refreshing the Partnership long term plan (Sustainable Community Plan, which has replaced the Community Plan).
- Launch of the Partnerships electronic newsletter 'Merton together'.

Challenges facing the Partnership in 2009/10

- Delivering the aspirations set out in the Sustainable Communities Strategy by 2019.
- Continuing to raise the profile of the Partnership.
- Developing and delivering a partnership response to the economic downturn.
- The Comprehensive Area Assessment (CAA), which will introduce public external evaluation to the work of the Partnership from 2009.

Contact details

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Sustainable Communities

Our ambition

Our ambition is to improve the quality of life for our residents, communities and businesses. They will benefit from a cleaner and more attractive physical environment and improved access to good quality housing, leisure and transport facilities and learning and employment opportunities. We have a key strategic role to 'place shape' to achieve environmental and economic improvement by the creative use of powers and influence to promote the general well-being of communities and their citizens.

Our priorities for the next three years

The objective of achieving 'sustainable communities' embraces all the elements that improve the quality of life for all Merton's citizens and its business community. At its heart it is about ensuring that people have:

- good quality places to live, in terms of homes, local environment, and culture;
- transport systems that support sustainable travel choices;
- improved job opportunities supported by a vibrant business community and voluntary sector; and
- access to training, learning and skills enhancement opportunities.

Alongside job, training and learning opportunities, there are national, London-wide and local contexts which need to be considered. The challenge is not only that progress is made against each individually, but also that there is a coordinated approach to developing sustainable communities across the Borough.

We will work hard to:

- secure new affordable housing;
- increase the quality of existing council housing with increased tenant participation;
- develop a planning policy framework which will balance the needs for regeneration and environmental improvement with the equal need to protect the green and open spaces.
- continue to develop and implement neighbourhood plans;
- enhance our 'street scene', with the emphasis on continuing to improve our core cleansing and waste services and residents' satisfaction with them;
- use our transport planning policies and traffic management schemes to reduce the proportion of journeys made by car and increase the quality and attractiveness of other transport modes;

- support development proposals that encourage travel by sustainable modes;
- reduce the risk of people being involved in road traffic accidents;
- facilitate the creation of quality job opportunities particularly for residents of the eastern wards;
- make Mitcham and Morden town centres more competitive and better able to provide for local needs;
- ensure cultural and leisure facilities meet local needs and encourage more participation by all, notably the young and elderly;
- protect and enhance our unique network of green spaces;
- develop a Climate Change Strategy in consultation with our partners and stakeholders to address environmental sustainability in the borough;
- increase opportunities for people to enhance their skills, particularly in supporting people into work, including ensuring council libraries are responsive to this aim;
- place sustainability at the core of decision-making, notably in relation to planning, transport and waste.

Within the sustainable communities theme there is a significant stream of work aimed at developing the borough's economic and enterprise base. Work opportunities and a thriving local economy make an important contribution to people's quality of life. The global economy and the national and regional context of the economic downturn are particularly important in making progress.

At the start of the economic downturn in which we are facing significant uncertainty in external macroeconomic factors, it is difficult to predict the nature and extent of the changes in the local economy. Nonetheless, specific ambitions include work to:

- improve job opportunities supported by a vibrant business community and voluntary sector;
- improve average level of pay for jobs in Merton and secure higher average household income for residents;
- increase the survival rate of new businesses and support existing businesses;
- increase economic resilience through a diverse local economic base which does not rely too heavily on any one sector for its continued success;
- facilitate the creation of quality job opportunities particularly for residents of the eastern wards;
- seek to maximise the employment and business benefits of the Olympics/Paralympics for the Borough;

- work with partners to physically regenerate Mitcham and Morden town centres and implement programmes of complimentary initiatives;
- support town centre businesses, both office and retail, through effective town centre management;
- market the Borough to appropriate investors on the basis of carefully assessed comparative advantage and cluster analysis;
- provide support to local entrepreneurs, both existing and potential businesses;
- identify sectors with the greatest opportunity for future growth;
- improve the operational and environmental quality of the Borough's stock of business premises;
- support businesses to address the environmental impact of their activities;
- work with voluntary sector groups who have an important role to play in assisting people in preparing for work and widening skills and experience;
- promote localised employment initiatives including social enterprises and the Merton Credit Union; and
- promote local procurement amongst partners.

Safer and Stronger Communities

Our ambition

We will maintain our current position as a low crime borough, and our residents will see Merton as a safe place to live, work and learn. Relationships between Merton's many diverse communities will be positive, the voluntary and community sector will play a full part in tackling social problems, and citizens of the borough will actively contribute to the development and delivery of council services.

Our priorities for the next three years

Safer and stronger communities are key to the wellbeing of our residents, the success of our businesses, and the enjoyment of visitors to the borough. A sense of community confidence and strong relationships across communities are vital to establishing a sense of place in which residents have pride, businesses wish to invest, and people want to visit. Key elements of establishing a sense of Merton as a safe place with strong community relations include:

- safety from crime, substance misuse and anti-social behavior;
- road and pedestrian safety;
- preventing fire, both intentionally started and accidental;
- reducing risk from natural dangers such as flooding; and
- creating a strong sense of belonging to Merton, the place, across all our diverse communities.

We will deliver this challenging agenda in a number of different ways. The 'safer' element of this theme will mainly be delivered through the work of 'Safer Merton', the borough's Crime and Disorder Reduction Partnership.

Safer Merton brings together agencies and the community to reduce crime, substance misuse and anti-social behavior in Merton. In particular, the council works closely with the Metropolitan Police, Health Authority and Fire Authority to tackle these issues.

Priorities in this area will be identified using a tool called the Strategic Assessment which is a culmination of an audit of data, from partner organisations (on past performance and trends), public consultation and national intelligence. These priorities will, therefore, reflect crime figures, public concern and central government priorities. We will continue to work with our partners to drive further improvements across all the areas of concern.

The objectives set will be delivered in partnership with individual partners taking a lead role, for example the Fire Brigade on fire prevention, Transport for London on road and pedestrian safety, Environment Agency on flood

prevention, the Police on crime, Health on substance misuse, and the Council on community confidence.

In relation to building stronger communities we have a responsibility to promote cohesive communities and to empower citizens to bring about change in their communities. Merton is typical of other London boroughs in that its residents come from a wide variety of cultural and religious backgrounds. As a community leader the council has a clear responsibility to help strengthen the bonds between different groups, particularly those most recently arrived, and ensure that all council policies and service decisions take account of the needs of the entire community, including people who are recent arrivals.

Over the next three years the council will continue to work in partnership with other key local stakeholders, and will strive to support the delivery of centrally and locally set targets. The council will work with the other members of the Merton Partnership to strengthen the links between Merton's diverse communities. We will improve the way all residents are involved in the design, commissioning, delivery and monitoring of services.

We will also work to maximise the involvement of residents in the council's democratic processes. This includes, for example, the scrutiny function and our neighbourhood governance arrangements to improve the way councillors, particularly frontline councillors, engage with their constituents. Not least, we will also ensure that we continue to treat residents, service users and staff in a fair and non-discriminatory way.

Healthier Communities

Our Ambition

Our vision '**it's your life**' will empower people to manage their own health and well-being. People living in relative poverty are more likely to experience more ill health and live shorter lives. Education, culture, housing, transport and the environment all play a part in individual health outcomes. The Primary Care Trust (PCT) and council are keen to add value to peoples' lives by offering tools and techniques for taking responsibility for lifestyle changes.

In order to deliver this vision the PCT and council are undergoing significant changes to strengthen their commissioning functions to ensure delivery of services is based on choice and control for people.

Our priorities for the next three years

'Healthier communities' encompasses more than just health – it reflects both health and wider 'well-being'. The council, along with all local authorities, has a specific legal power to promote well-being under the Local Government Act 2001. Although we do not provide 'traditional' health services, there is little that we do that does not have an impact in some way on the 'determinants' of health. Objectives under this theme are about how we, work in partnership, including:

- leading the development of integrated services aimed at improving access, particularly for vulnerable groups and people from disadvantaged areas;
- providing opportunities for people, particularly those from disadvantaged groups and areas, to choose healthier lifestyles;
- targeting deprived communities and groups for investment with the aim of narrowing health inequalities; and
- developing awareness both within the council and with local people of how our activities contribute to the wider health inequalities agenda, and how their effectiveness can be improved.

This enhances the PCT's vision set out in its Strategic Plan (2008 – 2013) 'to improve the health and quality of life of its population through focusing on prevention of ill health and the commissioning of quality services that are clinically effective and provide value for money. People will be supported to manage their own health, and care will be provided in the most appropriate and accessible way. The PCT will strive to reduce health inequalities, working with other public services and third sector partners.'

The health theme covers a wide range of activities across all five council departments. The Business Plan priorities and targets demonstrate what what the council is doing to make a direct contribution to achieving the objectives within the Sustainable Communities strategy and its Local Area Agreement performance indicators. However, many activities and performance indicators elsewhere within the Business Plan (and other council

plans and strategies) contribute in some way to healthier communities. Evaluating progress against this theme will need to take these into account.

Working in partnership with Sutton and Merton Primary Care Trust, we have identified the five areas for progress in the coming year for 2009/10. These are:

- delivering Merton's Healthier Communities Strategy;
- developing a Healthy Merton campaign programme;
- commissioning for improvements in the delivery of health and social care, on an integrated basis wherever possible;
- investing in health improvement – obesity, mental health and well-being, alcohol; and
- supporting people to live independently.

Older People

Our ambition

We will engage constructively with older people about their needs and aspirations as part of a broad approach that promotes choice, control and independence.

While the traditional areas of health and care are not left aside, the major direction is one where people over 50 are able to access information easily as well as advice and support in putting their choices into effect.

The Celebrating Age Strategy published in 2007 drew on the issues that older people identified. These covered a wide area of interest, ranging from transport and mobility, through access to leisure and cultural activities, to housing and relationships with the younger generation. Progress on the strategy's action plan was reported in 2008. It also informed the focus for the Local Area Agreement, the document that the council and its partners drew up with the government as key areas of concern for this locality.

Within the Local Area Agreement, there are specific targets linked to services that help older people retain independence. Furthermore, we will seek to improve older people's satisfaction with access to information and support, and the feeling that their voice is truly represented as decisions are made or systems developed that affect their lives.

The council works in partnership with a range of agencies connected directly with older people, such as Merton Seniors Forum and Age Concern Merton, as well as with other agencies, such as the police and fire brigade, where their remit is wider. These agencies not only provide representation at meetings but also actively participate in providing information and resolve some issues of concern to older people. For example, older people consultation highlighted that bus drivers needed to take more care when pulling away so that passengers were not subject to knocks or falls. Working in partnership, Transport for London instigated new training and a system of mystery shopping to test drivers' improved performance. Also, the police now travel on buses at certain times to reduce instances where older people feel threatened by the influx of large numbers of school children. However, whilst some progress has been made, it is recognised that there remains more work to do.

CSCI (Commission for Social Care Inspection) conducted an inspection of older people's services in early 2008. The report rated the delivery of personalised services as 'adequate' but felt that due to strong leadership the council's capacity to improve was 'promising' – an advance on the 'uncertain' rating delivered previously. At the same time, the safeguarding of vulnerable adults was scored as 'good'. An action plan has been drawn up to address the areas where improvement is required.

The Celebrating Age Festival was held for the sixth time in 2008 and attracted ever-growing numbers of participants to an increased number of events

across the borough. The attraction of the festival is important as it embodies the views of older people as active enjoyers of life. It attracts people from a range of backgrounds and abilities; and also promotes access to information and the services that exist to help older people. We will continue to support the festival as it provides a focal point where a range of issues of concern to older people can be brought together.

Children and Young People

Our ambition

Merton has the highest ambitions for children and young people. We will work with our partners to provide outstanding services, which promote and improve the life chances of all children and young people. We are particularly determined to help those facing obstacles or challenges to overcome them, and to 'bridge' or 'narrow' the gap in outcomes which exists between some children and their peers.

We are determined that all children and young people in Merton thrive and prosper. This means, in line with the government's 'Every Child Matters' agenda, that children and young people:

- are healthy – physically and emotionally;
- stay safe – in their families and communities;
- enjoy and achieve – in and outside early years settings and schools;
- make a positive contribution – individually and in groups in their communities; and
- achieve economic wellbeing – through their childhoods and into independence.

Our priorities for the next three years

Since 2007, external evaluation of children's services in Merton, via the Joint Area Review and Annual Performance Assessment frameworks, has concluded that services are generally good and that there is good capacity across services for further improvement. In 2007, Merton's Children's Trust published its first statutory Children and Young People Plan (CYPP). Priorities identified in that plan remain current and key to the overall achievement of our ambitions to provide outstanding services for children and young people:

- implementing a comprehensive parenting strategy which supports parents and promotes the wellbeing of children and young people;
- maintaining a sharp focus on school standards in our primary, secondary and special schools;
- integrating social care, health and education services for children with learning difficulties and disabilities;
- integrating youth support services to deliver universal and targeted youth provision;
- increasing the provision of local, accessible services building on success of our children's centres and extended schools strategies; and
- strengthening further the partnership approach across agencies driven by Merton's Children's Trust.

Since publication of the CYPP, a number of other key challenges have emerged:

- ensuring sufficient school places, initially in the primary sector, to meet the needs of a growing child population in Merton;
- ensuring that major national capital funding streams for schools – including the Primary Strategy for Change and Building Schools for the Future programme – support the transformational ambitions of national government and Merton Council;
- establishing sixth form provision in Merton’s current 11-16 secondary schools and, in doing so, extending the Merton-wide, collaborative sixth form offer with existing providers;
- assuming responsibilities for the commissioning of 16-19 education previously undertaken by the Learning and Skills Council;
- reviewing and taking any necessary steps to ensure the robustness of Merton’s child protection services in the light of recent national concerns regarding practice and management;
- engaging local children’s services partners in the implementation of Merton’s revised Child Concern Model and in the re commissioning of early intervention and preventive services;
- progressing plans to further improve outcomes for children looked after and to extend the time young people may choose to remain looked after by the council;
- engaging in the national ‘Narrowing the Gap’ project designed to help local authorities focus on improving outcomes for the most disadvantaged groups of children and young people; and
- progressing our Participation Strategy to further promote the engagement and empowerment of children and young people in local democratic processes.

Cross-cutting themes

There are a number of elements that run through all the strategic themes of this Business Plan. These include; providing high levels of customer service, understanding the environmental impact of everything that we do, ensuring that equalities and diversity are recognised and taken into account, and delivering outcomes in a way that ensures value for money for tax payers. Although responsibility for these issues is led by specific teams, in reality they cut across all the work that the council does, and are factors that we need to consider when delivering all of the priorities set out in this plan. The purpose of this section is to set out our strategic approach to these issues and to show how we will ensure that they are taken into account in all that we do.

Customer access, customer services and customer care

Merton is a council with big ambitions and the determination to deliver excellent, value for money services. One of the ways we will achieve this is by putting our customers first – in other words, making sure we organise what we do around the needs of our customers. We value our customers and are continually working to provide quality services to everyone. At Merton we believe that excellent customer services should be accessible by all and that nobody should be excluded from accessing our services.

Our corporate customer service standards details the level of service our staff will provide to all customers when they visit, telephone, write, e-mail or make a complaint, to ensure that all customers, however they contact the council, receive the same excellent standard of customer service.

Merton Link, provides the first point of access to all council services, both face-to-face through our one-stop shop, and by telephone through the contact centre. We are now at maximum capacity with the number of services delivered through Merton Link, so are now working on increasing the number of services delivered through the contact centre, including being able to report street scene issues, for example reporting pot holes and faulty street lights.

We have reviewed how customers receive services at Merton Link and now customers can choose how they want their housing benefit claim dealt with, including the option of a longer appointment with an assessor so they can have their claim dealt with directly at Merton Link. This has resulted in waiting times reducing from 20 minutes to 6.52 minutes.

The council has also launched an ambitious programme to achieve Customer Service Excellence (CSE) accreditation for all frontline services by 2011. CSE has replaced Charter Mark and will help the council to improve its customer service, and demonstrate to customers that we are putting them first.

In line with the new duty to involve, the council will be continuing to build on its consultation and community engagement programmes, ensuring that we know who our customers are, what their preferences are and that we deliver services accordingly.

Our priorities for the way in which we treat our customers are set out in the table on page xx (part of priorities table).

Consultation and community engagement

In order to ensure that services we develop and deliver meet the needs of people who live, work or visit Merton, it is essential that we know what their concerns are. We seek feedback from local people in a variety of ways. For example, we carry out surveys by post, face-to-face, or over the telephone and we regularly review complaints to see how we can improve services. Some local people also sit on regular tenants and residents panels, attend Community Forums or take part in meetings we have with council service users. Thanks to this involvement, we are able to make sure that our services meet the needs of local people.

What local people tell us does make a difference. For example, we have:

- worked with our partners to establish the new Eastfields train station in Mitcham, providing a regular, high speed link direct to central London;
- focused work to tackle crime and disorder on the issues that most concerned local people, including anti-social awareness, youth crime, burglary, domestic violence and alcohol misuse; and
- made changes to our recycling collection service which means local residents will only have to put all their recyclables into one box, rather than the old system where glass and paper had to be separated from tins and plastic bottles thereby saving them time and avoiding mix-ups.

We are committed to ensuring that we continue to consult and involve people in our work to design and deliver local services.

Sustainable development

This theme reflects our influential role in helping to safeguard the environment for future generations. We have a national reputation in this area, particularly for our innovative work on reducing carbon dioxide (CO₂) emissions through our planning policies. We recognise our role as an estate manager, service provider and community leader and are committed to developing a sustainable and low carbon future for our residents and businesses. There is a necessity for us to adapt and contribute to mitigating climate change - this underpins all of our practices and policies and is a key consideration in all our decision making. This is not just a moral imperative – there are also legislative and good practice reasons for supporting it.

As an estate manager and service provider we aim to be seen as a model authority in relation to our own energy/natural resource consumption and CO₂ emissions. We will continue to work hard to:

- reduce the use of energy produced from non-renewable resources, notably coal, oil, and gas;
- minimise the use of non-sustainable resources when we carry out construction work;

- reduce our energy consumption;
- maintain water levels and reduce our use of water in all our service areas;
- maximise the proportion of energy provided from renewable sources, such as wind, solar, ground source and biomass;
- minimise carbon emissions from our vehicles through the use of fuel efficient and/or hybrid energy vehicles;
- reduce the waste we produce, whilst simultaneously increasing the proportion of waste that is composted, reused, and recycled, and sustainably treated;
- increase the biodiversity of our open spaces;
- develop staff travel policies which reduce car usage; and
- apply sustainable procurement practices including the use of local resources.

In addition, we will achieve much more through the services we provide to Merton's communities often in partnership and/or as a community leader. This will include:

- extending our planning policies which relate to reducing CO₂ emissions;
- the strict application of building control regulations;
- developing and applying traffic/transport policies and schemes that encourage walking, cycling and the use of public transport;
- promoting behavioural change to residents and businesses offering help and advice where needed;
- encouraging property developers to be innovative in their building and layout designs; and
- helping residents and businesses to recycle, improve the efficiency with which they use resources, minimise the waste they produce, and increase the proportion of journeys made by sustainable travel.

Through our own practices, regulation and partnership working, we are making a real contribution to ensuring Merton's communities have a more sustainable future. Following this approach, we can and will adapt and contribute to mitigating the effects of climate change to the benefit of present and future generations.

The 'Merton Rule' planning policy requires new buildings to cut CO₂ emissions by at least ten per cent using on-site renewable energy equipment. The concept has been emulated in the Mayor's London Plan and by Planning Authorities across the country. The new national Planning Policy on Climate Change will require all boroughs to adopt a Merton Rule style policy. The advent of the policy has led to an exponential rise in the renewable energy industry, and brought climate change into the heart of the planning process.

Equalities, diversity, and community cohesion

Recognising that Merton's diversity is a strength, the council has taken a proactive approach to promoting diversity, ensuring it is a regular part of everything we do. Merton Council has a strong strategic vision and clear ambition for the borough: to tackle any disparity between different groups and, in particular, to bridge the gap between the more deprived east of the borough and the more affluent west of the borough, through providing access to opportunities for all residents and delivering high quality, appropriate services. The Merton Sustainable Community strategy and the Merton LAA provide the strategic vision and the delivery framework to bridge the gap.

The council has a clear focus on listening to customers and working with all residents to deliver services in a fair and non-discriminatory way, for all. We are working to ensure that all our staff understand and recognise the equalities implications of our activities, that all policies and changes to policies take equalities implications into account and that services are shaped with this information in mind.

We believe that it is our duty as a council, alongside our partners, to promote a 'Life in One Community' culture and to help break down barriers and ignorance, bringing together our different communities with respect and understanding for each other. This work has contributed to a good sense of community cohesion with 85% of residents feeling that people of different backgrounds get on well together in their area. The council believes that by mainstreaming our approach to equalities and community cohesion:

- services will become more accessible and relevant to individual needs;
- we will progress in our aim to eliminate unlawful discrimination, harassment and hate crime;
- everyone will have the opportunity to become more involved in shaping their community and in making decisions that affect them;
- we will develop a workforce that is more representative of our community; and
- everyone will be able to equally access opportunities.

We are committed to promoting equality and community cohesion throughout the communities of the borough. Our own vision supports the Merton Partnership's inclusive vision of 'Serving Merton Together, Building Merton Together and Delivering Together in Merton'. We have clear ambitions for our communities and, building on our work to date, have set ambitious challenges over the next three years to help us realise our vision. These include:

- achieving the 'Excellence' level of the new Equality Framework for Local Government by March 2010;
- promoting disability equality, including continuing our annual building works programme to improve the accessibility of council buildings with public access;

- proactively promoting equality of race, gender, disability, age, faith and belief, and sexual orientation and tackling discrimination across Merton and in the workplace, working with community organisations, staff representatives, contractors and other partners;
- making better use of community and service information to ensure that services are improved for all groups, and changes in population and views are measured;
- implementing the Corporate Equality Scheme (which incorporates our statutory Race, Disability and Gender Equality Schemes), the Hear by Right Standard for Youth Engagement, the Older People Strategy and Merton Unity Network BME Strategic Plan as resources allow; and
- promoting a sense of belonging by implementing the Community Cohesion Strategy to encourage more interaction between people of different faith, sexual orientation, ethnic, cultural and age groups.

Efficiency and Value for money

The council is committed to demonstrating that it is an efficient organisation by ensuring that it is achieving value for money in the delivery of all its services. Providing value for money is not about cutting services but is about delivering better, more efficient, services at a time when resources are scarce.

It is vital for us to achieve value for money in all our services, as this will release resources to deliver a wider range and higher quality of services for our customers. The Government set councils challenging targets of achieving 2.5% efficiency savings each year between 2005 and 2008 - the Council delivered £11.2 million of efficiency savings over the three year period, equating to 8.4% and exceeding the 7.5% target. Of these, over £10.7 million were 'cashable' savings, more than double the target set for Merton of just over £5 million. More importantly, we have made these savings whilst at the same time improving the performance of our services.

In order to build on these achievements Merton continues to set challenging efficiency targets, above the higher level of 3% each year required by Government between 2008 and 2011. Areas for savings will be identified through a comprehensive programme of service reviews that look at both individual service areas and large cross-cutting corporate issues such as procurement or customer contact. The following are some examples of ways that we are improving the efficiency and value for money of services as a result of these reviews:

- improving our procurement systems to ensure that we achieve the best value we can from our contracts;
- working in partnership with other boroughs (for example we are working with other boroughs in South London to improve our waste disposal systems, and we have entered into a 'shared services' arrangement with the London Borough of Sutton for the provision of HR services);
- increased use of new technologies and flexible working arrangements to provide customer-focused services;

- investing in our staff so that we retain good officers and reduce the number of agency workers;
- providing more customer-facing staff and simplifying and reducing back office bureaucracy;
- re-engineering of our processes to reduce duplication and ensure that customer needs are the priority; and
- improving our approach to managing projects and programmes.

Progress against our efficiency targets is monitored on a regular basis by the Corporate Management Team and Cabinet, and reported to Government via National Indicator 179. We have also developed a suite of value for money indicators that allows us to monitor our performance on some of the key drivers of value for money in individual services against best practice levels.

The value for money strategy needs the support of residents, service users, and staff to succeed. We will take decisive action when residents tell us where they think value for money is not being delivered. We will also listen to what our customers tell us to help redirect the resources released from these service reviews into those front line services where they are most needed.

How we will deliver this Business Plan

Two crucial factors in our ability to deliver against the Business Plan are:

Corporate culture – fostering a workplace ethos that values and supports all staff, encourages innovation, and is, above all, focused on improving outcomes for the residents, tax payers, service users and visitors to Merton.

Corporate capacity – our systems for ensuring sound financial, performance and risk management arrangements, and having the right ICT infrastructure in place to support service delivery. The role of Overview & Scrutiny is also picked up here as a key mechanism for the good governance of the organisation.

Corporate Culture – is this a repeat?

Vision and ambition

Our vision for the council as an organisation is that it will put residents, tax payers, service users and visitors to Merton first, providing the services that they need at the prices we can afford. We want residents to really experience a council that understand that it exists to meet their needs and treats them with respect. We want them to know that the council provides them with excellent value for money. We capture this in the phrase **Putting You First**.

To achieve this we recognise that we need to make even more improvements to our services and the way that we operate as an organisation.

Therefore Merton's ambition is to be **Fitter, Faster and Focused** to deliver:

- better schools, better standards;
- a safer and secure place to live;
- cleaner streets and greener places;
- better services and a fairer council tax; and
- care for the young and elderly.

This can only be delivered thanks to staff who:

- have a 'can do' attitude;
- take responsibility; and
- get it right first time.

Merton's staff are its greatest asset, and the organisation's objectives will be met if everyone performs well. To achieve this, Merton will ensure that its staff have the right knowledge, skills and behaviours to work efficiently.

Workforce development

Developing this corporate culture in order to achieve the 2009/12 Business Plan objectives and deliver the priorities is a challenging task. We recognise that to achieve these, we must have a workforce that is well led, well motivated, diverse, flexible, focused on the services we provide, and developed to carry out their roles. Therefore, workforce planning is now an integral part of the business planning process, highlighting any specific areas for improvement and setting tangible improvement targets.

Our annual Workforce Development Plan details the current workforce profile and identifies associated workforce issues and needs. It sets out a medium to long-term strategic direction and outlines priority actions for meeting our workforce requirements to support delivery of our service objectives.

Our people strategy, 'Achieving Excellence Through People', is focused on making the best use of the skills of staff to deliver the services residents demand and deserve. It provides the strategic framework within which the people elements of the Business Plan will be developed. There are three key people themes, all of which embed our commitment to a positive approach to diversity within the workforce:

- Developing knowledge and skills;
- Rewarding, recognising contribution and motivating people; and
- Managing performance.

To meet the Business Plan priority 'we will have the right people, in the right job, doing the right things at the right time', a programme of improvements will be taken forward. The three key planks of this programme are as follows. We will support all staff who work for Merton including, where possible and appropriate, the staff of our contractors and providers, to understand:

- the strategic direction and objectives of Merton;
- their customers eg residents, Councillors, other members of staff, and partners;
- the linkages to the 'Golden Thread';
- their operational area of business;
- the business planning process;
- how to link learning to business objectives; and
- the people management procedures: attendance, capability, dignity at work, disciplinary, grievance, performance management, appraisal process and health and safety.

We will support all staff who work for Merton, and particularly Merton's managers, to:

- lead, direct, inspire and motivate the team using a broad range of techniques e.g. coaching, thanking staff, mentoring, shadowing and generally involving them;
- manage staff and team performance, undertake inductions, appraisals and one-to-ones;
- be able to use resources effectively and efficiently to meet service delivery targets and provide value for money;
- understand the climate – political, environmental, social and technical – in which they operate, and become politically aware;
- develop themselves and others;
- be able to work across departmental boundaries and in partnership with suppliers, agencies, contractors and partner organisations such as the Police and the Primary Care Trust;

We will encourage all staff who work for Merton to:

- demonstrate visible leadership;
- perform to the best of their ability and lead by example;
- be prepared to take informed decisions and appropriate risks;
- deliver continuous improvement by reviewing service delivery and involving staff in this process; and
- be receptive to new ideas and be solutions-focused.

Developing knowledge and skills

Merton's Corporate Learning and Development Plan ensures that available learning resources are tailored to meet the business needs, so staff are equipped with the necessary skills to meet the changing needs of the organisation and fulfill the council's business goals. We will, therefore, regularly review the learning and development strategy and the associated learning needs across the organisation to ensure we are meeting those needs and that services are good quality and customer-focused, working with outside bodies and partners where appropriate.

We will continue to invest in leadership development at all tiers of the organisation, as managers need the right skills to lead and motivate high performing teams. Managing change is another key activity where we will need to invest, to ensure all staff and managers are equipped to deal with the on-going change within the council.

We also recognise that all staff need to feel they are able to contribute to the organisation, so we will build on our employee engagement programme and staff survey results, and continue to harness the ideas and skills of all staff and focus them on supporting the council in becoming Fitter, Faster, and more

Focused. Our Corporate Investors in People accreditation demonstrates the quality of the council's leadership and management to enable our commitment to recognising our staff as the key deliverers of excellence.

Managing staff performance

Our performance appraisal processes and people management procedures form the basis of embedding a performance culture within the council. We are currently reviewing our people management procedures to ensure they are effective and fit for purpose, taking into account the views of staff, managers and staff representative groups.

Rewarding, recognising contribution and motivating staff

We are embedding a culture of celebrating success throughout the organisation, including the staff excellence awards and introducing staff 'thank you' cards. We are also continuing to provide the very popular staff well-being days.

Diversity

HR leads our enhanced programme to address the employment diversity agenda, ensuring we continue to foster a customer-focussed, responsive workforce that better reflects the community we serve. A recent inspection of our 'Workstep' employment scheme for disabled people showed significant improvements in the number of disabled people working in the council, supporting the council's strategic aim to build a strong and prosperous community for all.

A confidential employee verification exercise was undertaken during 2008 to encourage staff to declare their personal details, including ethnicity and disability, to ensure that we have the most up-to-date information available, and to offer workplace adaptations and support where necessary.

Merton is also the first local authority to host an Ambassador's programme. The programme focuses on engaging with community organisations by sharing the benefits of working for Merton and seeking their support to act as ambassadors to promote Merton as an employer of choice.

Corporate Capacity

Financial management

Our ability to achieve our targets over the period of the Business Plan is heavily dependent on the management of our financial resources. The Medium Term Financial Strategy is pivotal to enabling us to match our agreed priorities and targets to available resources. In order to achieve this, the budget process is on-going throughout the year.

Ensuring a budget is set that lets us achieve these priorities and targets within the context of a stable council tax presents a considerable challenge for

2009/12, particularly with the impact of the recession beginning to bite. We will be regularly reviewing the impact of the recession on our residents, customers, businesses, partners, and the council itself, along with how we are supporting citizens throughout the year.

Overall, in 2009/10, we will be managing a revenue budget of £247m and a capital programme of £37m. Around two thirds of our funding comes from central government, with the remainder coming from the council tax.

Our ability to manage our financial resources effectively is judged by the 'Use of Resources' element of the CPA. We have maintained our score of three out of four, achieving a score of three in all of the individual components of the assessment. Under the new CAA we are aiming for a score of four in 'Managing our Resources' in 2009.

Performance management

The council has a Performance Management Framework, which lays out the principles of how we plan and manage improvement to our services. A key element of the framework is the 'golden thread', which is illustrated **in the diagram xxx.**

The golden thread links the various plans that we produce. It shows how budgetary and workforce planning feed into the business planning process and it demonstrates how each member of staff contributes to their team and departmental service plans, and ultimately to the council's overall priorities for improvement as laid out in this Business Plan. It also shows how the work of the council feeds into the Sustainable Community Strategy, which has been developed by the Merton Partnership (**see page xx**).

The Business Plan details how the council will be making its contribution to achieving the priorities laid out in the Sustainable Communities Strategy and the Local Area Agreement. The priorities and targets set in this Business Plan were agreed after considering the expected budget and staffing resources of each department. This ensures that the targets, whilst challenging, can realistically be met. The targets will be reviewed every year, alongside the Medium Term Financial Strategy (MTFS) and workforce development plan, as part of the budget setting process. This will ensure that any changes in resources are reflected in the Plan, and that it continues to reflect our priorities as they change over time.

Performance against the targets in this Business Plan are published on the Internet every month on the 'dashboard'. The dashboard is discussed every month by the Corporate Management Team and by councillors through both Cabinet and the Overview and Scrutiny process. Annual performance on all Business Plan targets, as well as any statutory performance indicators such as the National Indicators, will be reported in October each year, alongside a financial summary, in our Annual Report (**see page xx**).

The effectiveness of our performance management system was last judged under the Corporate Assessment (**see page XX**) in 2007, when we scored

three out of four. From 2009 it will be judged annually by the Audit Commission as part of the 'Organisational Assessment' element of the new Comprehensive Area Assessment.

Risk management

Effectively identifying and managing risks is another theme that is central to all our strategic decisions and the day-to-day running of council departments and services. Embracing risk management across the council ensures:

- continuous provision of quality and efficient services to our residents;
- significant risks are identified with partnerships and partnering organisations;
- a good reputation and an improved public image;
- compliance with statutory regulations and a higher CPA/CAA rating;
- better value for money through efficient processes and improved service delivery;
- a safe and healthy work environment;
- better and well-informed decision-making; and
- fewer and smaller service disruptions.

Our Risk Management Strategy is fit for purpose, taking account of changing circumstances, and addresses the requirements of the forthcoming Comprehensive Area Agreement. We have also developed a Risk Management Toolkit to support officers in identifying and classifying risk.

As risk is inherent in all that we do, it has been identified as a core competency for managers and a framework has been developed to address the risk training needs of managers.

Departments evaluate risks as part of their everyday processes and add any risks identified to the department's risk register. Risk ratings provide a priority list of risks that need immediate attention, and those of less priority that nevertheless continue to need to be monitored. Risks are monitored on a regular basis by the Corporate Risk Management Group (CRMG) and the Corporate Management Team, as well as departmental management teams.

IT strategy

The IT strategy is linked to the council's forward business and service plans through key objectives. The strategy is in four sections that, together, define the direction of IT in the council over the next three years:

- the overall strategy;
- the targets;
- following on from E-government; and
- the technology road map.

The strategy is influenced by our customers' needs and the Value for Money (VfM) strategy, and includes input from business units and IT. We prepare a VfM and a business case for each project before starting work, and each project needs approval from a director to confirm:

- that the project should go ahead;
- there is revenue to support ongoing expenditure; and
- that the benefits will be delivered.

Recent successful projects include:

- the corporate document management system has been implemented in the Pensions Section and in Adoption and Fostering, speeding up access to documents;
- E-Procurement was rolled out to Environment and Regeneration to improve control over expenditure; and
- the payment collection system has been upgraded in line with the banking regulations for more secure card transactions and servers have been replaced to improve the resilience of the service.

The role of overview and scrutiny

We believe that effective scrutiny is essential to good governance. With this in mind, the council's overview and scrutiny function has an important role to play both in terms of developing the Business Plan and monitoring how it is delivered:

- overview and scrutiny councillors are consulted during the drafting of the Business Plan, providing an opportunity to assess the overall direction of the plan and the appropriateness of the priorities and targets; and
- as the Plan is rolled out, overview and scrutiny is responsible for holding the cabinet to account over the delivery of the Business Plan.

Furthermore, overview and scrutiny will be involved in the development of new and revised priorities and targets as the council meets and exceeds those set out in this Business Plan.

Corporate assessment

Our ability to deliver our Business Plan priorities, and the robustness of those priorities, was last tested under the Corporate Assessment element of CPA in 2008. This involved a rigorous assessment of the council against the following 'themes':

- Ambition;
- Prioritisation;
- Capacity;

- Performance management; and
- Achievement.

The 'Achievement' score reflects how successful we have been in working with our partners to deliver outcomes for local people against the following themes:

- Sustainable communities and transport;
- Safer and stronger communities;
- Healthier communities;
- Older people; and
- Children and young people (assessed under the joint Corporate Assessment and Joint Area Review (JAR) procedure).

Merton scored a three (out of a maximum of four) in its last Corporate Assessment that was published in July 2007. The report highlighted how far the council has come since its last assessment in 2002, and ensured that the council's overall rating improved to three stars. Merton is now aiming to become a four star council.

In 2009, CAA, a new, lighter touch inspection regime, focusing more on the local area, and upon outcomes, will replace CPA. It will also assess how well the council works in partnership with other organisations in the borough. The two main elements of the CAA are:

- (i) **Organisational assessment**, which will look at the way in which we manage our finances, govern the business, manage other resources such as our staff and our property and assets, and how we manage our performance. These will be combined into an overall assessment of organisational effectiveness, helping ensure that local public bodies are accountable to the public for their quality and impact; and
- (ii) **Area assessment**, which will be a joint inspectorate judgment on outcomes in the borough, providing a sharper focus on the accountability of partners such as the police and health organisations for their contribution to improved outcomes locally.

The council will be working hard over the next year to manage the transition to the CAA, and ensure that the council is prepared for the new inspection and assessment regime.

Glossary

A

Audit Commission

An independent public body responsible for ensuring that public money is spent economically, efficiently, and effectively in the areas of local government, housing, health, criminal justice and fire and rescue services. Assesses the overall performance of every council in England through the Comprehensive Performance Assessment (CPA) and, from 2009, the Comprehensive Area Assessment (CAA). More information can be found at www.audit-commission.gov.uk

B

BVPIs

Best Value Performance Indicators are a national set of performance indicators that are collected from all local councils in England which have now been replaced by a new National Indicator set (see National Indicator set).

C

Community Forums

A Community Forum is a meeting of local Ward Councillors. They allow local people to talk directly to Councillors about issues in their area, and are an important mechanism for consultation. Merton has five Community Forums, more information can be found at:

<http://www.merton.gov.uk/council/committee.htm>

Carbon footprint

This is a measure of the impact human activities have on the environment in terms of the amount of green house gases produced, measured in units of carbon dioxide (CO₂). More information can be found at

www.carbonfootprint.com

Child Concern Model

This guidance introduces a structure for consultation, co-ordination and co-operation between agencies to promote children's welfare, as well as to protect them from abuse and neglect. Guidance is given in modular form, providing detailed guidance for workers in meeting the needs of children and young people, from those at the lowest level of vulnerability and disability requiring a minimum amount of support and/or services, through to those at the highest level, who may require immediate protection and/or supportive services. A framework is provided to identify the different levels of vulnerability and disability children/young people may experience.

Community Plan

A ten-year plan that sets targets for how Merton will look in 2015 taking into account the concerns and priorities of residents. The plan was developed through consultation with the community and is owned by the Merton Partnership rather than the council. The plan was refreshed in 2008, with implementation of the new Sustainable Community Strategy from April 2009. More information can be found at

<http://www.merton.gov.uk/community/communityplan.htm>

Comprehensive Performance Assessment (CPA)

The CPA seeks to provide an overall assessment of a council's performance through a combination of assessment and BVPIs for key services. The results provide local residents with the opportunity to gauge service delivery in their area, and give councils a focus for improvement. The Audit Commission publishes the results of the CPA each year. Councils are given a star rating to demonstrate how well they are performing and this ranges from 0 stars to 4 stars. The results available in March 2009 will be the final CPA results as the CPA was replaced in 2008 by CAA (see below). More information can be found at

<http://www.audit-commission.gov.uk/cpa/index.asp?page=index.asp&area=hpcpa>

Comprehensive Area Assessment (CAA)

Comprehensive Area Assessment (CAA) replaced CPA in 2008. Introduced as part of the Local Government and Public Involvement in Health Act, it will be a more light-touch regime, focusing on local areas, outcomes, and how well the council works in partnership with others. It will consist of a risk assessment, a Direction of Travel label, a Use of Resources judgement and an assessment against the new 198 national indicator set. The first CAA results will be announced in October 2009. More information can be found at <http://www.audit-commission.gov.uk/cpa/cpatransition.asp>

D

Decent Homes Standard

In 2000, the Government made a commitment to bring all public sector housing up to a decent standard by 2010. A 'decent home' can be defined as one that:

- meets the current statutory minimum standard for housing;
- is in a reasonable state of repair;
- has reasonably modern facilities and services; and
- provides a reasonable degree of thermal comfort.

More information can be found at <http://www.communities.gov.uk/>

DCFS national floor targets

Minimum performance levels set by government to be achieved by all schools.

More information can be found at <http://www.dcsf.gov.uk>

E

Equality Framework

The Equality Framework for Local Government (EFLG) will replace the Equality Standard for Local Government (ESLG) which has helped to mainstream equalities considerations in service delivery. To reflect recent demographic changes and emerging thinking on the nature of equality and diversity, the new framework will enable local government to broaden activity to emphasise equal life chances for all. In addition to supporting anti-discrimination work relating to race, gender, disability, sexuality, age and religion/ belief, the EFLG will encourage local government activity to support other groups who may face disadvantage and discrimination, such as white

working class boys, looked after children and groups like Gypsies and Travellers. More information can be found at:

<http://www.idea.gov.uk/idk/core/page.do?pageld=8488097>

G

Green Flag awards

The Green Flag Award is the national standard for parks and green spaces in England and Wales. The award scheme began in 1996 as a means of recognising and rewarding the best green spaces in the country. Awards are given on an annual basis, and winners must apply each year to renew their Green Flag status. More information can be found at

www.greenflagaward.org.uk

H

Healthy Schools Award

The National Healthy School Standard is a national guidance framework for local health and education partnerships. It was produced by the Department for Education and Skills and the Department of Health in 1999. The Programme has a key contribution to make in raising pupil achievement and promoting social inclusion. It provides a framework within which local healthy schools programmes can tackle inequalities and aim to improve the health and emotional well-being of young people. More information can be found at

<http://www.standards.dfes.gov.uk/sie/si/SfCC/goodpractice/nhss/>

J

Joint Area Review (JAR)

Joint area reviews will be conducted in each children's services authority area in the three years from September 2005. Reviews will take the place of separate inspections of council education and children's social care services and will cover other services provided in the local area. Evidence from other inspections, such as schools and residential settings, will contribute to the coverage. Normally, reviews will take place at the same time as corporate assessments of councils for the CPA, with documentation, judgements and methodology aligned to make the processes complementary. Merton's JAR took place in March 2007. More information can be found at

<http://www.merton.gov.uk/cpa>

L

Local Area Agreement (LAA)

An agreement between the local authority, its partners and central government outlining key priorities to be met by the borough over a three year period (April 2008– March 2011). These priorities are measured through performance indicators. Delivery of 12 of these will result in the Partnership earning up to £5.5m in performance reward grant. The framework for LAAs was updated as part of the LGPIH Act. More information can be found at

<http://www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/localareaagreements/>

Local Government and Public Involvement in Health (LGPIH) Act

The Local Government and Public Involvement in Health Act became law in October 2007. It legislates for many of the proposals set out in the Local

Government White Paper, 'Strong and Prosperous Communities. Key provisions include more devolved powers for councils and communities, a new performance framework, and a focus on partnership and community engagement. More information can be found at <http://www.communities.gov.uk/localgovernment/about/future-local-government>

Local Strategic Partnership (LSP)

Merton's Local Strategic Partnership is known as the Merton Partnership. It was established to deliver neighbourhood renewal and social inclusion within the borough. Membership draws together key decision makers from the public sector, community and voluntary sector, and the business sector, for example Merton Council, Merton Chamber of Commerce, Merton College, Metropolitan Police, the Merton Voluntary Service Council and the local PCT. It has a pivotal role in the development and monitoring of the Community Plan, the LAA and the Merton Neighbourhood Renewal Strategy. More information can be found at <http://www.mertonpartnership.org/mp-home.htm>

M

Merton Partnership

See Local Strategic Partnership (LSP).

N

National indicator set

The Local Government White Paper pledged to cut the number of national indicators councils had to collect and report on, from around 1,300 to around 200. The Councils will be assessed against this set as part of the CAA. More information can be found at <http://www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/nationalindicators/>

Neighbourhood Renewal Strategy

Merton's Neighbourhood Renewal Strategy was adopted by the Merton Partnership in October 2004. It is a five year strategy running from 2005–2010. Its overarching aim is to narrow the gap between the more deprived wards in the east of the borough and the more affluent western wards by targeting resources and service delivery in the eight wards that comprise the Merton Neighbourhood Area. The strategy can be viewed at www.merton.gov.uk/neighbourhood_renewal_strategy.pdf

S

Statements

A statement of Special Educational Needs (SEN) is a legal document describing any learning difficulties that a pupil may have and specifies the extra help or equipment that they may need. More information can be found at <http://www.merton.gov.uk/learning/edinclusion/edspecialneeds/edinclusion-sen.htm>

Super Output Areas (SOAs)

Super Output Areas are a new geographic hierarchy created to improve the reporting of small area statistics in the UK. They are designed to be stable and of consistent size. Until now the standard unit for presenting local statistical information has been the electoral ward/division. Wards have two major drawbacks in this role: they vary greatly in size and they are subject to regular boundary changes. The Office of National Statistics developed SOAs to overcome these limitations by creating a range of areas that would be of consistent size and whose boundaries would not change. More information can be found at:

<http://www.ons.gov.uk/about-statistics/user-guidance/lm-guide/availability/sub-nat-lm/super-output-areas--soas-/index.html>

U

Urban Design Group Charter

This is a ten-point action plan devised by Urban Design London and signed up to by the London Borough of Merton. It is aimed at tackling procedural, operational and skills-related barriers that prevent the delivery of the 'design vision' in London. More information can be found at

<http://www.urbandesignlondon.com/>

V

Value for money

Value for money is the relationship between economy, efficiency and effectiveness.

- Economy is the price paid for what goes into providing a service.
- Efficiency is a measure of productivity – how much you get out in relation to what is put in.
- Effectiveness is a measure of the impact achieved and can be quantitative or qualitative.
- Value for money is high when there is an optimum balance between all three – relatively low costs, high productivity and successful outcome

Committee: Council

Date: 4 March 2009

Agenda item: 6
Wards: All Wards
Subject: Housing Revenue Account (HRA) Budget – Revenue and Capital 2009/10
Lead officer: Jo Williams, Head of Housing,
Community & Housing Department
Lead member: Councillor Linda Scott
Cabinet Member for Housing, Adult Care and Health

Key decision reference number: 680

Recommendation :

That Council is recommended:

To agree the 2009/10 HRA Budget – revenue and capital noting in particular

- The 2009/10 growth pressures and savings/income generation proposals as set out in Appendix 1
 - The 2009/10 HRA capital programme as set out in Appendix 2
-

1. Purpose of Report and Executive Summary

- 1.1 This report sets out the revenue and capital resources available for 2009/10 within the Housing Revenue Account (HRA) and seeks agreement on the level of revenue and capital expenditure for the year.

2. Timetable and Decisions

- 2.1 The HRA Budget – Revenue and Capital 2009/10 has been/will be presented at the following meetings as set out in table 1 overleaf.

Table 1 – 2009/10 HRA Budget Timetable– Revenue and Capital

Housing Consultative Forum	12 th January 2009
Overview and Scrutiny – Sustainable Communities Scrutiny Panel	11 th February 2009
Council (Key Decision 680)	4 th March 2009

3. Key HRA Budget Issues

- 3.1 There is no option to the council but to set a balanced HRA budget and undertake effective financial management of the HRA noting the responsibilities to tenants vis-à-vis this budget. There are however, options within the budget review process to consider growth and savings which have an effect on the overall budget. The council consults on options within the budget.
- 3.2 It should be noted that the budget is under increasing pressures particularly from the extent of disrepair within the housing stock and increasing the number of properties which do not meet the Decent Homes standard. As highlighted in previous reports Merton does not have sufficient resources to ensure all of its properties meet the standard by the 2012 target. Hence the reason why we are currently consulting on a proposal to transfer the council's homes to a new registered social landlord (Merton Priory Homes).
- 3.3 In addition the HRA cannot keep all of the income it generates due to the need to repay monies to central government under the housing subsidy system. A housing association such as Merton Priory Homes, does not have to contribute to the national housing pot and can keep all its rental income. The housing subsidy system is placing significant pressures on Merton in trying to set a balanced HRA budget each year. Whilst this was achieved in 2008/09, by using savings generated in 2007/08 and utilising our borrowing allocation of £2m (i.e. Supported Capital Expenditure), this is not a long-term solution.
- 3.4 Appendix 1 shows the key HRA budget pressures. It also shows the proposed savings and income generation that is required in order to achieve a balanced 2009/10 HRA budget.

Rents and Service Charges

- 3.5 The rents and service charges report (key decision 675) was presented to Cabinet on 19th January 2009. The report recommends that 2009/10 rents be increased by an average of 6.29% (£4.85 per week). The recommendations are in accordance with the government's rent restructuring guidance. Table 2 overleaf shows a comparison between Merton's average rent and the rents of neighbouring councils.

Table 2 – Housing Rents 2008/09 and 2009/10

	Actual Rents 2008/09 (£)	Average Rent 2009/10 (£)	Average Percentage Inc 2009/10 (%)	Weekly Increase (£)
Merton	77.16	82.01	6.29%	4.85
Croydon	81.57	86.57	6.13%	5.00
Kingston upon Thames	86.64	91.66	5.80%	5.02
Sutton	76.91	81.73	6.27%	4.82
Wandsworth	105.21	110.86	5.37%	5.65

N.B. All rents are on a 52 week basis. The 2009/10 rents are draft.

Housing Subsidy

- 3.6 The final 2009/10 HRA subsidy determinations were received from the Communities and Local Government (CLG) late December 2008. The total amount that Merton is expected to pay in 2009/10 to the CLG is £8.8m (In 2008/09 it is also £8.8m). This equates to approximately 33% of the rental income in 2009/10. In 2008/09 £456,000 of the £8.8m was funded through a contribution from HRA reserves. This was a temporary solution for 2008/09. Therefore in 2009/10 the £456,000 will need to be funded from within the overall HRA (not reserves) to ensure a budget of £8.8m for housing subsidy. This budget pressure is included in Appendix 1.
- 3.7 In previous years' a significant amount, sometimes all, of Merton's actual rent increase was used to fund the increase in the housing subsidy payment to the CLG. For 2009/10 Merton's HRA benefits, as the payment to the CLG for 2009/10 is the same as the payment for 2008/09. The main reason for this is that the 2009/10 guideline rent increase in the housing subsidy system is 3.59% (as set by CLG), which is significantly less than the 2009/10 actual rent increase of 6.29% (as determined by CLG's rent restructuring system, which aims to reach the target rent by 2024). The guideline rent is a separate calculation by the CLG and is not used in the calculations of rent restructuring and so the guideline rent increase can differ from the actual rent increase. In addition, following the small-scale transfer of the Tadworth properties to Raven Housing Trust in 2007/08, the Tadworth properties fall out of the Housing Subsidy system in 2009/10, thereby benefiting the HRA.

Supported Capital Expenditure (SCE) i.e. borrowing

- 3.8 The Government gives an annual borrowing allocation to councils for HRA capital purposes via the Housing Subsidy System. The borrowing is known as Supported Capital Expenditure (SCE).
- 3.9 As a short to medium term financial strategy, to deal with both the operating shortfall within the HRA and priority capital investment requirements, we propose to utilise our Supported Capital Expenditure (SCE) allocations (£2.090m for 2009/10).

HRA Capital

- 3.10 The proposed two-year (2009/10 and 2010/11) HRA capital programme is shown in Appendix 2. The available resources for 2009/10 are £6.640m (£4.550m is from the Major Repairs Allowance and £2.090m is from borrowing). For 2009/10, if stock transfer does not go ahead, the same level of capital resources (£6.640m) are anticipated.

HRA Reserves

- 3.11 The overall level of HRA reserves at 31st March 2008 has been audited at £2.638m as set out in table 3 below. The HRA reserves are estimated to be £1.637m at 31st March 2010. The costs of the work leading up to stock transfer are in the region of £1m, however, we've agreed that these costs will be borne by our housing partner, Circle Anglia, in the event of an unsuccessful ballot, so there is no risk to the HRA reserves or council. If the ballot is successful, the costs will be met from the capital receipt, so once again, this does not impact on the HRA directly or its reserves.

Table 3 – Estimated Level of HRA Reserves

HRA Reserves	£000
Estimated Reserves as at 31.3.08	2,638
Contribution from reserves to fund the 2008/09 impact of the Tadworth transfer	(456)
One off underspends identified in 2007/08 to be used to fund one off expenditure in 2008/09	(545)
Estimated Reserves as at 31.3.09	1,637
Use of Reserves in 2009/10	0
Estimated Reserves as at 31.3.10	1,637

4 Alternative options

- 4.1 There is no option to the council but to set a balanced budget and undertake effective financial management of the Housing Revenue Account noting the responsibilities to tenants and leaseholders vis-à-vis this budget.

5 Consultation undertaken or proposed

- 5.1 The Housing Consultative Forum (HCF) has been consulted on the 12th January 2009 regarding the 2009/10 HRA budget (revenue and capital) and the rents and service charges proposals. The HCF accepted the proposals.
- 5.2 The Rents and Service Charges report has been presented at LPG (5th January 2009), Overview and Scrutiny – Sustainable Communities Scrutiny Panel (14th January 2009) and Cabinet (19th January 2009).

6 Financial, resource and property implications

- 6.1 Financial implications are contained within the body of this report.

7 Legal and statutory implications

- 7.1 The Council is required by the provisions of the Local Government and Housing Act 1989 to maintain the Housing Revenue Account in balance. There are detailed provisions governing what items are to be credited, such as income from rents and charges and what items are to be debited, such as expenditure on repairs, maintenance, supervision and management of dwellings.
- 7.2 There are severe restrictions, popularly known as “ring fencing” on the ways in which the account may be operated. This ring fencing is reinforced by a duty to budget to prevent a debit balance arising on the account. The income of the HRA cannot be taken out and spent on other services. Conversely, money from General Fund cannot be used for spending on HRA properties and services. This means that decisions about income and expenditure in the HRA have an impact on tenants alone. Decisions about General Fund services have an impact upon the whole community of Council Taxpayers.
- 7.3 The council has a duty to keep the HRA in balance.

8 Human rights, equalities and community cohesion implications

- 8.1 There are no direct human rights implications.
- 8.2 The programme of capital works and improvements is designed to be of benefit to all tenants. It will be of particular benefit to tenants who are obliged to spend more time than average in the home, such as disabled or elderly tenants.

- 8.3 Spending within specific HRA budget headings has direct implications for equalities within the housing service. For instance, the housing service is committed to various initiatives to improve services to residents from ethnic minorities and other residents who may find it difficult to gain access to services or participate in the service.

9 Risk management and health and safety implications

- 9.1 Within this budget round the HRA continues to promote community safety and the specific objectives in the *Safer Merton* agenda. In revenue budgets this is evidenced through:

- support for CCTV schemes on council housing land
- contribution towards the mediation scheme
- financial contributions to the neighbourhood and street warden schemes and ongoing management support
- anti-graffiti initiatives
- dealing with anti-social behaviour and HRA contributions to ASB caseworkers

- 9.2 Within the capital budget the HRA will continue with a special Tenants Fund dedicated to small-scale safety schemes in local areas chosen by tenants. For 2009/10 this is £100,000. In addition the HRA revenue budget will continue to fund the minor estates improvement grant (MEIG), which is £56,200 for 2009/10.

- 9.3 It is prudent to maintain a minimum working balance in the HRA reserves in order to safeguard the financial health of the HRA. The HRA reserves are estimated to be £1.637m as at 31st March 2010.

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

- Budget files held within the Corporate Services Department
- Savings and Growth in the HRA – working papers for 2009/10 held in the office of Head of Housing Services
- ‘Guide to Social Rent Reforms in the Local Authority Sector’ ODPM February 2003
- HRA Final Determinations, Communities and Local Government December 2008

11 Contacts

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- Tel: 020 8545 3181

11.4 London Borough of Merton:

- Address: Civic Centre, London Road, Morden, SM4 5DX
- Tel: 020 8274 4901

12 Useful links

12.1 Merton Council's Web site: <http://www.merton.gov.uk>

12.2 Readers should note the terms of the legal information (disclaimer) regarding information on Merton Council's and third party linked websites.

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2009/10 HRA BUDGET PRESSURES

No	Budget Pressures	2009/10 £000
1	2009/10 salary increases e.g. inflationary pressures (estimated at 2.5%)	210
2	Reinstatement of salary vacancy discount factor from 2008/09 (2.5%)	150
3	Capital financing charges e.g. impact of borrowing £2.090m and the reduction in investment income as a result of falling interest rates (assumed 1% in 2009/10)	252
4	Increase in corporate charge to the HRA for neighbourhood wardens and CCTV (see Note 1 below)	106
5	Increase in legal costs	50
6	Estimated increase in other corporate costs e.g. overheads	50
7	Water Hygiene	150
8	Increase in essential boiler remedial works	146
9	Repairs partnering contract inflation (3.8%)	133
10	Essential Electrical works (reinstatement of the budget on a permanent basis in 2009/10 as it was funded as a one-off in 2008/09)	100
11	Fire Safety Risk Assessment (reinstatement of the budget on a permanent basis in 2009/10 as it was funded as a one-off in 2008/09)	25
12	Technical accounting adjustment relating to the funding of the Housing Subsidy payment to CLG (see paragraph 3.6 of the main report)	456
	Total of Budget Pressures	1,828

Notes :**Note 1**

It has recently been brought to light the need to review the corporate charge to the HRA for the borough's neighbourhood wardens and CCTV services. As a result of discussions the 2009/10 corporate charge to the HRA for neighbourhood wardens and CCTV needs to increase by £106k. As a result of these changes the total corporate charge to the HRA for neighbourhood wardens is £136k and for CCTV is £105k.

APPENDIX 1 (Continued)

2009/10 HRA PROPOSED SAVINGS AND INCOME GENERATION

No	Proposed Savings and Income Generation	2009/10 £000
1	Increase in rents and service charges .	1,585
2	Leaseholders/Freeholders management charge (2.5%)	18
3	Leaseholders' debt	75
4	Tree Works	15
5	Partnering project costs	84
6	Rationalisation of budgets	51
	Total of Proposed Savings/Income Generation	1,828
	Net 2009/10 HRA Budget	0

APPENDIX 2

PROPOSED 2009/10 and 2010/11 HRA CAPITAL PROGRAMME

Type of Scheme	Estimated budget 2009/10 £	Estimated budget 2010/11 £
Heating	1,005,000	1,295,000
Electrical (Homes)	600,000	1,200,000
Decent Homes	540,000	540,000
Voids into Decent Homes	528,000	528,000
Emergency Lighting and communal lighting upgrades	30,000	0
External Decorations	250,000	250,000
Roof Replacements	0	200,000
Demolition of Pramsheds	300,000	
Balcony Drainage & Coverings	500,000	360,000
Window Renewal	320,000	
Lift Refurbishment	300,000	
Salaries and Overheads	415,000	415,000
Contingency	350,000	350,000
Community Safety	100,000	100,000
Aids & Adaptations	420,000	420,000
External Decorations	260,000	260,000
Capitalised Repairs	722,000	722,000
Total HRA Capital Programme	6,640,000	6,640,000

**Council Budget Meeting 4 March 2009
ATTENDANCE SHEET**

CLLR TARIQ AHMAD	CLLR EDITH MACAULEY
CLLR AGATHA AKYIGYINA	CLLR RUSSELL MAKIN
CLLR STEPHEN ALAMBRTIS	CLLR BARBARA MANSFIELD
CLLR MARK ALLISON	CLLR DENISE MARCH
CLLR STEPHEN AUSTIN	CLLR MAXI MARTIN
CLLR MARK BETTERIDGE	CLLR PETER MCCABE
CLLR JOHN BOWCOTT	CLLR KRSYAL MILLER
CLLR MARGARET BRIERLY	CLLR DIANE NEIL MILLS
CLLR WILLIAM BRIERLY	CLLR OONAGH MOULTON
CLLR JEREMY BRUCE	CLLR IAN MUNN
CLLR ANGELA CALDARA	CLLR HENRY NELLESS
CLLR RICHARD CHELLEW	CLLR DENNIS PEARCE
CLLR DAVID CHUNG	CLLR GEORGE REYNOLDS
CLLR DAVID DEAN	CLLR JUDY SAUNDERS
CLLR JOHN DEHANEY	CLLR LINDA SCOTT
CLLR NICK DRAPER	CLLR ROD SCOTT
CLLR CHRIS EDGE	CLLR DEBBIE SHEARS
CLLR CORINNA EDGE	CLLR DAVID SIMPSON
CLLR KARIN FORBES	CLLR PETER SOUTHGATE
CLLR SAMANTHA GEORGE	CLLR ZENIA SQUIRES-JAMISON
CLLR MAURICE GROVES	CLLR GERALDINE STANFORD
CLLR MARC HANSON	CLLR GREGORY UDEH
CLLR PHILIP JONES	CLLR LEIGHTON VEALE
CLLR ANDREW JUDGE	CLLR JONATHAN WARNE
CLLR STEPHEN KERIN	CLLR MARTIN WHELTON
CLLR LINDA KIRBY	CLLR DAVID WILLIAMS
CLLR SHEILA KNIGHT	CLLR KRYSIA WILLIAMS
CLLR PATRICIA LEWIS	CLLR RICHARD WILLIAMS
CLLR BRIAN LEWIS-LAVENDER	CLLR RONALD WILSON
CLLR GILLI LEWIS-LAVENDER	CLLR SIMON WITHEY

Date: 4/3/09 Agenda item no/subject: Hobart Ho... ..

	F	A	NV		F	A	NV
CLLR TARIQ AHMAD		✓		CLLR EDITH MACAULEY	✓		
CLLR AGATHA AKYIGYINA	✓			CLLR RUSSELL MAKIN	✓		
CLLR STEPHEN ALAMBRITIS	✓			CLLR BARBARA MANSFIELD		✓	
CLLR MARK ALLISON	✓			CLLR DENISE MARCH		✓	
CLLR STEPHEN AUSTIN	✓			CLLR MAXI MARTIN	✓		
CLLR MARK BETTERIDGE	✓			CLLR PETER MCCABE	✓		
CLLR JOHN BOWCOTT		✓		CLLR KRSYTAL MILLER		✓	
CLLR MARGARET BRIERLY		✓		CLLR DIANE NEIL MILLS		✓	
CLLR WILLIAM BRIERLY		✓		CLLR OONAGH MOULTON		✓	
CLLR JEREMY BRUCE		✓		CLLR IAN MUNN	✓		
CLLR ANGELA CALDARA		✓		CLLR HENRY NELLESS		✓	
CLLR RICHARD CHELLEW		✓		CLLR DENNIS PEARCE	✓		
CLLR DAVID CHUNG	✓			CLLR GEORGE REYNOLDS	✓		
CLLR DAVID DEAN		✓		CLLR JUDY SAUNDERS	✓		
CLLR JOHN DEHANEY	✓			CLLR LINDA SCOTT		✓	
CLLR NICK DRAPER	✓			CLLR ROD SCOTT		✓	
CLLR CHRIS EDGE		✓		CLLR DEBBIE SHEARS		✓	
CLLR CORINNA EDGE		✓		CLLR DAVID SIMPSON		✓	
CLLR KARIN FORBES		✓		CLLR PETER SOUTHGATE		✓	
CLLR SAMANTHA GEORGE		✓		CLLR ZENIA SQUIRES-JAMISON	✓		
CLLR MAURICE GROVES		✓		CLLR GERALDINE STANFORD	✓		
CLLR MARC HANSON		✓		CLLR GREGORY UDEH	✓		
CLLR PHILIP JONES	✓			CLLR LEIGHTON VEALE	✓		
CLLR ANDREW JUDGE	✓			CLLR JONATHAN WARNE			
CLLR STEPHEN KERIN		✓		CLLR DAVID WILLIAMS		✓	
CLLR LINDA KIRBY	✓			CLLR RICHARD WILLIAMS	✓		
CLLR SHEILA KNIGHT	✓			CLLR RONALD WILSON		✓	
CLLR PATRICIA LEWIS	✓			CLLR SIMON WITHEY		✓	
CLLR BRIAN LEWIS-LAVENDER		✓		THE DEPUTY MAYOR CLLR KRYSIA WILLIAMS		✓	
CLLR GILLI LEWIS-LAVENDER		✓		THE MAYOR CLLR MARTIN WHELTON			✓

FOR 26 AGAINST 32 NOT VOTING 1

Labour Group Motion to Council Budget Meeting, 4 March 2009

Council acknowledges the unprecedented economic circumstances Merton residents find themselves in due to the global economic crisis.

Council further notes that the General Fund Budget and Council Tax Strategy Report estimates that Merton Council's reserves will stand at £11.4m by 31/03/2009. Furthermore, the proposed General Fund Budget includes an additional £2m in unallocated "contingency".

Council condemns this administration for ignoring the needs of local people and the failure to re-direct some of this £13.4m through a £100 council tax rebate to residents.

Council further condemns this administration for proposing to inflict on residents a 2.5% increase in council tax at a time when RPI inflation has fallen to 0.1% and is predicted to move into deflation during the coming financial year.

Proposed: Cllr Stephen Alambritis

Seconded: Cllr Mark Betteridge