

Cabinet

7 December 2020

Agenda item:

Business Plan Update 2021-2025

Lead officer: Caroline Holland

Lead member: Councillor Tobin Byers

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: Roger Kershaw

Recommendations:

1. That Cabinet considers and agrees the draft deferred savings/income proposals (Appendix 4) put forward by officers and refers them to the Overview and Scrutiny panels and Commission in January 2021 for consideration and comment.
2. That Cabinet considers and agrees the savings and the associated draft equalities analyses for the savings noted in November (Appendices 3 and 5)
3. That Cabinet considers and agrees the draft Capital Programme 2021-2025 and refers it to the Overview and Scrutiny panels and Commission in January 2021 for consideration and comment.
4. That Cabinet agrees the proposed Council Tax Base for 2021/22 set out in paragraph 2.6 and Appendix 1.

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides an update to Cabinet on the Business Planning process for 2021-25 and in particular on the progress made so far towards setting a balanced revenue budget for 2021/22 and over the MTFS period as a whole.
- 1.2 Specifically, the report provides details of deferred revenue savings which are proposed due to changes in circumstances since the proposals were previously approved as part of previous budget setting.
- 1.3 The report also represents the savings previously agreed in November 2020 and provides associated draft equalities analyses where applicable together with feedback from the Overview and Scrutiny Commission in October 2020 which considered the savings proposals.

- 1.4 The report also provides an update on the capital programme for 2021-25 and the financial implications for the MTFS.
- 1.5 The first draft of the service plans for 2021-25 will be included within the information pack for consideration at Scrutiny and then reported back to Cabinet.
- 1.6 The report provides a general update on all of the latest information relating to the Business Planning process for 2021-25 and an assessment of the implications for the Medium Term Financial Strategy 2021-25.
- 1.7 This report is one of the budget updates through the financial year and will be referred to the Overview and Scrutiny Panels and Commission in February 2021 as part of the information pack.
- 1.8 Due to COVID19 and the delay in the Local Government Finance Settlement and lack of clarity over future funding there have been revisions to the timetable which are designed to ensure that Members receive as much opportunity as possible to give the budget setting process the attention it deserves. These changes are set out in paragraph 11.

2. DETAILS

Introduction

- 2.1 A review of assumptions in the MTFS was undertaken and reported to Cabinet on 7 September 2020. As a result Cabinet agreed departmental savings targets and a further report to Cabinet on 9 November 2020 set out an initial tranche of savings proposals. The report referred them to the Overview and Scrutiny Commission on 11 November 2020 for consideration.
- 2.2 Taking into account the information contained in the November 2020 Cabinet report, the overall position of the anticipated COVID and other government funding shortfall MTFS reported to Cabinet on 9 November 2020 was as follows:-

(Cumulative Budget Gap)	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
MTFS Gap (Cabinet October 2020)	15,061	17,266	18,934	15,774

2.3 Review of Assumptions

Since Cabinet in November, work has been continuing to review assumptions, identify new savings/income proposals and analyse information which has been received since then. This has continued to prove difficult given the continuing impact of COVID19 and

the imposition of a second lockdown. The flow of information from the government about future funding has continued to be sparse.

2.3.1 Pay

For 2020/21 the final agreed pay award was 2.75%. Union's are currently consulting their members regarding the approach to the 2021/22 pay claim.

The UNISON NJC Committee met on 5 October 2020 to consider the contents of the NJC pay claim for 2021/22, as well as the process for consulting members.

The NJC Committee have formulated three options for the 'headline' claim for the 2021 pay claim.

- Option A: 5% or a £10 an hour pay rate, whichever is greater
- Option B: 8% or a £10 an hour pay rate, whichever is greater
- Option C: 10%

On 21 October 2020 when announcing that the Spending Review 2020 will cover one year only (2021/22), the Chancellor of the Exchequer stated that "As outlined in July in the interest of fairness we must exercise restraint in future public sector pay awards, ensuring that across this year and the spending review period, public sector pay levels retain parity with the private sector."

The latest estimates for pay inflation included in the MTFs are included in the table below and no changes are proposed at the current time:-

(Cumulative)	2021/22	2022/23	2023/24	2024/25
Pay inflation (%)	1.5%	1.5%	1.5%	1.5%

Further details on the pay negotiations for 2021/22 and beyond, and the impact on the MTFs will be reported when they are known.

London Living Wage

Officers have been working with contractors to understand the implications of paying the London Living Wage (LLW) when contracts come up for renewal, and the potential impact on budgets. Contracts that are likely to have the largest staffing contingent across the organisation have been reviewed and, where possible has projected the implications of London Living Wage adoption.

This work is ongoing but initial financial implications have been produced and are summarised in the following table:-

(Cumulative)	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Additional cost of LLW on major contracts based on contract renewal date	266	521	711	2,382

2.3.2 Prices

The latest estimates for price inflation included in the MTF5 are included in the table below and no changes are proposed at the current time:-

(Cumulative)	2021/22	2022/23	2023/24	2024/25
Price inflation (%)	1.5%	1.5%	1.5%	1.5%

The Consumer Prices Index (CPI) 12-month rate was 0.7% in October 2020, up from 0.5% in September.

The largest contribution to the 12-month inflation rate in October 2020 was from recreation and culture (0.26 percentage points). Clothing, food, furniture, furnishings and carpets made the largest upward contributions (with the contribution from these three groups totalling 0.16 percentage points) to the change in the 12-month inflation rate between September and October 2020. These were partially offset by downward contributions of 0.06 and 0.04 percentage points, respectively, from the recreation and culture, and transport groups.

The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 0.9% in October 2020, up from 0.7% in September 2020.

The RPI rate for October 2020 was 1.3%, which is up from 1.1% in September 2020.

The latest inflation and unemployment forecasts for the UK economy, based on a summary of independent forecasts are set out in the following table:-

Table: Forecasts for the UK Economy

Source: HM Treasury - Forecasts for the UK Economy (November 2020)			
	Lowest %	Highest %	Average %
2020 (Quarter 4)			
CPI	0.1	1.2	0.6
RPI	0.7	1.7	1.2
LFS Unemployment Rate	4.5	9.1	6.4
2021 (Quarter 4)			
CPI	0.4	3.9	1.9
RPI	0.9	5.2	2.6
LFS Unemployment Rate	5.0	9.6	7.2

Note the wide range between highest and lowest forecasts which reflects the volatility and uncertainty arising from COVID19 and the difficulty of forecasting how the situation will evolve. Clearly where the level of inflation during the year exceeds the amount provided for in the budget, this will put pressure on services to stay within budget and will require effective monitoring and control.

Independent medium-term projections for the calendar years 2020 to 2024 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (November 2020)					
	2020	2021	2022	2023	2024
	%	%	%	%	%
CPI	0.9	1.7	2.2	2.1	2.1
RPI	1.5	2.3	3.1	3.3	3.2
LFS Unemployment Rate	4.8	7.2	6.1	5.1	4.7

Outlook for inflation over the MTFS period (to be included in Cabinet report)

2.3.3 Inflation > 1.5%:

There is also a corporate provision which is held to assist services that may experience price increases greatly in excess of the 1.5% inflation allowance provided when setting the budget. This will only be released for specific demonstrable demand.

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Inflation exceeding 1.5%	250	250	250	250

The cash limiting strategy is not without risks but if the Government’s 2% target levels of inflation were applied un-damped across the period then the budget gap would increase by c. £2.8m by 2024/25.

2.3.4 Income

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

2.3.5 Taxicards and Freedom Passes

These schemes are administered by London Councils on behalf of London boroughs. COVID19 has significantly reduced the use of public transport in London, including among concessionary fares passengers. However, because of the methodology used for settlement of the Freedom Pass scheme with TfL, the full effect of the reduction in journeys will not be realised in savings immediately. The settlement methodology uses journey data for the previous two years to calculate the next year’s cost. For example, the settlement for 2021/22 will use the average number of journeys that took place between July and June 2019-20 and 2018-19.

This means that the effects of COVID19 will work through the settlement over the next three years. London Councils has not yet concluded its annual negotiations with transport operators and therefore it is not possible to provide definite costs at this time.

The costs of Freedom Passes are driven by two key factors:-

- The likely numbers of journeys over the years
- Fare increases and the rate of inflation

London Councils have advised that based on current available information there will be a significant reduction in the concessionary fares settlement over the next three years, They conclude that it is difficult to quantify this precisely, and current estimates will be subject to change, but the baseline estimate for London is for total savings of £182 million (c. 18%), with an upper estimate of £252 million and a lower estimate of £113 million over the three-year period.

For Merton, the estimated cost estimates over the next three years are as follows:-

	2021/22 £m	2022/23 £m	2023/24 £m
Baseline	7.930	6.503	7.747
+20%	7.930	7.134	8.335
-20%	7.930	5.872	7.158
+30%	7.930	7.449	8.629
-30%	7.930	5.556	6.864

The MTFS includes the following amounts for Taxicards and Freedom Passes:-

	Current Estimate 2020/21 £000
Freedom Passes	9,060
Taxicards	113
Total	9,173
Uplift in MTFS	450
Provision in MTFS for 2021/22	9,923

Clearly there is scope for significant savings to be taken arising from the reduction in use of freedom passes due to COVID19. At this stage the most prudent option is to assume that demand for freedom pass journeys will bounce back by 30% from the baseline figure.

This will reduce the budget gap by the following amounts over the MTFS period:-

(cumulative)	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
MTFS (Cabinet November 2020)	9,623	10,073	10,523	10,973
+ 30% projection (inc. Taxicards)	8,045	7,567	8,749	9,752
Change in MTFS Gap	1,578	2,506	1,774	1,221

Future years savings are more likely to change as the longer term implications of the Transport for London (TfL) bailout will need to be worked through.

2.3.6 Revenuisation

In recent budgets it has been recognised that some expenditure formerly included in the capital programme could no longer be justified as it did not meet the definition of expenditure for capital purposes. Nevertheless, it is important that some of this expenditure takes place and the following amounts have been included in the latest MTFS for 2021-25:-

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Revenuisation	143	213	213	213

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

2.3.7 **Budgetary Control 2020/21**

There may be issues identified from monthly monitoring, elsewhere on this agenda, that have on-going financial implications which need to be addressed in setting the budget for 2021-25.

Monitoring 2020/21

At period 7 to 31 October 2020 the year end forecast is a net £8.202m unfavourable variance compared to the current budget when all COVID19 costs are included after applying the remaining government emergency COVID19 grant. This consists of a net favourable variance of £4.217m excluding COVID19 and unfavourable variance of £12.419m from COVID19:-

	Non COVID19 £000	COVID19 £000	Total £000
CS	924	3,229	4,153
CSF	(2,187)	923	(1,264)
E&R	13	9,259	9,272
C&H	(2,548)	2,733	185
Sub-total	(3,798)	16,144	12,346
Corporate	(419)	(3,725)	(4,144)
Total	(4,217)	12,419	8,202

For the purposes of this report this has been separated into NON-COVID19 and COVID19 variances.

Non-COVID19

Based on October 2020 monitoring, although an overall favourable variance is forecast, the following pressures have been flagged:-

- a) Corporate Services: Customers, Policy and Improvement (£562k), Human Resources (£156k), Resources (£73k), Infrastructure and Technology (£14k), Other Corporate budgets (280k)
- b) Children's Schools and Families: Although a DSG deficit has to be charged' to the schools balance reflecting that a cumulative overspend has been borrowed against future year school allocations, based on October 2020 monitoring, the size of the deficit continues to rise. The DSG had a cumulative overspend of £12.750m at the end of 2019/20. The overspend in the current financial year will be adding to this balance, currently estimated at £27.639m.
- c) Environment and Regeneration: Public Space, mainly Household, Reuse, Recycling Centre (HRRC) (£155k)
- d) Community and Housing: Libraries and heritage (£55K), Housing General Fund (£607k)

COVID19

Hopefully the pandemic will be overcome and the costs and impact on society in general and council services in particular will be largely confined to 2020/21. However, this is unknown at the present time and there will be some impact carried over to the MTFS 2021-25 period. At the same time there will inevitably need to be some changes to how

the Council delivers some services and some of the most affected services, particularly those to vulnerable groups will need to be reviewed.

2.3.8 Growth

The MTFS reported to Cabinet in September 2020 included new provision for growth from 2021/22 to 2024/25 as follows and this will be reviewed in January 2021 when the outcome of the draft settlement will be known:-

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Cumulative				
Growth (Cabinet September)	3,768	3,768	3,768	3,768

2.3.9 **Capital Programme for 2021-25**

It is important to ensure that the revenue and capital budgets are integrated and not considered in isolation. The revenue implications of capital expenditure can quickly grow if the capital programme is not contained within the Council's capacity to fund it over the longer term. For example, assuming external borrowing, the capital financing costs of funding £1m (on longer-life assets and short-life assets financed in 2021/22) for the next four years of the MTFS would be approximately:-

Capital financing costs of £1m over the MTFS period	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Longer life Assets	10	60	60	60
Short-life assets	10	220	220	220

As previously reported, in light of the current financial situation, there is currently no capital bidding process other than those schemes that can be funded by CIL. Budget Managers have been asked to further review current schemes in the programme to either reduce, defer or delete them. Any resulting revisions to the programme will be reported to Cabinet on an ongoing basis. The current capital provision and associated revenue implications in the currently approved capital programme, based on October 2020 monitoring information and maximum use of capital receipts, are as follows:-

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Capital Programme	34,270	16,565	13,812	21,648
Revenue Implications	10,297	11,181	11,885	12,832

The potential change in the capital programme since Council in March 2020 is summarised in the following table:-

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Capital Programme:				
- As approved by Council	31,958	17,307	24,030	9,632
- Revised Position with Slippage revisions	46,056	23,433	14,842	21,821
Change	14,098	6,126	(9,188)	(12,189)
Revenue impact				
As approved by Council	11,491	12,733	13,464	14,718
Revised	10,399	12,016	13,022	12,917
Change	(1,092)	(717)	(442)	(1,801)

It is considered that these figures represent the worst case subject to there being no in programme bids, with further work currently ongoing to review and challenge the assumptions these figures are based on.

2.4 Forecast of Resources and Provisional Local Government Finance Settlement

2.4.1 Spending Review 2020

The Chancellor has decided to conduct a one-year Spending Review on 25 November 2020 in order to prioritise the response to Covid19, and our focus on supporting jobs.

The Government state that the Spending Review will confirm multi-year capital spending for key programmes where certainty is needed to ensure no time is lost in delivery. Its aim is to set budgets for 2021/22, with a total focus on tackling Covid and delivering the Government's Plan for Jobs. Areas, including the NHS, schools and infrastructure, which are regarded as crucial to the nation's economic recovery will have their budgets set for further years so they can plan.

There will be a verbal update at the meeting on the main issues arising from the Spending Review. A summary published by the LGA of the main issues included in the Spending Review is attached as Appendix 7. The financial implications of the Spending Review for Merton will be included in the Cabinet report in January 2021.

2.4.2 Provisional Local Government Finance Settlement

The timing of the Spending Review announcement and the fact it will provide certainty for only one-year will have implications for the scope of the Local Government Finance Settlement which is now expected in late December and will also be for one year only.

A date for the announcement of the Provisional Local Government Finance Settlement is currently unknown. An analysis on the potential financial impact of the provisional Settlement will be included in the report to Cabinet in January 2021.

2.5 London Business Rates 2021-22

- 2.5.1 As advised in the report to Cabinet in November, all London boroughs have provisionally agreed to continue pooling in 2021/22 and updates will be provided throughout the Business Planning process.
- 2.5.2 Regardless of whether there is a London pool or not, final projections for Business Rates retention in 2021/22 will be based on London Boroughs NNDR1 returns for 2020/21 which are due to be returned to Central government by 31 January 2021.

2.6 Council Tax Base

- 2.6.1 The Council Tax Base is a key factor which is required by levying bodies and the Council for setting the levies and Council Tax for 2021/22. The council tax base is the measure of the number of dwellings to which council tax is chargeable in an area or part of an area. The Council Tax Base is calculated using the properties from the Valuation List together with information held within Council Tax records. The properties are adjusted to reflect the number of properties within different bands in order to produce the Council Tax Base (Band D equivalent). This will be used to set the Council Tax at Band D for 2021/22. The Council is required to determine its Council Tax Base by 31 January 2021.
- 2.6.2 Regulations set out in the Local Authorities (Calculation of council Tax Base) Regulations 2012 (SI 2012:2914) ensure that new local council tax support schemes, implemented under the Local Government Finance Act 2012, are fully reflected in the council tax base for all authorities.
- 2.6.3 The Council Tax Base Return to central Government takes into account reductions in Council Tax Base due to the Council Tax Support Scheme and also reflects the latest criteria set for discounts and exemptions. The CTB Return for October 2020 is the basis for the calculation of the Council Tax Base for 2021/22.
- 2.6.4 Details of how the Council Tax Base is calculated are set out in Appendix 1. A summary of the Council Tax Bases for the Merton general area and the addition for properties within the Wimbledon and Putney Commons Conservators area for 2021/22 compared to 2020/21 is set out in the following table:-

Council Tax Base	2020/21	2021/22	Change
			%
Whole Area	75,989.9	74,220.0	(2.3)%
Wimbledon & Putney Common Conservators	11,604.6	11,381.8	(1.9)%

2.7 Proposed Amendments to Previously Agreed Savings

2.7.1 Replacement and Deferred Savings

Monitoring of the delivery of savings is important and it is essential to recognise as quickly as possible where circumstances change and savings previously agreed are either not achievable in full or in part or are delayed.

Where this is the case, departments will need to identify replacement savings from elsewhere within their overall budgets and it is accepted that this has been more prevalent in the current financial year due to COVID19.

In the report to Cabinet in September, it was assumed that 50% of the agreed savings in the MTF period 2021-25 would not be achieved. Now that service departments have had more time to review their approved savings this estimate will be removed and actual requests for replacements and deferrals that Cabinet agree will be substituted.

Service departments have currently identified the following previously agreed savings which they need to defer:-

Deferred Savings	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Corporate Services	620	(520)	(100)	0	0
Children, Schools and Families	0	0	0	0	0
Environment and Regeneration	65	10	(75)	0	0
Community and Housing	0	0	0	0	0
Total	685	(510)	(175)	0	0
Total (cumulative)	685	175	0	0	

Further details are provided in Appendix 4.

3. SAVINGS PROPOSALS 2021-25

3.1 Cabinet on 9 November 2020 agreed an initial tranche of savings proposals identified by service departments over the period 2021-25 as follows:-

“Non-Covid” Savings Proposals	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Corporate Services	374	0	0	0	374
Children, Schools and Families	450	200	0	0	650
Environment and Regeneration	930	750	(50)	(85)	1,545
Community and Housing	55	1,299	0	0	1,354
Total	1,809	2,249	(50)	(85)	4,493
Total (cumulative)	1,809	4,058	4,008	3,923	

3.2 These were referred to the Overview and Scrutiny Commission on 11 November 2020.

3.3 A further tranche of new savings will be presented to Cabinet in January 2021 when more information will be known from the Local Government Finance Settlement and the latest information on the implications of COVID19 will be available.

4. **FEEDBACK FROM THE OVERVIEW AND SCRUTINY PROCESS IN NOVEMBER 2020**

4.1 The information available on the Business Planning process reported to Cabinet on 9 November 2020 was reviewed by the Overview and Scrutiny Commission on 11 November 2020.

4.2 Feedback is included in a separate report to Cabinet on the agenda.

5. **SERVICE PLANNING 2021-25**

5.1 First draft revised Service Plans will be included within the information pack for consideration at Scrutiny and then reported back to Cabinet.

6. **DSG DEFICIT**

6.1 As reported to Cabinet as part of the monthly monitoring report, based on September 2020, DSG funded services are forecast to overspend by £14.889m in 2020/21 bringing the cumulated deficit at year end to £27.639m, although this is expected to increase by year end, and to continue to increase in future years.

6.2 The Government has issued a statutory instrument to implement an adjustment account for DSG deficits. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (“the 2003 Regulations”) make provision about the accounting practices to be followed by local authorities, including (in particular) with respect to the

charging of expenditure to revenue accounts. These Regulations insert a new regulation into the 2003 Regulations that provides that where a local authority has a deficit on its school budget, the authority must not charge any such deficit to its revenue account. Instead, the new regulation provides that local authorities must charge any such deficit to a separate account, established and usable solely for that purpose. The new regulation will apply to accounts prepared for the financial years beginning in 2020, 2021 and 2022, and provides formulas for calculating whether a local authority has a schools budget deficit in relation to each such financial year.

6.3 Whilst the Government has moved to address the DSG issue it still leaves two vital questions unresolved:-

- How will the DSG deficit be funded?
- Why does the Regulation only apply for 2020, 2021, 2022?

6.4 Currently, the Council’s accounts, budget and draft MTFS 2021-22 provide for 100% of the DSG deficit up to 2020/21 and 50% thereafter. The new Regulation allows for Merton to release the future amounts currently set aside in the MTFS and apply them to other service demands. The DSG deficit will be moved to a newly created separate account.

6.5 However, it must be emphasised that this action would be taken at some risk as there is no indication at the current time that the Government is willing to provide any additional resources to fund the deficit balance on the separate account, which will continue to increase and at the end of the three years is likely to be larger than our GF and earmarked balances combined and come back to the General Fund to be funded.

7. BUDGET STRATEGY

7.1 The council has a statutory duty to set a balanced budget.

7.2 The MTFS reported to Cabinet in November 2020 assumed a 2% general Council Tax increase in 2021/22.

7.3 The budget gap in the MTFS reported to Cabinet in November was summarised as follows:-

	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000
Budget Gap in MTFS 2021-25 exc. COVID19	1,676	5,607	7,519	8,755
Provision for Covid19 and DSG Deficit	13,385	11,659	11,415	6,989
Total MTFS Gap 2021-25 (Cabinet – November 2020)	15,061	17,266	18,934	15,744

- 7.4 The substantial the budget gap is due to assumptions made in the September Cabinet report about potential ongoing financial implications of COVID19 and a substantial set-aside of resources to cover for the DSG deficit.
- 7.5 Since Cabinet in November the Government have imposed a second lockdown to suppress COVID19 and issued a statutory instrument relating to treatment of DSG deficits. It is unreasonable to agree substantial additional savings in the absence of Government funding notified via the Local Government Finance Settlement which will not be known until the end of December.
- 7.6 For this reason any further savings required will not be presented to Cabinet until January 2021 with scrutiny taking place in February 2021, coming back to a special Cabinet in February before Council in March.

8. UPDATE TO MTFS 2021-25

- 8.1 The estimated budget gap in 2021/22 reported to Cabinet in November 2020 was £15.061. Incorporating the latest information discussed in this report, the latest budget gap forecast is:-

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Budget Gap (Cabinet 9 November 2020)	15,061	17,266	18,934	15,744
Deferred Savings/Change to Covid assumptions	(1,258)	(1,951)	(2,224)	(2,224)
Council Tax Base implications	2,764	1,812	1,102	1,190
Freedom Pass/Taxicard update	(1,577)	(2,506)	(1,774)	(1,221)
Change to growth assumptions	266	(729)	(1,789)	(118)
Change to income assumptions	(2,644)	(1,079)	(540)	0
Revenue effects of Capital	(873)	(47)	151	(594)
Budget Gap (Cabinet 7 December 2020)	11,739	12,766	13,860	12,777

- 8.2 A more detailed MTFS is included as Appendix 2.

8.3 Draft Service department budget summaries based on the information in this report will be included in the pack available for scrutiny.

9. **GLA BUDGET AND PRECEPT SETTING 2021-22 – PROVISIONAL TIMETABLE**

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 GLA's provisional timetable for its precept setting process is as follows:-

Mid to late December 2020	Following the publication of the provisional Local Government, Fire and Police Settlements, issue the Mayor's Consultation Budget.
27 January 2021	Assembly to consider Draft Consolidated Budget.
24 February 2021	Assembly to consider Final Draft Consolidated Budget.
8 February 2021	Statutory deadline by which the GLA precept must be approved and the Mayor's statutory Capital Spending Plan published.

9.3 NNDR1 returns will be required to be submitted to the MHCLG by 31 January 2021 and, with the addition of information required for the London pilot pool, it is essential that all authorities meet this deadline for the GLA to be able to achieve its timetable. It is anticipated that the percentage shares for 2021-22 used for the returns for London authorities will be 37% GLA, 33% central government and 30% London boroughs. This is expected to be confirmed in the provisional local government finance settlement.

10. **CONSULTATION UNDERTAKEN OR PROPOSED**

10.1 There will be consultation as the business plan process develops. This will include the Overview and Scrutiny panels and Commission, business ratepayers and all other relevant parties.

10.2 In accordance with statute, consultation is taking place with business ratepayers and a meeting will be arranged for February 2021.

10.3 As previously indicated, a savings proposals information pack will be prepared and distributed to all councillors at the end of December 2020 that can be brought to all Scrutiny and Cabinet meetings from 13 January 2021 onwards and to Budget Council. As it was last year, this should be an improvement for both councillors and officers - more manageable for councillors and it will ensure that only one version of those documents is available so referring to page numbers at meetings will be easier. It will also keep printing

costs down and reduce the amount of printing that needs to take place immediately prior to Budget Council.

10.4 The pack will include:

- Savings proposals
- Growth proposals
- A draft Equality impact assessment for each saving proposal.
- Service plans (these will also be printed in A3 to lay round at scrutiny meetings)

11. TIMETABLE

11.1 Due to the delays in the Spending Review and Local Government Finance Settlement and also the need to ensure that the Budget 2021/22 and MTFS 2021-25 decisions are based on the best information available , it has been agreed that there will be a variation to the budget timetable previously agreed by Cabinet on 7 September 2020.

11.2 The key deadlines are as follows:-

7 December 2020	Cabinet
Late December	Provisional Local Government Finance Settlement
End of December	Member’s Information Pack circulated
18 January 2021	Planned Cabinet
13-20 January 2021	Planned Overview and Scrutiny Panels and Commission
8 February 2021	Planned Cabinet
17 February 2021	Special Overview and Scrutiny Commission
22 February 2021	Provisional Special Cabinet
3 March 2021	Council approves Council Tax 2021/22 and MTFS 2021-25

12. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

12.1 All relevant implications have been addressed in the report.

13. LEGAL AND STATUTORY IMPLICATIONS

13.1 All relevant implications have been addressed in the report.

14. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

14.1 Draft Equalities assessments of the savings proposals are included in Appendix 5.

15. **CRIME AND DISORDER IMPLICATIONS**

15.1 Not applicable.

16. **RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

16.1 Not applicable.

APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

Appendix 1: Council Tax Base 2021/22

Appendix 2: MTFS Update

Appendix 3: Savings Proposals – November Cabinet New proposals

Appendix 4: Savings Proposals – December Cabinet

(a) Deferred savings

Appendix 5: Equalities Assessments

(a) November Cabinet Savings Proposals

Appendix 6: Draft Capital Programme 2021-25

Appendix 7: LGA briefing on the Spending Review 2020

BACKGROUND PAPERS

Budget files held in the Corporate Services department.

REPORT AUTHOR

– *Name: Roger Kershaw*

– *Tel: 020 8545 3458*

email: roger.kershaw@merton.gov.uk

Council Tax Base 2021/22

1. INTRODUCTION

- 1.1 The council tax base is the measure of the number of dwellings to which council tax is chargeable in an area or part of an area. The Council Tax base is calculated using the properties from the Valuation List together with information held within Council Tax records. The properties are adjusted to reflect the number of properties within different bands in order to produce the Council Tax Base (Band D equivalent).
- 1.2 Since 2013/14 the Council Tax Base calculation has been affected by the introduction of the new local council tax support scheme and technical reforms to council tax. On 30 November 2012, new regulations set out in the Local Authorities (Calculation of council Tax Base) Regulations 2012 (SI 2012:2914) came into force. These regulations ensure that new local council tax support schemes, implemented under the Local Government Finance Act 2012, are fully reflected in the council tax base for all authorities.
- 1.3 Under the regulations, the council tax base is the aggregate of the relevant amounts calculated for each valuation band multiplied by the authority's estimated collection rate for the year.
- 1.4 The relevant amounts are calculated as
 - number of chargeable dwellings in each band shown on the valuation list on a specified day of the previous year,
 - adjusted for the number of discounts, and reductions for disability, that apply to those Dwellings
- 1.5 All authorities notify the MHCLG of their unadjusted Council Tax Base using a CTB Form using valuation list information as at 14 September 2020. The deadline for return was 16 October 2020 and Merton met this deadline.
- 1.6 The CTB form for 2020 includes the latest details about the Council Tax Support Scheme and the technical reforms which impacted on discounts and exemptions.
- 1.7 There is a separate council tax base for those properties within the area covered by Wimbledon and Putney Commons Conservators. The Conservators use this, together with the Council Tax bases from RB Kingston, and Wandsworth to calculate the levy which is charged each year.

2. UNADJUSTED COUNCIL TAX BASE 2021/22

2.1 Information from the October 2020 Council Tax Base Return

- 2.1.1 The Council makes two CTB returns, one for the whole area of the borough and the other for the area covered by the Wimbledon and Putney Common Conservators for which an additional levy is applied.
- 2.1.2 From the CTB Returns, prior to incorporating an assumed collection rate, the unadjusted council tax bases are

Unadjusted Council Tax Base	2021/22
Merton – General	76,515.1
Wimbledon & Putney Common Conservators	11,733.8

3. ASSUMPTIONS IN THE MTFs ADJUSTING FOR COVID19

- 3.1 Other than changes in the actual council tax rates levied, in producing a forecast of council tax yield in future years, there are two key variables to be considered:-
- the year on year change in Council Tax Base
 - the council tax collection rate
- 3.2 The MTFs approved by Council in March 2020 assumed that the Council Tax Base increases by 0.5% per year and that the collection rate is 98.75% in each of the years.
- 3.3 Due to the coronavirus, an initial review of the assumptions was made as part of the Cabinet report in September 2020 which repriced the MTFs and rolled it forward a year.
- 3.3.1 For Council Tax yield it was assumed that there would be a reduction of 2.5% in 2021/22, 1% in 2022/23 and 0.5% in 2023/24, before returning to pre-covid levels in 2024/25. The reduction was based on the 2020/21 estimate of c. £97m so losses of £2.425m in 2021/22, £0.970m in 2022/23 and £0.485m in 2023/24.
- 3.3.2 Before updating for the new council tax base, the estimated Council Tax yield in 2021/22 is calculated as follows:-

	Council Tax (Band D) 2020/21 2% CT increase	£1,276.92 £25.54
A	Council Tax (Band D) 2021/22	£1,302.46
	Council Tax Base 2020/21 (Assuming Collection Rate 98.75%) 0.5% increase	75,989.9 379.9
B	Assumed Council Tax Base 2021/22	76,369.8
C=A x B	Yield prior to Covid adjustment	£99.469m
Less	Loss due to Covid	(£2.425m)
D	Estimated Council Tax Yield 2021/22 (MTFS – September Cabinet)	c. £97.0m
E	Unadjusted Council Tax Base 2021/22	76,515.1
F= A x E	Yield Based on Unadjusted Council Tax Base	£99.658m
G=D/F	Implied Collection Rate Based on Council Tax Base 2021/22	97.3%

4. REVIEW OF EXPECTED COLLECTION RATE 2021/22

- 4.1 It is several months since the initial estimate of the effect of COVID19 on council tax collection was made. It continues to be difficult to gauge what the ongoing impact on collection rates will be.
- 4.2 The regulations require that the Council Tax Requirement calculated for the forthcoming year is actually credited to the General Fund and any difference arising from actual collection rates is recognised in future years as part of the surplus/deficit calculation
- 4.3 For the 2021/22 council tax base calculation, a collection rate of 97% will be assumed and this will result in a Council Tax base 2021/22 as follows :-

	2021/22
Estimated Council Tax Collection Rate	97%
<u>Council Tax Base 2021/22</u>	
Merton – General	74,220.0
Wimbledon & Putney Common Conservators	11,381.8

5. IMPLICATIONS FOR COUNCIL TAX YIELD 2021/22

- 5.1 Based on a collection rate of 97% (paragraph 4 refers), on a like for like basis (i.e. assuming council tax charges do not change) the estimated income in 2021/22 compared to 2020/21 is summarised in the following table:-

Council Tax: Whole area	2020/21	2021/22
Tax Base	75,989.9	74,220.0
Band D Council Tax	1,276.92	1,276.92
Estimated Yield	£97.033m	£94.773m
Change: 2020/21 to 2021/22 (£m)		(£2,260m)
Change: 2020/21 to 2021/22 (%)		(0.4%)

5.2 Analysis of changes in yield 2020/21 to latest 2021/22

- 5.2.1 There are a number of reasons for the change in estimated yield between 2020/21 and the latest estimate based on the CTB data.
- 5.2.2 Over this period the Council Tax Base reduced by 1,769.9 from 75,989.9 to 74,220 which multiplied by the Band D Council Tax of £1,302.45 results in reduced yield of £0.365m
- 5.2.3 An exact reconciliation for the change between years is not possible because of changes in distribution of Council Tax Support and discounts and benefits, and premiums between years and bands. However, broadly the changes can be analysed as follows:-

a) Number of Chargeable Dwellings and Exempt Dwellings

Between years the number of properties increased by 317 from 85,295 to 85,612 and the number of exempt dwellings increased by 113 from 898 to 1,011. This means that the number of chargeable dwellings increased by 204 between years. Based on a full charge, this equates to additional council tax of £0.260m.

b) Amount of Council Tax Support Reduction

Based on October 2019 there was a reduction of 7,688.1 to the Council Tax Base for local council tax support. This has increased to 8,320.7 in based on October 20120 which is a change of 632.6 and equates to a reduction in council tax of about £0.808m.

This is the first time since the scheme was introduced that the adjustment for reduction in taxbase as a result of local council tax support has increased as demonstrated in the table below:-

	CTB Oct.2013	CTB Oct.2014	CTB Oct.2015	CTB Oct.2016	CTB Oct.2017	CTB Oct.2018	CTB Oct.2019	CTB Oct.2020
Reduction in Council Tax Base due to Local Council Tax Support Scheme	10,309.31	9,686.64	9,099.90	8,639.20	8,192.10	8,177.10	7,688.10	8,320.70
Change in CT Base		(622.67)	(586.74)	(460.70)	(447.10)	(15.00)	(489.00)	632.60
% Change		-6.04%	-6.06%	-5.06%	-5.18%	-0.18%	-5.98%	8.23%

c) Changes in Discounts, Exemptions and Premiums

Overall, the number of properties subject to discounts or exemption increased by 193 and those subject to premiums reduced by 9 between October 2019 and October 2020.

d) Change in collection rate

There has been a change made to the estimated collection rate of (1.75)%, which has reduced from 98.75% to 97%

Summary

The following puts the individual elements together to show how the potential council tax yield changes between 2020/21 and 2021/22:-

	Approx. Change in Council Tax Base	Approx. Change in Council Tax yield
		£m
Increase in number of chargeable dwellings	204	0.260
Change in Council Tax Support Reductions	(633)	(0.808)
Change in discounts, exemptions, premiums and distribution	(8)	(0.010)
Change in collection rate	(1,333)	(1.702)
Total	(1,770)	(2.260)

5.3 Council Tax Yield 2021/22

5.3.1 The draft MTFS assumes a Council Tax increase of 2% in 2021/22. Assuming this the estimated Council Tax yield for 2021/22 is:-

Council Tax: Whole area	Tax Base	Band D 2021/22	Council Tax Yield 2021/22	Council Tax Yield 2020/21
Merton	74,220.0	£1,302.45	£96.668m	£97.033m

5.3.2 The updated MTFS is based on the following assumptions:-

	2021/22	2022/23	2023/24	2024/25
Increase in CT Base	0.5%	0.5%	0.5%	0.5%
Collection Rate	97%	98%	98.75%	98.75%
Council Tax - General	2%	2%	2%	2%
Council Tax – Adult Social Care	0%	0%	0%	0%

5.3.3 Based on the new Council Tax Base but using the same assumptions as in the MTFS set out in the table in 5.3.2 above, the change in Council Tax Yield is as follows:-

MTFS Council Tax Yield (excluding WPCC)	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
CT Yield (Cabinet 7 September 2020)	97,007	100,919	103,913	106,960
CT Yield (New Council Tax Base)	96.668	100,076	103,295	105,771
Change in CT Yield from new Base	(0.339)	(0.843)	(0.618)	(1.189)

6. SUMMARY

6.1 Based on the information discussed, the council tax bases for 2021/22 and compared to 2020/21 are summarised in the following table:-

Council Tax Base	2020/21	2021/22	Change
Whole Area	75,989.9	74,220.0	(2.3)%
Wimbledon & Putney Common Conservators	11,604.6	11,381.8	(1.9)%

APPENDIX 2

DRAFT MTFS 2021-25:				
	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Departmental Base Budget 2020/21	159,038	159,038	159,038	159,038
Inflation (Pay, Prices)	3,734	7,458	11,116	16,256
Salary oncost increase (15.2% to 17.06%)	23	47	71	95
FYE – Previous Years Savings	(3,887)	(4,252)	(4,448)	(4,448)
FYE – Previous Years Growth	404	788	1,178	1,178
Amendments to previously agreed savings	685	175	0	0
Change -Net Appropriations to/(from) Reserves	(392)	(950)	(950)	(950)
Taxi card/Concessionary Fares	(1,128)	(1,606)	(424)	579
Social Care - Extra Spend offset by grant/precept	154	150	150	150
Growth	3,768	3,768	3,768	3,768
Provision - DSG Deficit	9,156	8,750	9,650	10,550
Other	733	813	893	973
Re-Priced Departmental Budget	172,289	174,178	180,042	187,189
Treasury/Capital financing	10,409	12,035	13,050	12,945
Other Corporate items	(21,149)	(20,731)	(21,082)	(21,086)
Levies	609	609	609	609
Sub-total: Corporate provisions	(10,131)	(8,087)	(7,423)	(7,532)
Sub-total: Repriced Departmental Budget + Corporate Provisions	162,158	166,092	172,620	179,657
Savings/Income Proposals 2021/22	(1,676)	(4,191)	(4,008)	(3,923)
Sub-total	160,482	161,901	168,612	175,734
Appropriation to/from departmental reserves	(2,497)	(1,935)	(1,935)	(1,935)
Appropriation to/from Balancing the Budget Reserve	(2,597)	0	0	0
ONGOING IMPACT OF COVID19 (NET)	4,276	2,138	974	0
BUDGET REQUIREMENT	159,665	162,104	167,651	173,799
Funded by:				
Revenue Support Grant	0	0	0	0
Business Rates (inc. Section 31 grant)	(41,358)	(39,185)	(40,029)	(40,890)
Adult Social Care Grants inc. BCF	(4,862)	(4,862)	(4,862)	(4,862)
Social Care Grant	(2,776)	(3,160)	(3,550)	(3,550)
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	(1,008)	(800)	(800)	(800)
Council Tax inc. WPC	(97,021)	(100,429)	(103,648)	(106,124)
Collection Fund – (Surplus)/Deficit	3,896	3,896	3,896	0
TOTAL FUNDING	(147,926)	(149,338)	(153,790)	(161,022)
GAP including Use of Reserves (Cumulative)	11,739	12,766	13,860	12,777

SUMMARY OF SAVINGS PROPOSALS - CABINET 9 November 2020

Savings Proposals to Cabinet 9 November 2020	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Corporate Services	374	0	0	0	374
Children, Schools and Families	450	200	0	0	650
Environment and Regeneration	930	750	(50)	(85)	1,545
Community and Housing	55	1,299	0	0	1,354
Total	1,809	2,249	(50)	(85)	3,923
Total (cumulative)	1,809	4,058	4,008	3,923	

KEY

Savings Type

SI1	Income - increase in current level of charges
SI2	Income - increase arising from expansion of existing service/new service
SS1	Staffing: reduction in costs due to efficiency
SS2	Staffing: reduction in costs due to deletion/reduction in service
SNS1	Non - Staffing: reduction in costs due to efficiency
SNS2	Non - Staffing: reduction in costs due to deletion/reduction in service
SP1	Procurement / Third Party arrangements - efficiency
SP2	Procurement / Third Party arrangements - deletion/reduction in service
SG1	Grants: Existing service funded by new grant
SG2	Grants: Improved Efficiency of existing service currently funded by unringfenced grant
SPROP	Reduction in Property related costs

Panel

C&YP	Children & Young People
OS	Overview & Scrutiny
HC&OP	Healthier Communities & Older People
SC	Sustainable Communities

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2021/2022

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2021-22 CS01	Service/Section	Customer, Policy and Improvement								
		Description	Cash collection contract	129	23				L	L	SNS1
		Service Implication	Planned reduction in number and frequency of collections								
		Staffing Implications	None								
		Business Plan implications	In line with our strategy of digitalising more services and offering a cashless solution								
		Impact on other departments	Led by Parking Services in reducing the number and frequency of collections								
		Equalities Implications	None								
	2021-22 CS02	Service/Section	Corporate								
		Description	Corporately funded items (eg. Supplies and services)	477	75				L	M	SNS1
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								
	2021-22 CS03	Service/Section	Corporate								
		Description	Realignment of Pension Added years budget	874	63				L	H	SNS1
		Service Implication	If there are a high level of redundancies due to budget reductions the residual budget will be under strain.								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2021/2022

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2021-22 CS04	Service/Section	Corporate Governance - Information Governance								
		Description	Establish income grant budget for transparency agenda	0	13				H	M	SG1
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								
Page 106	2021-22 CS05	Service/Section	Customer, Policy and Improvement								
		Description	Contract savings and IT procurement	379	200				L	L	SNS1
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
Total Corporate Services Savings					374	0	0	0			

DEPARTMENT: CHILDREN, SCHOOLS & FAMILIES SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	2021-22 CSF01	Service/Section	Education & Early Help								
		Description	Reduction made in provision for PFI Unitary Charges		£450	£0	0	0	High	Low	S11
		Service Implication	None. Generated from increased school contributions due to increased pupil numbers. Note MTFs still needs to allow for increasing 'affordability gap' general fund contributions over the next 8 years.								
		Staffing Implications	None								
		Business Plan implications	The "underspend" on the unitary charge is the result of schools income being above the budget that is set and this level of income over budget is expected to continue for the next 2-3 years. The income is based upon pupil numbers, and as the "primary bulge" continues to work through this situation is expected to continue with a small rise in pupil numbers then a plateau for a period. The "saving" is therefore expected to be available in 2021/22, and then will progressively reduce.								
		Impact on other departments Equalities Implications	None								

DEPARTMENT: CHILDREN, SCHOOLS & FAMILIES SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	2021-22 CSF02	Service/Section Description	Education & Early Help Rationalisation of Children's Centres Review of the buildings and service offer. Likely to make some savings but will need to review and unpick the income-generating capacity of these buildings. Buildings currently occupied by partners who pay rental income. This is likely to reduce the number of Children's Centre sites and will require specific public consultation and anticipated communication with DFE		£0	£200					
		Service Implication									
		Staffing Implications									
		Business Plan implications									
		Impact on other departments	Would need discussion with Health partners as they currently provide a rental income stream.								
		Equalities Implications									
Total Children Schools and Families Savings					£450	£200	£0	£0			

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2020/21

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ENV2021-01	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Future Merton Street works team income (increase in income) Captures over achievement over the last few years Undertaken within existing staff team In line with business plan None None	(120)	100				Low	Low	SI2
OS	ENV2021-02	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Development Control/Building Control Increase PPA's income (increased income) through a dedicated Majors team Assuming buoyant economy and level of development remains stable. Would be met within the existing team with a dedicated majors team resource In line with the business plan Minimal Minimal	(74)	80				Med	Low	SI2
OS	ENV2021-03	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Parking Review of back office processes and efficiencies To be reviewed To be reviewed In line with existing objectives. None None identified at present.	1,650			100	50	Low	Low	SS1
OS	ENV2021-04	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Parking EBC - potentially commencing in 2nd half of 2021/22. Assumes a 10% reduction in 2023/24, and a further 10% in 2024/25. To be reviewed To be reviewed In line with existing objectives. None To be reviewed as part of democratic processes relating to emissions based charging.	(11,996)	750 - 1,000	750 - 1,000	(150) - (200)	(135) - (180)	Low	Low	SI2
Total Environment and Regeneration Savings					930 - 1,180	750 - 1,000	(50) - (100)	(85) - (130)			

DEPARTMENT: COMMUNITY & HOUSING SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH100	Service/Section	Adult Social Care - Direct Provision	6,248		700			M	H	SS1
		Description	Review of in-house day care provision								
		Service Implication	To review and consult on the consolidation of services on fewer sites to improve efficiency and to reflect the changing nature of provision. During COVID 19 the Learning Disability service has shifted away from buildings based provision to more outreach work and use of community facilities. The demand for older people's day care has also reduced. The review will consider the assets and staffing needed to serve current and future demand with a view to reducing the cost of provision. The proposals will be subject to consultation before any decision is made. If the outcome of the review and consultation does not deliver the target savings, alternative savings from across the department will have to be found. Departmental reserves may have to be used to bridge any timing gap.								
		Staffing Implications	There are likely to be job losses depending on the outcome of the review.								
		Business Plan implications	The proposals are likely to result in the closure of buildings which need to be considered in terms of the corporate estate strategy.								
		Impact on other departments	It may impact on the delivery of passenger transport services								
		Equalities Implications	Care Act eligible needs would continue to be met but may be met in different ways. Service users will be supported through any change. There may be an impact on carers who depend on the care for person being in day care on particular days								

DEPARTMENT: COMMUNITY & HOUSING SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH101	<p>Service/Section Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Adult Social Care - Direct Provision</p> <p>Review of in-house LD residential provision To review the in-house delivery of residential care given current usage, the condition of the buildings and opportunity to redevelopment sites for supported living. The review outcome will then be subject to consultation. The review will consider whether the Council wishes to continue to operate two in-house units into the future. In the event that the review and consultation do not deliver the target saving, alternative savings will have to be found from across the department and if required departmental reserves used to meet any timing gap.</p> <p>There are likley to be job losses depending on the outcome of the review. TUPE may apply.</p> <p>The proposals may result in the closure of a building which need to be considered in terms of the corporate estate strategy.</p> <p>nil</p> <p>The residents of the services all have a disability and will need to be supported through the review and any resultant change in where they live.</p>	6,248		544			M	H	SS2

DEPARTMENT: COMMUNITY & HOUSING SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH102	Service/Section	Public Health	277	55	55			M	M	SP1
		Description Service Implication	To re-commission the Dementia Hub services when the contract expires in September 2021. The aim is to move away from a physical hub to an outreach model better linked to other services. The contract for the Dementia Hub expires in September 2021 and the proposal is not to relet the contract but commission a new lower cost service. There is no statutory duty to provide a dedicated hub. The proposal will be subject to consultation. In the event that the review and consultation does not result in a the target savings, alternative savings will need to be found from elsewhere and departmental reserves might be needed to be used to bridge any timing gap.								
		Staffing Implications	Nil								
		Business Plan implications	nil								
		Impact on other departments	nil								
		Equalities Implications	The users of the service either have dementia or are carers or family of those with dementia. They would need to be supported through any change								
Total Community and Housing Savings				12,773	55	1,299	0	0			

SUMMARY: Deferred Savings in the MTFS 2021-25

Cumulative	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Corporate Services	(620)	(100)	0	0
Children, Schools and Families	0	0	0	0
Environment and Regeneration	(65)	(75)	0	0
Community and Housing	0	0	0	0
Total	(685)	(175)	0	0

KEY**Savings Type**

SI1	Income - increase in current level of charges
SI2	Income - increase arising from expansion of existing service/new service
SS1	Staffing: reduction in costs due to efficiency
SS2	Staffing: reduction in costs due to deletion/reduction in service
SNS1	Non - Staffing: reduction in costs due to efficiency
SNS2	Non - Staffing: reduction in costs due to deletion/reduction in service
SP1	Procurement / Third Party arrangements - efficiency
SP2	Procurement / Third Party arrangements - deletion/reduction in service
SG1	Grants: Existing service funded by new grant
SG2	Grants: Improved Efficiency of existing service currently funded by unringfenced grant
SPROP	Reduction in Property related costs

Panel

C&YP	Children & Young People
OS	Overview & Scrutiny
HC&OP	Healthier Communities & Older People
SC	Sustainable Communities

Previously Agreed Saving

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2018/19

Panel	Ref	Description of Saving	Baseline Budget £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2018-19 CS08	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>		100	20	15				L	L	SI2
	2019-20 CS13	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	0		500					M	M	SNS1
	2020-21 CS10	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	531			100				L	M	SS2
				100	520	115	0	0	0			

Deferred Savings proposal

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS

Budget Process	Ref	Description of Saving		Baseline Budget £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2018-19 CS08	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	Revenues and Benefits Increase in income from Enforcement Service Increase in number of warrants received from ANPR contriventions None None Increase in income for E & R None		100	0	15	20			L	L	SI2
	2019-20 CS13	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	Revenues and Benefits Improved collection of HB overpayments and reduce Bad Debt Provision HB overpayments have increased since 2014 and as a result additional income and subsidy received which also allows a reduction in bad debt provision None None Existing collection procedures protects and assists the most vulnerable residents None				0	500			M	M	SNS1
	2020-21 CS10	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	Infrastructure & Technology Division - Transactional Services Further restructuring of the Transactional Services team Will increase the time taken to process income and expenditure payments and set up new suppliers on the Councils financial system. Will have a direct impact on the Councils cash flow due to delays in the production and processing of invoices for covering chargeable services. Previously agreed saving of £100k in 2020/21 which reduces the current establishment from 13 FTE down to 10 and the additional £100k saving will reduce the team down to 7 FTE. To be determined Likely to have a direct impact on the Councils cash flow due to delays in the production and processing of invoices for covering chargeable services. None None	531					100		L	M	SS2
			Change		100	0	15	520	100	0			
					0	(520)	(100)	520	100	0			
			Cumulative change		0	(520)	(620)	(100)	0	0			

Previously Agreed Saving

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS

Budget Process	Ref	Description of Saving		2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	E1	Service/Section Description	Regulatory Services Partnership Investigate potential commercial opportunities to generate income from provision of business advice. This follows on from the expansion of the RSP to include Wandsworth from November 2017, and increased resilience.	65	75			Med	Low	SI2
		Service Implication	Will need to ensure no conflict of interest in respect of service delivery.							
		Staffing Implications	Developing new areas of business will need careful consideration of deployment of existing resources.							
		Business Plan implications	Consistent with Business Plan objectives							
		Impact on other departments	None, but will need to consider potential impact on partner boroughs.							
		Equalities Implications	None.							
		TOM Implications	Consistent with objective of making service more commercially driven.							
Total Environment and Regeneration Savings				65	75	0	0			

Deferred Savings proposal

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS

Budget Process	Ref	Description of Saving	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputatio nal Impact	Type of Saving (see key)	
SC	E1	<p>Service/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p> <p>TOM Implications</p>	<p>Regulatory Services Partnership Investigate potential commercial opportunities to generate income from provision of business advice. This follows on from the expansion of the RSP to include Wandsworth from November 2017, and increased resilience. Will need to ensure no conflict of interest in respect of service delivery. Developing new areas of business will need careful consideration of deployment of existing resources. Consistent with Business Plan objectives None, but will need to consider potential impact on partner boroughs. None. Consistent with objective of making service more commercially driven.</p>		65	75		Med	Low	SI2
Total Environment and Regeneration Savings			0	65	75	0				
Change			(65)	(10)	75	0				
Cumulative			(65)	(75)	0	0				

SUMMARY OF EQUALITIES ASSESSMENTS

SAVINGS REFERENCE	CABINET	DEPARTMENT	SAVING	OUTCOME
2021-22 CS01	07 December 2020	Corporate Services	Cash Collection Contract	1
2021-22 CS02	07 December 2020	Corporate Services	Corporately funded items (e.g. Supplies and Services)	1
2021-22 CS03	07 December 2020	Corporate Services	Realignment of Pension Added years budget	1
2021-22 CS04	07 December 2020	Corporate Services	Information Governance - Establish income grant budget for transparency agenda	1
2021-22 CS05	07 December 2020	Corporate Services	Contract savings and IT procurement	1
2021-22 CSF01	07 December 2020	Children, Schools and Families	Reduction made in provision for PFI Unitary charges	1
2021-22 CSF02	07 December 2020	Children, Schools and Families	Rationalisation of Children's Centres	2
ENV2021-01	07 December 2020	Environment and Regeneration	FutureMerton - Street works team income	1
ENV2021-02	07 December 2020	Environment and Regeneration	Development Control/Building Control - Increase PPA's income through a dedicated Majors team	1
ENV2021-03	07 December 2020	Environment and Regeneration	Parking - Review of back office processes and efficiencies	3
ENV2021-04	07 December 2020	Environment and Regeneration	Parking - EBC - potentially commencing in 2nd half of 2021/22	2
CH100	07 December 2020	Community and Housing	Review of in-house day care provision	2
CH101	07 December 2020	Community and Housing	Review of in-house LD Residential provision	2
CH102	07 December 2020	Community and Housing	Dementia hub re-commissioning	3

Equality Analysis

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet
 Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	A series of Resources Division corporate savings (2021-22 CS 1,2,3,4&5)
Which Department/ Division has the responsibility for this?	Corporate Services/Resources

Stage 1: Overview											
Name and job title of lead officer	Roger Kershaw. AD Resources										
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Various savings in back office costs:- <table data-bbox="583 738 1375 909"> <tr> <td>Cash collection contract</td> <td>£23,000</td> </tr> <tr> <td>Miscellaneous savings (eg. Subscriptions)</td> <td>£75,000</td> </tr> <tr> <td>Realignment of Pensions added year's budget</td> <td>£63,000</td> </tr> <tr> <td>Income grant for transparency agenda</td> <td>£13,000</td> </tr> <tr> <td>Contract Savings and IT procurement</td> <td>£200,000</td> </tr> </table>	Cash collection contract	£23,000	Miscellaneous savings (eg. Subscriptions)	£75,000	Realignment of Pensions added year's budget	£63,000	Income grant for transparency agenda	£13,000	Contract Savings and IT procurement	£200,000
Cash collection contract	£23,000										
Miscellaneous savings (eg. Subscriptions)	£75,000										
Realignment of Pensions added year's budget	£63,000										
Income grant for transparency agenda	£13,000										
Contract Savings and IT procurement	£200,000										
2. How does this contribute to the council's corporate priorities?	Assists with balancing the budget.										
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	None										
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	None										

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Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?

Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

The proposals represent back office savings and there will be no impact on the protected characteristics.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		X		X	. No impact
Disability		X		X	. No impact
Gender Reassignment		X		X	. No impact
Marriage and Civil Partnership		X		X	. No impact
Pregnancy and Maternity		X		X	. No impact
Race		X		X	. No impact
Religion/ belief		X		X	. No impact
Sex (Gender)		X		X	. No impact
Sexual orientation		X		X	. No impact
Socio-economic status		x		X	. No impact

7. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
No impact						

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

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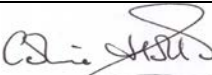
OUTCOME 1

OUTCOME 2

OUTCOME 3

OUTCOME 4

Stage 5: Sign off by Director/ Head of Service

Assessment completed by	Roger Kershaw, AD Resources	Signature: Roger Kershaw	Date: 17.11.20
Improvement action plan signed off by Director/ Head of Service	Caroline Holland	Signature: 	Date: 24/11/20

Equality Analysis

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet
 Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	Reduction made in provision for PFI Unitary Charges
Which Department/ Division has the responsibility for this?	CSF / Education and Early Help

Stage 1: Overview	
Name and job title of lead officer	Tom Procter
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	To ensure the budget fits the payments and income due – reflecting recent increases in receipts from school contributions due to formula based on school roll and RPIx increase agreed within last few years.
2. How does this contribute to the council's corporate priorities?	Support the council in meeting its savings targets and balancing its budget
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	None – reflects previous decisions made
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	No

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?

Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

As there is not expected to be an impact on services to anyone there will be no impact on the protected characteristics.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		*		*	There is no negative impact to any person or protected characteristic as the cut does not change any service being provided – the budget reduction ensures the budget fits the payments and income due reflecting recent increases in receipts from school contributions due to formula based on school roll and RPIx increase agreed within last few years
Disability		*		*	As above
Gender Reassignment		*		*	As above
Marriage and Civil Partnership		*		*	As above
Pregnancy and Maternity		*		*	As above
Race		*		*	As above
Religion/ belief		*		*	As above
Sex (Gender)		*		*	As above
Sexual orientation		*		*	As above
Socio-economic status		*		*	As above

7. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Page 24 Stage 4: Conclusion of the Equality Analysis

Page 24

Which of the following statements best describe the outcome of the EA (Tick one box only)

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1

OUTCOME 2

OUTCOME 3

OUTCOME 4

Stage 5: Sign off by Director/ Head of Service

Assessment completed by	Tom Procter	Signature: T Procter	Date: 29/10/2020
Improvement action plan signed off by Director/ Head of Service	Add name/ job title	Signature:	Date:

Equality Analysis

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet
 Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	Rationalisation of Children’s Centres
Which Department/ Division has the responsibility for this?	CSF / Education and Early Help

Stage 1: Overview

Name and job title of lead officer	Allison Jones
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	<p>Aims</p> <ol style="list-style-type: none"> To reduce the number of buildings designated as DFE defined linked Children’s Centres, resulting in a closure of a number of these linked Centres. To maintain an offer of early childhood services for all Merton residents, through a range of universal services provided through other statutory agencies ie Health Visiting, early education and through access to services directly delivered in Children’s Centres either face to face, remotely or through home visiting To target resources at groups more at risk of poor outcomes, many of whom are within the protected characteristics groups To rationalise the number of Children’s Centres buildings based on protecting services for families with children under 5, who are identified as requiring additional early years learning and development and early help services <p>Objectives</p> <ol style="list-style-type: none"> To target provision in areas of deprivation through a network of Children’s Centres, with 2 designated Children’s Centres (Acacia and Steers Mead) with a number of linked sites located in agreed areas, located in Merton’s most deprived communities, which will focus the building provision in the South and East of the borough To provide key services to vulnerable families, families living in lower income households and based on identified needs, supported by universal partner agency services i.e. midwifery, health visiting and early years education. To maximise the opportunities through mandatory universal services i.e. midwifery, health visiting and early education and childcare, embedding pathways of support through a range of Children’s Centre services that meet presenting need and provide self-serve and remote services for

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	<p>families where there are no additional needs above the universal level of need (threshold indicators)</p> <p>Outcomes</p> <ol style="list-style-type: none"> 1. To narrow the gap at age 5 for vulnerable children including those with SEND, those living in low income households (eligibility for FSM) children from BAME groups and boys 2. To provide an offer that supports children’s learning and development and builds parental bonding and attachment so that children can flourish in their early years and be ready for school/learning 3. That families have their needs met in the early years, as evidence and research shows this is crucial to securing good lifelong outcomes, targeting resources appropriately
<p>2. How does this contribute to the council’s corporate priorities?</p>	<p>Support the council in meeting its savings targets and balancing its budget</p> <p>Narrowing the gap</p> <p>Delivering good outcomes for young children</p> <p>Being London’s Best Council</p>
<p>3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.</p>	<p>There are a range of residents and stakeholders that are affected</p> <ol style="list-style-type: none"> 1. Resident families with children under the age of 5 2. Current community health provider CLCH who rent office space and delivery services from some Centres 3. Midwifery Services from St George’s and St Helier who deliver services from some centres 4. Range of other agencies who rent spaces from Centres, this is anticipated to change between now and 2022
<p>4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?</p>	<p>Partly, currently the CLCH contract includes delivery and office accommodation from Children’s Centres, rationalisation would need to be planned for in an integrated way with public health. Significant income is generated from the use of Centre by the community health provider so that would need to be factored in to any proposal as well as the possible impact on their own delivery model. This proposal also could affect the midwifery service of St Georges and St Helier, who have delivery space in some of the existing centres.</p>

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Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?

Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

EYFSP profile data

IDACI mapping

Take up data

Outcome data (Family maps)

Feedback from service users

Pathways data

Covid response service data

Compliments

Area profile

Research/evidence based practice <https://www.childrenscommissioner.gov.uk/wp-content/uploads/2020/07/cco-best-beginnings-in-the-early-years.pdf>

Using the above data enable the service to identify potential groups who may be more vulnerable to poor outcomes (child development) and or who may have protected characteristics. The analysis from the data sets, enables ongoing reviews of the services in terms of take up and engagement with various groups of residents who have protected characteristics, and provides a helpful bench mark as to possible groups that may be under represented and where a change in approach to current practices may need to be reviewed/changed/developed. The aim is to utilise various data sources that provide evidence of specific data in terms of output/volume/characteristics of service users as well as relevant/measurable outcomes so that there is a systematic approach to mitigating any negative impact as a result of the proposed changes to changes the number of physical buildings that are available for services to be delivered from.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		*	*		Possible negative impact is that women with young children may not have access to a local centre, however services would continue to be offered as they are now only at a centre in a different location, remotely or as part of a home visiting service
Disability		*		*	Services for children with a disability will be protected
Gender Reassignment		*		*	
Marriage and Civil Partnership		*		*	
Pregnancy and Maternity		*	*		Possible negative impact is that women/mothers may not have access to a local centre, however services would continue to be offered as they are now only at a centre in a different location, remotely or as part of a home visiting service
Race		*	*		Possible negative impact is that some families may not have access to a local centre, however services would continue to be offered as they are now only at a centre in a different location, remotely or as part of a home visiting service. Some BAME children have lower outcomes at the age of 5, so services would continue to target support and appropriate activities that support early child hood development for this cohort
Religion/ belief		*		*	
Sex (Gender)		*	*		Possible negative impact is that some families/mothers (women tend to be the significant service users) may not have access to a local centre, however services would continue to be offered as they are now only at a centre in a different location, remotely or as part of a home visiting service. Male children tend to have lower outcomes at the age of 5, so services would continue to target support for appropriate activities that support early child hood development for this cohort
Sexual orientation		*		*	
Socio-economic status		*	*		Services will remain focussed within Merton's most deprived communities, with specific criteria based on the free school meal eligibility criteria (workless households) . Children's Centres will be prioritised for remaining open, based on the communities that they serve – the lower the IDACI scores, the focus will be here

7. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Age	<p>Buildings in more affluent areas will be rationalised, enabling resources to be used to support service priorities which includes narrowing the gaps for vulnerable groups and children at risk of poor outcomes, which include families/individuals with protected characteristics. Targeted outreach will take place in communities/buildings where there are pockets of deprivation/temporary accommodation and known families who may benefit from addition support, if there are no local centres nearby (as is the case currently)</p> <p>Continue to offer a range of services including young parents groups, to all mothers and fathers and children under 5 in accordance with identified need. All first time parents, and more vulnerable parents with more than one child, will continue to be offered a remote or face to face universal baby programme</p> <p>Families will have access to a centre, within the borough. For</p>	Service wide data	Quarterly/termly/yearly	Existing	AJ	Contained within Services monitored to ensure we are meeting needs. We monitor age for child and not parent.

<p>Page 131</p>	<p>some families they may have to travel further than currently, where this is an issue home visits will be considered or the possible rental of local space to deliver services if the need arises (i.e. schools, nursery).</p> <p>Continue to provide services at a more targeted level of need (as is the current offer), working in partnership with the mandated universal services i.e. midwifery and health visiting so that these agencies make full use of referral pathways and early help provision.</p> <p>Continue to promote the take up of services, particularly the health mandated child reviews and the 2 year old funded offer for eligible families</p>					
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<p>Pregnancy and maternity</p>	<p>Buildings in more affluent areas will be rationalised, enabling resources to be used to support service priorities which includes narrowing the gap for vulnerable groups and children at risk of poor outcomes, which include families/individuals with protected characteristics. Remaining buildings will continue to host midwifery, antenatal and post-natal and health visiting universal services.</p> <p>Targeted outreach will take place in communities/buildings where there are pockets of deprivation/temporary accommodation and known families who may benefit from addition support, if there are no local centres nearby, as is the case currently</p> <p>Families will have access to a centre, within the borough. For some families they may have to travel further than currently, where this is an issue home visits will be considered or the possible rental of local space to deliver services if the need arises (i.e. schools, nursery).</p> <p>Continue to offer a range of services including the young</p>					
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	<p>parents groups, to all mothers and fathers and children under 5 in accordance with identified need. (This is the current delivery model – so no change) All first time parents, (and more vulnerable parents with more than one child) will continue to be offered a remote or face to face universal baby programme</p> <p>Continue to provide services at a more targeted level of need (as is the current offer), working in partnership with the mandated universal services i.e. midwifery and health visiting so that these agencies make full use of referral pathways and early help provision</p> <p>Continue to promote the take up of services, particularly the health mandated child reviews and the 2 year old funded offer for eligible families</p>					
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<p>Race</p>	<p>Buildings in more affluent areas will be rationalised, enabling resources to be used to support service priorities which includes narrowing the gap for vulnerable groups and children at risk of poor outcomes, which include families/individuals with protected characteristics</p> <p>Targeted outreach will take place in communities/buildings where there are pockets of deprivation/temporary accommodation and known families who may benefit from addition support, if there are no local centres nearby, as is the case currently</p> <p>Continue to offer a range of early learning together programmes and services including young parents groups, ESOL for mums and under 1s, targeted drop ins to all mothers and fathers and children under 5 in accordance with identified need. All first time parents, and more vulnerable parents with more than one child, will continue to be offered a remote or face to face universal baby programme</p> <p>Families will have access to a centre, within the borough. For some families they may have to travel further than currently,</p>					
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	<p>where this is an issue home visits will be considered or the possible rental of local space to deliver services if the need arises (i.e. schools, nursery).</p> <p>Continue to provide services at a more targeted level of need (as is the current offer), working in partnership with the mandated universal services i.e. midwifery and health visiting so that these agencies make full use of referral pathways and early help provision. Continue to promote the take up of services, particularly the health mandated child reviews and the 2 year old funded offer for eligible families</p>					
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<p>Sex</p>	<p>Buildings in more affluent areas will be rationalised, enabling resources to be used to support service priorities which is vulnerable groups and children at risk of poor outcomes, which include families/individuals with protected characteristics</p> <p>Targeted outreach will take place in communities/buildings where there are pockets of deprivation/temporary accommodation and known families who may benefit from addition support, if there are no local centres nearby, as is the case currently</p> <p>Continue to offer a range of services including young parents groups, to all mothers and fathers and children under 5 in accordance with identified need. All first time parents, and more vulnerable parents with more than one child, will continue to be offered a remote or face to face universal baby programme</p> <p>Families will have access to a centre, within the borough. For some families they may have to travel further than currently, where this is an issue home visits will be considered or the possible rental of local space to deliver services if the need arises (i.e.</p>					
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	<p>schools, nursery). Continue to provide services at a more targeted level of need (as is the current offer), working in partnership with the mandated universal services i.e. midwifery and health visiting so that these agencies make full use of referral pathways and early help provision</p> <p>Continue to promote the take up of services, particularly the health mandated child reviews and the 2 year old funded offer for eligible families</p>					
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<p>Socio-economic</p>	<p>Continue to offer a range of services including young parents groups, to all mothers and fathers and children under 5 in accordance with identified need. All first time parents, and more vulnerable parents with more than one child, will continue to be offered a remote or face to face universal baby programme</p> <p>For families living in areas of deprivation (CC locality) it is anticipated there will be minimal changes. Where travel or access may be an issue home visits will be considered or the possible rental of local space to deliver services if the need arises (i.e. schools, nursery).</p> <p>Continue to provide services at a more targeted level of need (as is the current offer), working in partnership with the mandated universal services i.e. midwifery and health visiting so that these agencies make full use of referral pathways and early help provision</p> <p>Continue to promote the take up of services, particularly the health mandated child reviews and the 2-year-old funded offer for eligible families. Continue to deliver</p>					

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1

OUTCOME 2

OUTCOME 3

OUTCOME 4

Stage 5: Sign off by Director/ Head of Service

Assessment completed by	Allison Jones	Signature: Allison Jones	Date: 18/11/2020
Improvement action plan signed off by Director/ Head of Service		Signature:	Date:

1801039

Equality Analysis

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet
 Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	Proposed budget savings ENV2021-01 Street works team income (increase in income)
Which Department/ Division has the responsibility for this?	E&R: Future Merton Infrastructure Team

Stage 1: Overview

Name and job title of lead officer	Paul McGarry, Head of Future Merton
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	The proposal is to increase fees and permit charges relating to roadworks, utility works and construction site activity on or adjacent to the Highway Network. Proposals to increase income by £100,000 p/a though increased licence and permit fees.
2. How does this contribute to the council's corporate priorities?	In line with the council's business plan and statutory role as Highway Authority.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Customers affected will be utility companies and developers who pay to use, amend or hire the public highway for construction and utility purposes, this also includes fines for non compliance.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Responsibility is retained within the Council under statutory highway duties.

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?

Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

A review of fees and permits has been undertaken and benchmarked against other local authorities.
 Work has been undertaken with London Councils regarding lane-rental permits for utility works that has contributed to identifying opportunities to increase revenue income to LBM.

Due to the nature of the works and customers involved (roadworks and construction / utility companies, it not considered that there will be an impact on the protected characteristics of our residents,

Stage 3: Assessing impact and analysis

9. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		X		X	N/A – fee proposals have a neutral impact on equality groups
Disability		X		X	No proposals to increase Disable Parking Bay fees.
Gender Reassignment		X		X	N/A – fee proposals have a neutral impact on equality groups
Marriage and Civil Partnership		X		X	N/A – fee proposals have a neutral impact on equality groups
Pregnancy and Maternity		X		X	N/A – fee proposals have a neutral impact on equality groups
Race		X		X	N/A – fee proposals have a neutral impact on equality groups
Religion/ belief		X		X	N/A – fee proposals have a neutral impact on equality groups
Sex (Gender)		X		X	N/A – fee proposals have a neutral impact on equality groups
Sexual orientation		X		X	N/A – fee proposals have a neutral impact on equality groups
Socio-economic status		x		X	N/A – fee proposals have a neutral impact on equality groups

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7. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
N/A						

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 4: Conclusion of the Equality Analysis

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Which of the following statements best describe the outcome of the EA (Tick one box only)

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1

OUTCOME 2

OUTCOME 3

OUTCOME 4

Stage 5: Sign off by Director/ Head of Service

Assessment completed by	Paul McGarry Head of FutureMerton	Signature: PMcG	Date:5/11/20
Improvement action plan signed off by Director/ Head of Service	James McGinlay Assistant Director for Sustainable Communities	Signature: JMcG	Date:5/11/20

Equality Analysis

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet
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What are the proposals being assessed?	Increase Planning Performance Agreement's income (increased income) through a dedicated Majors team ENV2021-02
Which Department/ Division has the responsibility for this?	E@R Sustainable Communities

Stage 1: Overview

Name and job title of lead officer	Neil Milligan : Building and Development Control Manager
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Increase PPA's income (increased income) through a dedicated Majors team Charging additional fees for major planning applications. Will deliver additional income for savings.
2. How does this contribute to the council's corporate priorities?	Income for corporate savings imperative
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Additional expectations on the service provided given that addition fees to be charged. These will not be invested in the team to allow extra resources to undertake the work, unless extra additional income is also generated. Reorganised structure may concentrate effort on major regeneration schemes to the benefit of residents and businesses
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Future Merton provide professional expertise on relevant major planning applications. Children's Schools and Families, Property, Env health, Greenspaces and other sections rely on the service when involved in planning applications for their respective area or provide advice external applications.

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Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?

Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

None

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		X		X	
Disability		X		X	
Gender Reassignment		X		X	
Marriage and Civil Partnership		X		X	
Pregnancy and Maternity		X		X	
Race		X		X	
Religion/ belief		X		X	
Sex (Gender)		X		X	
Sexual orientation		X		X	
Socio-economic status		X		X	

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7. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
N/A						

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore, it is important the effective monitoring is in place to assess the impact.

Stage 4: Conclusion of the Equality Analysis

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Which of the following statements best describe the outcome of the EA (Tick one box only)

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1

OUTCOME 2

OUTCOME 3

OUTCOME 4

Stage 5: Sign off by Director/ Head of Service

Assessment completed by	Neil Milligan	Signature:	Date:29-10-20
Improvement action plan signed off by Director/ Head of Service	Neil Milligan	Signature:	Date:29-10-20

Equality Analysis

Please refer to the guidance for carrying out Equality Analysis (available on the intranet).
 Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	Deletion of posts in Parking Services to meet the proposed Savings proposal for 2023/2024 and 2024/24. ENV2021-03
Which Department/ Division has the responsibility for this?	Directorate : Environment and Regeneration Section: Parking Services Service: Permits/PCN/and administration.

Page 1 of 1

Stage 1: Overview

Name and job title of lead officer	Ben Stephens
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	The aim of the deletion of posts is to achieve the proposed saving by reducing the number of posts within the Service.
2. How does this contribute to the council's corporate priorities?	Achieving the MTFs savings and considering efficiencies within the service
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Work force
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	No

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?

Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

Parking Services have a total of 78.5 staff including the Head of Parking Services. There are 43.5 'back office staff and 35 Civil Enforcement Officer and Team Leaders. This saving will reduced the back office establishment to 40.5 staff in 2023/24 and down to 39 in 2024/25, a total reduction of 4.5fte post in total.

The protected characteristics that maybe affected are age, disability, sex (Gender) and race. The council's restructure process will be followed which includes a process of consultation with the workforce.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age			x		Staff affected maybe of an older age group.
Disability			x		Staff affected may have a registered disability.
Gender Reassignment				x	
Marriage and Civil Partnership				x	
Pregnancy and Maternity				x	
Race				x	Staff may be affected depended on race.
Religion/ belief				x	
Sex (Gender)			x		Staff affected maybe either female or male.
Sexual orientation				x	
Socio-economic status					

7. If you have identified a negative impact, how do you plan to mitigate it?

The negative impact will be that the 4.5 members of staff (if in post at the time of the saving in 2023/2024) will be subject to redundancy where individuals are presenting as having the protected characteristics of either age, sex (gender) or disability. The managing workforce change procedure and policy will be used to mitigate any negative equalities impact that arises.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have ‘due regard’ and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Pan

9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Staff affected by the proposed deletion of the posts can present with the following protected characteristics: age, sex (gender) and/or a disability	We will use the managing workforce change policy to mitigate the negative impact.	Through following the workforce change policy and addressing any negative impact on age, sex or disability.	Within the timescales set for savings	Existing resources	Ben Stephens	Not yet as this has not been agreed.

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Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

This section can also be used in your decision making reports (CMT/Cabinet/etc) but you must also attach the assessment to the report, or provide a hyperlink

This Equality Analysis has resulted in an Outcome [3](#) Assessment

The proposed deletion of posts in 2023/24 in Parking Services will impact on the workforce as there will potentially be a deletion of posts. The council's process will be followed, this includes the consultation with the staff. Should anything be raised during the consultation stage in relation to equalities, reasonable adjustments will be made to address the issues raised.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Ben Stephens	Signature: <i>Ben Stephens</i>	Date: 6.11.2020
Improvement action plan signed off by Director/ Head of Service	Add name/ job title	Signature:	Date:

Emission Based Charging Equalities Assessment (November 2020)

This document is in the process of being updated following the result of a recent consultation.

Equality Analysis



Please refer to the guidance for carrying out Equality Assessments is available on the intranet
Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?

ENV2021-04

Saving title – Emission based charging for Permits and paid for parking on and off street.

To help deliver key strategic council priorities including public health, air quality, climatechange and sustainable and active transport.

This assessment considers:

The effect of an emission-based charging model and the decrease or increase in Permit and parking changes for some residents/motorists.

To facilitate emission based charging it is proposed 100 new machines are required which can charge based on vehicle type. It is proposed to remove all existing machines (circa 429) in a phased approach over the medium term, and replace 100 new machines which will also take card and other contactless payments. These 100 machines account 80% of all transactions.

There is currently a total of 2.3 m transactions – c £4.6 m per annum

This assessment considers the payment methods/choices at location where a machine is no longer an alternative and payment options in respect of the 100 new machines and the impact for card payments.

	<p>Scratch cards for visitor Permits are currently sold to allow parking within Permit Zones when guests visit. These cannot be linked to specific vehicles which is required in an emission based charging model. The potential removal of this service in the medium term is being considered with an online vehicle specific option which is now available.</p>
<p>Which Department/ Division has the responsibility for this?</p>	<p>Parking Services, Environment and Regeneration</p>

<p>Stage 1: Overview</p>	
<p>Name and job title of lead officer</p>	<p>Ben Stephens, Head of Parking</p>
<p>1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc.)</p>	<p>In setting out its measures of success, the on/off street diesel levy surcharge aims to reduce the number of highly polluting cars owned within the borough. Local authorities are not permitted to use parking charges solely to raise income. When setting charges, we must instead focus on how the charges will contribute to delivering the Council’s traffic management and other policy objectives.</p> <p>Merton wishes to ensure that the highest priority is given, to its responsibilities to deliver cleaner local air at a time when the current situation has been described as a global public health emergency. We are delivering a new Air Quality Action Plan that is ambitious in its aims and already demonstrates that we as an authority will use all of the powers available to us, not only to challenge and tackle this problem; but also to work towards delivering our legal responsibilities to protect the public.</p> <p>The council recognises the part that it has to play, in developing and delivering a framework to tackle air quality, demand for parking, and congestion in the borough. It does not stand alone on these issues. All of the other London boroughs are seeking to implement new parking policies to tackle similar problems.</p> <p>There are very few direct levers available to stimulate a change in driver behaviour, and the council believes that the rationale for setting the new parking charges is about giving people the right nudge and opportunity to make different choices.</p>

	<p>Members are requested to exercise their statutory duty to secure the expeditious, convenient and safe movement of traffic, and the provision of suitable and adequate parking facilities in the context of the public health agenda. This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction.</p> <p>This proposal sets out the rationale of seeking to adjust driver behaviour and to ensure that we can provide a modern, efficient and environmentally sustainable transport policy for residents, visitors and businesses, now and in the future.</p> <p>They explain the Public Health vision to protect and improve physical and mental health outcomes for the whole population in Merton, and to reduce health inequalities. At the heart of the strategy is the concept that the environment is a key driver for health. It can be summarised by 'making the healthy choice the easy choice'.</p>
<p>2. How does this contribute to the council's corporate priorities?</p>	<p>It contributes in the following ways:</p> <ol style="list-style-type: none"> 1. Reduce congestion 2. Improve air quality and meet EU quality standards 3. To meet the actions set out in the Merton Health and Wellbeing Strategy 2019 4. Adopt a healthy street approach 5. Promote healthier life styles and encourage more active travel <p>Healthy places: The 'healthy streets' approach defines a healthy street as one with: things to see and do; places to stop and rest; shade and shelter; clean air; and pedestrians from all walks of life. It must be easy to cross; and feel safe, relaxing and not too noisy. Put simply, it needs to be an environment in which people choose to walk and cycle. Action against these indicators ultimately improves health, and parking policy has a role to play for example, by helping improve air quality, and incentivising people to walk, cycle and use public transport.</p>

	<p>Merton Air Quality Action Plan 2018-2023</p> <p>Merton's Air Quality Action Plan 2018-2023 strongly supported by Members is a key policy document, which clearly sets out the links between vehicle use and air quality in the Borough. Air pollution is recognised, as a major contributor to poor health with more than 9000 premature deaths attributed to poor air quality in London Air pollution is associated with a number of adverse health impacts: it is recognised as a contributing factor in the onset of heart disease and cancer. Additionally, air pollution particularly affects the most vulnerable in society: children and older people, and those with heart and lung conditions. There is also often a strong correlation with equalities issues, because areas with poor air quality are often less affluent.</p> <p>Air quality has been identified as a priority both nationally and within London, where pollution levels continue to exceed both EU limit values and UK air quality standards. Pollution concentrations in Merton have historically and continue to breach the legally binding air quality limits for both Nitrogen Dioxide (NO₂) and Particulate Matter (PM₁₀). The air quality-monitoring network run by Merton has shown that the UK annual mean NO₂ objective (40µg/m³) continues to be breached at a number of locations across the borough. In some locations the NO₂ concentration is also in excess of the UK 1-hour air quality objective (60µg/m³) which indicates a risk not only to people living in that area but also for those working or visiting the area.</p> <p>In Merton an Air Quality Management Area (AQMA) has been declared for the whole borough. The AQMA has been declared for the following pollutants: Nitrogen Dioxide: we are failing to meet the EU annual average limit for this pollutant at some of our monitoring stations and modelling indicates it is being breached at a number of other locations. We may also be breaching the UK 1-hour Air Quality Objective based on measured concentration for NO₂ being in excess of 60µg/m³ at some locations within the borough. There are four focus areas in the borough. These are in the main centres of Mitcham, Morden, Raynes Park and Wimbledon.</p> <p>Parking and Traffic Management</p> <p>This proposed Parking Charges report sets out the important role Parking and transport policy has in managing the roads and wider travel needs of the public. Merton's policy links closely with the local Implementation Plan and the Mayors Transport Strategy, which sets out objectives in detail.</p>
3. Who will be affected by this proposal? For example who are	The proposal will affect all residents, businesses, workers and visitors to the borough, across all socio-economic groups, who own a diesel vehicle.

the external/internal customers, communities, partners, stakeholders, the workforce etc.

In order to set the context for the proposal the following profile has been used.

Merton's profile

Merton has a diverse and growing population. In 2018, Merton has an estimated resident population of 209,400, which is projected to increase by about 3.9% to 217,500 by 2025. The age profile is predicted to shift over this time, with notable growth in the proportions of older people (65 years and older) and a decline in the 0-4 year old population.

Age	Percentage of total population
0-4	7.4%
5-17	15.7%
18-64	64.5%
65-84	10.7%
85+	1.7%

Source: GLA Housing led projection, data from 2016 SHLAA

Sex

Age	Female	Male
0-4	106,045 (51%)	103,370 (49%)
5-17	16,077 (49%)	16,733 (51%)
18-64	68,266 (50.5%)	66,914 (49.5%)
65-84	11,840 (53%)	10,500 (47%)
85+	2,287 (63%)	1,343 (37%)

Source: The 9 Protected Characteristics, Merton. Available from:
<https://www2.merton.gov.uk/9%20PC%20July%202018%20Final.pdf>

In 2018, east Merton has an estimated resident population of 110,200 which is projected to increase to 113,900 by 2025 (a 3.3% increase) compared to west Merton, which has an estimated resident population of 99,200 which is projected to increase to 103,600 by 2025 (a 4.5% increase).

	<p>East Merton generally has a larger younger population of 0-29 year olds compared to west Merton, which generally has a larger population of people, aged 35 and over.</p> <p>In 2018, Merton has an estimated 135,200 working age population (18-64 year olds), which make up 64.5% of the total population. By 2025 this is predicted to increase in numbers to almost 140,000 (although decrease slightly as a proportion of the total population, to 64.3%). Almost 72,000 of this age group currently reside in east Merton compared to 63,200 in west Merton. There is expected to be an increase by 2025 to 73,800 in east Merton and 66,200 in west Merton.</p> <p>Merton has 22,350 people aged 65-84 years old (10.7% of the total population). By 2025, this is predicted to increase to 24,350 (11.2%). 10,350 live in east Merton compared to 12,000 in west Merton. By 2025 there is expected to be an increase to 11,550 in east Merton and almost 12,800 in west Merton.</p> <p>Merton along with most London Boroughs is currently failing its annual legal air quality targets for both NO2 and Particulates (PMs); this problem is most severe around the major transport routes. There is emerging evidence that schools in London which are worst affected by air pollution are in the most deprived areas, meaning that poor children and their families are exposed to multiple health risks.</p>
<p>4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?</p>	<p>Yes. Responsibility is shared with the following departments, organisations and partners. Future Merton, Highways and Transportation, Planning, Mayor of London, TfL, transport operators, Parking Services.</p>

Stage 2: Collecting evidence/ data**5. What evidence have you considered as part of this assessment?**

Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

The Council have assessed the use of public transport and active transport and are considered alternatives to owning a vehicle. Specifically diesel cars contribute significantly to poor air quality. There are also other vehicle types such as electric or hybrid which are clear alternatives.

In the proposal there will be locations where currently a P&D machine is in situ, but may be removed and for a 'cashless' payment to be made through a phone or APP. This assessment has considered the impact on individuals unable to pay by phone or APP at locations where cash machines are not an option.

In respect of the locations where the 100 new machines are being put in, consideration will be given to have cash and card payments or just cash.

Key factors considered included:

- (i) Air Quality hotspots
- (ii) Areas of high congestion

Merton is committed to undertaking comprehensive consultation to gain the views of residents and stakeholders. This enables the Council to make informed decisions and to develop our policies.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age	X		X		<p><u>Positive Impact</u></p> <p>The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all.</p> <p>This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction.</p> <p><u>Potential Negative Impact</u></p>

				<p><u>(Areas of mobile phone payments only)</u></p> <p>There may be a number of residents (predominantly elderly) who do not own a mobile phone and would be unable to make payment via RingGo in locations where there is no machine to do so, they would be unable to make payment unless an alternative option is available.</p> <p><u>(Locations where there is a machine to make payment)</u></p> <p>In the case where there is a machine available for payment, it is being considered for these machines to only take cashless payments. If a motorists does not have a bank card to make payment, they would be unable to make payment unless an alternative option is available.</p> <p>However, car tax, insurance and maintenance petrol cost/expenditure would mean that it is very unlikely that a vehicle owner did not have a bank card to make payment.</p>
Disability	X		X	<p><u>Positive Impact</u></p> <p>The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all.</p> <p>This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction.</p> <p><u>Potential Negative Impact</u></p> <p><u>(Areas of mobile phone payments only)</u></p> <p>Digitisation statistics do show individuals with a disability are less likely to own a mobile phone and would therefore be unable to make</p>

				<p>payment via RingGo, in locations where there is no machine to do so, unless an alternative option is available.</p> <p><u>(Locations where there is a machine to make payment)</u></p> <p>In the case where there is a machine available for payment, it is being considered for these machines to only take cashless payments. If a motorist does not have a bank card to make payment, they would be unable to make payment unless an alternative option is available.</p> <p>However, car tax, insurance and maintenance petrol cost/expenditure would mean that it is very unlikely that a vehicle owner did not have a bank card to make payment.</p>
Gender Reassignment	X		X	<p><u>Positive Impact</u></p> <p>The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all.</p> <p>This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction.</p> <p><u>Potential Negative Impact</u></p> <p>None identified</p>
Marriage and Civil Partnership	X		X	<p><u>Positive Impact</u></p> <p>The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all.</p>

					<p>This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction.</p> <p><u>Potential Negative Impact</u></p> <p>None identified</p>
Pregnancy and Maternity	X			X	<p><u>Positive Impact</u></p> <p>The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all.</p> <p>This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction.</p> <p><u>Potential Negative Impact</u></p> <p>None identified</p>
Race	X			X	<p><u>Positive Impact</u></p> <p>The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all.</p> <p>This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction.</p> <p><u>Potential Negative Impact</u></p>

					None identified
Religion/ belief	X			X	<p><u>Positive Impact</u></p> <p>The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all.</p> <p>This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction.</p> <p><u>Potential Negative Impact</u></p> <p>None identified</p>
Sex (Gender)	X			X	<p><u>Positive Impact</u></p> <p>The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all.</p> <p>This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction.</p> <p><u>Potential Negative Impact</u></p> <p>None identified</p>
Sexual orientation	X			X	<p><u>Positive Impact</u></p> <p>The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all.</p>

				<p>This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction.</p> <p><u>Potential Negative Impact</u></p> <p>None identified</p>
Socio-economic status	X		X	<p><u>Positive Impact</u></p> <p>The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of and motorists parking of vehicles within the borough. This policy has a positive health benefit to all.</p> <p>This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction.</p> <p><u>Potential Negative Impact</u></p> <p>Cost of Emission Charging.</p> <p>Any increase in parking charges has the potential to negatively impact on those from certain socio economic backgrounds.</p> <p>Significant social inequalities exist within Merton. The eastern half has a younger, less affluent and more ethnically mixed population. The western half is less ethnically mixed, older and more affluent. Largely as a result, people in East Merton have worse health and shorter lives.</p> <p>The improvement action plan below sets out a number of mitigations to address the above points.</p>

				<p>The council considers that the impact is proportionate to the legitimate aim sought to be achieved through the policy.</p> <p>Paid for on and off street parking</p> <p><u>(Areas of mobile phone payments only)</u></p> <p>Those individuals who drive a vehicle but cannot afford a mobile phone may be disadvantaged and would therefore be unable to make payment via RingGo, in locations where there is no machine to do so, unless an alternative option is available.</p> <p><u>(Locations where there is a machine to make payment)</u></p> <p>In the case where there is a machine available for payment, it is being considered for these machines to only take cashless payments. If a motorists does not have a bank card to make payment, which may be case in some social-economic groups, they would be unable to make payment unless an alternative option is available.</p> <p>However, car tax, insurance and maintenance petrol cost/expenditure would mean that it is very unlikely that a vehicle owner did not have a bank card to make payment.</p> <p>Scratch Cards for Visitor Permits.</p> <p>Currently a resident may purchase and keep a stock of scratch cards to give to visitors as and when they arrive. However, these scratch cards are not specifically linked to the type of vehicle, which is required in an emission based charging model, therefore it is being proposed that visitor permits are purchased online or through a smart phone in the first instance and there may be a number of residents in this group who do not have access to a smart phone or a computer.</p>
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7. If you have identified a negative impact, how do you plan to mitigate it?

The mitigations for disability, age, pregnancy & maternity and socio-economic status are set out in the Action Plan below.

Stage 4: Conclusion of the Equality Analysis**8. Which of the following statements best describe the outcome of the EA (Tick one box only)**

Please refer to the guidance for carrying out Equality Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed.
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality.
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully.
- Outcome 4** – The EA shows actual or potential unlawful discrimination.

Stage 5: Improvement Action Pan

8. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	HOW WILL YOU KNOW THIS IS ACHIEVED? E.G. PERFORMANCE MEASURE/ TARGET)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
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<p>Age</p>	<p>There are a number of alternatives to the use/ownership of a diesel vehicle, including cleaner vehicles or the transition to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality.</p> <p><u>Access to bank cards.</u></p> <p>The cost of maintain a car in London is significant and includes, car tax, insurance and maintenance petrol. This cost/expenditure would mean that it is very unlikely that a vehicle owner did not have a bank card to make payment at locations where card only payments are to be accepted.</p> <p>However there may be some residents, (who are more likely to be elderly) who do not have a bank card.</p> <p>Debit or Credit card ownership in the UK is significant with a growing trend of more ownership and usage. Further the use of contactless payments has increased in recent years which has made payment quicker and easier. Statistics show</p>		Current	Existing	Ben Stephens	Yes
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the younger the age the higher the ownership and use. For the more elderly most own a bank card which would be used for payment. Individuals who drive a vehicle for business and or pleasure are more active and mobile, and are already more likely to use a bank card to make payments.

Access to smart phones

Locations where only a mobile phone can be used accounts for 20% of all transactions/locations.

Smartphone adoption among 55-75-year-olds in the UK has now reached 80%. (Graph below) Therefore 80% of 55-75 year old have the option to pay by smart phone. This figure is for the UK and it is known that there is a greater uptake of digitalisation in London and the South East. 18-24-year-olds, market penetration is at a record 96%. 95% of smart phone users have used their phone within the last 24 hours which shows regular use. (Deloitte survey September 2019).

The table below shows increase in smart phone ownership over the last 7 years with it being at 80% in 2019.

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	<p>The council will offer an option to sell single use scratch cards in advance for use when parking at locations where cash is not an alternative.</p>					
Socio-economic status	<p>There are a number of alternatives to the use/ownership of a diesel vehicle, including cleaner vehicles or the transition to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality.</p> <p><u>Access to bank cards.</u></p> <p>The cost to maintain a car in London is significant and includes, car tax, insurance and maintenance petrol. This cost/expenditure would mean that it is very unlikely that a vehicle owner did not have a</p>					

bank card to make payment at locations where card only payments are to be accepted.

However there may be some residents, (who are more likely to be unable to get credit or a bank account) who do not have a bank card.

Debit or Credit card ownership in the UK is significant with a growing trend of more ownership and usage. Further the use of contactless payments has increased in recent years which has made payment quicker and easier. Statistics show the younger the age the higher the ownership and use. However individuals who drive a vehicle for business and more likely to use a bank card to make payments.

Access to phones

Locations where only a mobile phone can be used accounts for 20% of all transactions/locations



The graph above shows that no less than 90% of all UK residents (in each age group) up to the age of 75 own a 'Smartphone. Figures cannot be found for a normal mobile phone. It is clear that the ability to pay by phone is accessible to all and there is little indication that a low socio economic

	<p>status has an effect on phone ownership, particularly in cases where a car is also owned or used by the individual.</p>				
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Note that the full impact of the decision may only be known after the proposals have been implemented; therefore, it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

This section can also be used in your decision-making reports (CMT/Cabinet/etc.) but you must also attach the assessment to the report, or provide a hyperlink

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<p>This Equality Analysis has resulted in an Outcome 2 Assessment</p>
<p>Please include here a summary of the key findings of your assessment.</p> <p>Diesel vehicles contribute to poor air quality. An increase on the surcharge will have the effect of nudging diesel car owners away from owing a diesel car. Reduced car and especially polluting diesel cars will help deliver key strategic council priorities including public health, air quality and sustainable transport and deliver an effective parking management strategy.</p> <p>The Council have assessed the use of public transport and active transport and are considered alternatives to owning a vehicle. Specifically diesel cars contribute significantly to poor air quality. There are also other vehicle types such as electric or hybrid which are clear alternatives.</p> <p><u>Positive Impact</u></p> <p>The proposals support the rationale of seeking to adjust driver behaviour and to ensure that we can provide a modern, efficient and environmentally sustainable transport policy for residents, visitors and businesses, now and in the future.</p> <p>In setting out its measures of success, the new PCN charging bands aims to deliver:</p> <p>It contributes in the following ways:</p>

1. Reduce congestion
2. Improve air quality and meet EU quality standards
3. To meet the actions set out in the Merton Health and Wellbeing Strategy 2019
4. Adopt a healthy street approach
5. Promote healthier life styles and encourage more active travel

Negative Impact

The increase cost of the diesel levy surcharge could have a negative effect on individuals who own a diesel car and find the additional charge challenging. This is mitigated because there are a number of alternatives to the use/ownership of a diesel vehicle, including cleaner vehicles or the transition to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality.

To facilitate this introduction of an on/off start diesel charge 100 new machines are required which can charge based on vehicle type. In some location payment by mobile phone only is an option. Data shows that no less than 90% of all UK residents (in each age group) up to the age of 75 own a 'Smartphone'. Figures cannot be found for a normal mobile phone. It is clear that the ability to pay by phone is accessible to all and there is little indication that a low socio economic status has an effect on phone ownership, particularly in cases where a car is also owned or used by the individual.

In 100 locations (or where 80% of all transactions take place) payment by bank card will be an option. However given the cost to maintain a car in London is significant and includes, car tax, insurance and maintenance petrol. This cost/expenditure would mean that it is very unlikely that a vehicle owner did not have a bank card to make payment at locations where card only payments are to be accepted.

Monitoring

There is a commitment that the EA Plan will be reviewed in 12 months' time and will be published on the Council's website.

What course of action are you advising as a result of this assessment?

Section 5 – Improvement Action Plan sets out the actions and timescales proposed to be undertaken.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Ben Stephens – Head of Parking Services	Signature:	Date: 1st November 2019
Improvement action plan signed off by Director/ Head of Service	Chris Lee – Director of Environment and Regeneration	Signature:	Date:

DRAFT

What are the proposals being assessed?	CH100 Direct Provision – review of in-house day care provision
Which Department/ Division has the responsibility for this?	Community and Housing

Stage 1: Overview	
Name and job title of lead officer	John Morgan – Assistant Director Adult Social Care
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	<p>To review and consult on the consolidation of services on fewer sites to improve efficiency and to reflect the changing nature of provision. During COVID 19, out of necessity to meet public health guidelines the service has shifted away from buildings based provision to more outreach work and use of community facilities. There has also been a significant take up of communicating by media such as Zoom, Skype and similar which has enabled people to keep in touch, and participate in virtual activities.</p> <p>Prior to the onset of the pandemic, the department had begun significant engagement with people with learning disabilities, their carers and families to seek their views on a new model for day opportunities that relied less on traditionally offered dedicated building based support and aims to make better use of everyday community facilities and activities. Using a range of community sites across the borough will give people the chance to meet nearer to their home and allay the fears of carers who have reservations about their family member’s ability to navigate the broader community. The model also aims to increase opportunities for education, training and skill development and supported routes into employment.</p> <p>In moving this model forward it is apparent there will be less demand for ‘day centres’ as traditionally known, though this would still be an appropriate way to support individuals and meet the needs of people with more complex disabilities and those who experience behavioural difficulties. We know that the PD cohort at All Saints consists of people who value a ‘drop in’ space to meet people with similar life experiences to themselves, and this can be replicated in other settings. The LD cohort is an active group who use the building as a base to explore the community.</p> <p>The demand for older people's day care has also reduced. The review will consider the assets and staffing needed to serve current and future demand with a view to reducing the cost of provision. The proposals will be subject to consultation before any decision is made. If the outcome of the review and consultation does not deliver the target savings, alternative savings from across the department will have to be found. Departmental reserves may have to be used to bridge any timing gap.</p>

	NB this EIA is a draft and will be amended as the review progresses
2. How does this contribute to the council's corporate priorities?	The proposal will contribute the Council medium term financial strategy.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	<p>Service users and their families of the day centres affected will be impacted; this includes internal and external service users as the day centres provide a service to Merton and out of borough residents. They may see a change in the location of their service or a change in the way they are supported. Carers who rely on the regularity of day care for the person they care for will be affected.</p> <p>Staff within the day centres affected will be impacted. Merton has the following day centres and staff:</p> <ul style="list-style-type: none"> • Eastways: 10.79fte + 0.5fte Manager = 11.29fte • All Saints: 9.02fte + 0.5fte Manager = 9.52fte • JMC (Total of 3 areas): 29.69fte + 0.5fte Manager = 30.19fte • Leyton Road (including Outreach): 8.90fte + 0.5fte Manager = 9.40fte <p>N.B. Fte's include current vacancies and bank staff</p> <p>All staff will be consulted with and supported through any changes. The impact on staffing levels will be determined by the review. it is likely that there will be fewer posts as a result. Vacant posts will be deleted first. Voluntary redundancy will be offered before compulsory redundancies are considered.</p> <p>Changes to transport and will also be impacted.</p>
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Changes to transport arrangements will affect E&R whop provide vehicles and drivers.

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?

Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

The Council has detailed information about the needs of current residents of the service through their personal needs assessments and annual reviews. We also have information about general population needs from the Joint Strategic Needs Assessment. We also have the experience of supporting service users and their families during the COVID19 pandemic.

Before any final decisions are made on the future shape of the service, the Council will undertake a consultation with the service users, their families, our staff and other stakeholders. This will inform the final recommendation and decision. The outcome might not match the target saving, in which case savings will need to be found elsewhere.

Eastways Day Centre - age range 72-98. Most service users are often with dementia.

All Saints – Learning disability and physical disability service users – age range in Centre 24-75; (average age of 41 for LD and 58 for PD).

As at May 20 there were 37 LD users (inc. 6 oob) and 30 PD users (inc. 6 oob). The highest group represented is the 31-55 age group for LD and 66+ for PD.

2 are wheel chair users, none need feeding assistance and there are no customers with dementia.

70% of LD customers have attended All Saints for between 6 – 10 years

50% of PD customers have attended All Saints for over 6 years.

The highest represented post code of where LD users travelled from was CR4 which was 49%.

The highest represented post code of where PD users travelled from was SW19 which was 30%.

The majority of customers attend from their family home, LD was 57% and PD was 53%

JMC – As at May 20 there were 99 LD service users (inc. 16 oob), age range 21-75, split into 3 categories:

- *Special Care* -wheelchair users / personal care requirement (ages 27-75). As at May 20 there were 34 service users (inc. 10 oob).
- *Mainstream* – service users with moderate learning disabilities (ages 26-69). As at May 20 there were 46 service users (inc. 5 oob).
- *Challenging Behaviour* –service users requiring additional support (ages 21-48). As at May 20 there were 19 service users (inc. 1 oob).

62% of customers have been attending for over 15 years.

The highest represented post code of where users travel from was CR4 which was 46%.

The majority of customers attend from either their family home or a residential home – both at 45% of the total customers at JMC as at May 2020.

Leyton Road – Service users with moderate learning disabilities (age range 27-84).

As at May 20 there were 53 service users (inc. 3 oob)

None needed feeding assistance, 10 required occasional personal care assistance and 4 required support with personal care at least once a day.

9 customers are wheelchair users and 4 are identifying with early signs of dementia.

30% of customers have been attending for over 15 years

The highest represented post code of where users travel from was CR4 which was 43%.

Customers attend from their family home (45%), residential home (32%) and supported living (23%).

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
	Age		✓	✓	
Disability		✓	✓		It is in the nature of the services that they support people with disabilities.
Gender Reassignment		✓		✓	
Marriage and Civil Partnership		✓		✓	
Pregnancy and Maternity		✓		✓	
Race		✓			
Religion/ belief		✓		✓	
Sex (Gender)		✓		✓	
Sexual orientation		✓		✓	
Socio-economic status		✓	✓		Carers of day care users often struggle to maintain employment and may be dependent on benefits.

7. If you have identified a negative impact, how do you plan to mitigate it?

Eligible Social Care needs are assessed in line with the Care Act, and needs identified in this way will continued to be met within the reshaped directly provided service or alternative provision. The saving is about defining what the Council will directly provide not eligibility for a service which the Care Act requires to be judged on an individual basis. The options to meet assessed eligible need would be reduced however.

Current users of any service closed or merged will see a change to the way that their needs are met, but their needs will continue to be met in accordance with the Care Act 2014.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed.
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality.
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully.
- Outcome 4** – The EA shows actual or potential unlawful discrimination.

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Stage 5: Improvement Action Plan

9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Service users and families can be upset and anxious when changes to their daily arrangements are suggested.	Consultation to be carried out on specific proposals in plenty of time and by staff or agencies who are familiar to the people concerned. Service users and their families will be consulted on alternative arrangements	By implementing any changes successfully with no changes to the individual's activities.	By 31 March 2021	External consultant/ group	Andy Ottaway-Searle	Yes
The needs of service users would be met differently which may impact on their family/carers as it may not be in the same manner, pattern or regularity, and thus it may disrupt the lives of those carers.	Each individual will be re-assessed to adapt their support plans to the new options.	By individual support plans being present to the Outcomes Forum	Before each service unit is closed or changed	Internal	John Morgan	

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

This section can also be used in your decision making reports (CMT/Cabinet/etc) but you must also attach the assessment to the report, or provide a hyperlink

<p>This Equality Analysis has resulted in an Outcome 2 Assessment</p> <p>The proposals will be subject to a review and consultation before a final recommendation and decision is made.</p> <p>Current users may see a change to the way their needs are met and this can be distressing. We will support these service users and their families through any change. Eligible needs under the Care Act 2014 will continue to be met, but the way they are met may be different and this may be disruptive to users and their carers.</p> <p>Statutory needs will continue to be met, but there might be less choice and support may be offered at different locations or in different ways.</p>

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Richard Ellis, Head of Strategy & Partnership	Signature: RE	Date: 21/10/20
Improvement action plan signed off by Director/ Head of Service	Andy Ottaway-Searle, Head of Direct Provision	Signature: AOS	Date: 22/10/20

Equality Analysis

DRAFT

What are the proposals being assessed?	CH101 Direct Provision – Review of in-house residential care
Which Department/ Division has the responsibility for this?	Community and Housing

Stage 1: Overview	
Name and job title of lead officer	John Morgan – Assistant Director Adult Social Care
1. What are the aims, objectives and desired outcomes of your proposal?	<p>To review the delivery of residential care as an in-house offer in the light of current usage and the condition of each property. The aim will be to find less costly ways to meet the needs of the residents, which might involve the closure of a unit and transfer to an alternative provision.</p> <p>The review outcome will then be subject to consultation and review/reassessment of all individuals affected by the proposal. In the event that the review and consultation do not deliver the target saving, alternative savings will have to be found from across the department and if required departmental reserves used to meet any timing gap.</p> <p>NB this is a draft EIA and will be updated as the review is taken forward</p>
2. How does this contribute to the council's corporate priorities?	The proposal will contribute the Council medium term financial strategy. The aim would also be to re-purpose any released site to meet other service priorities,
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	<p>Service users and their families will be affected if a site is closed and residents moved to another provision. A full assessment of needs would be undertaken and the LD team would work with residents, families and staff to identify alternative local provision.</p> <p>Currently there are five people living at Riverside (three vacancies) with another resident due to move. Meadowsweet has six residents and no vacancies. The Meadowsweet site in poor repair. The Riverside side has potential for redevelopment as supported living accommodation for people with learning disabilities.</p> <p>Current staffing: Meadowsweet: 9.99fte + 0.50fte Manager = 10.49fte; Riverside: 12.66fte + 0.50fte Manager = 13.16fte. All staff will be consulted with and supported through any changes.</p>
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	no

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Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?

Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

The Council has detailed information about the needs of current residents of the service through their personal needs assessments and annual reviews. We also have information about general population needs from the Joint Strategic Needs Assessment and work carried out to review the use of residential care in learning disability services.

Before any final decisions are made on the future shape of the service, the Council will undertake a consultation with the service users, their families, our staff and other stakeholders. This will inform the final recommendation and decision. The outcome might not match the target saving, in which case savings will need to be found elsewhere.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age		✓		✓	Residents in both homes are aged between 37 - 63
Disability		✓	✓		All residents are those assessed with learning disabilities: <ul style="list-style-type: none"> 6 residents in Meadowsweet who have moderate to severe learning disabilities. Age range from 41-63. 5 residents in Riverside. Age range from 37-61. <ul style="list-style-type: none"> The residents have a range of needs and some have the potential to live in a different type of setting.
Gender Reassignment		✓		✓	
Marriage and Civil Partnership		✓		✓	
Pregnancy and Maternity		✓		✓	

Race		✓	✓		The majority of the resident's ethnicity is white with the exception of 2 residents at Riverside who are classed as black /black British and mixed / multiple ethnic groups.
Religion/ belief		✓		✓	
Sex (Gender)		✓		✓	Residents are both male and female at both residential homes and facilities at both homes are designed for both gender. Staff are trained to support all genders.
Sexual orientation		✓		✓	
Socio-economic status		✓		✓	

7. If you have identified a negative impact, how do you plan to mitigate it?

Eligible Social Care needs are assessed in line with the Care Act 2014, and needs identified in this way will continued to be met within the reshaped directly provided service or the externally commissioned sector. The saving is about defining what the Council will directly provide not eligibility for or access to service.

Current users of any service closed or merged will see a change to the way that their needs are met, but their needs will continue to be met in accordance with the Care Act 2014. Each individual service user will be supported throughout the process and in the event of service user shaving to move, we will seek to respect friendship groups wherever possible.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed.
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality.
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully.
- Outcome 4** – The EA shows actual or potential unlawful discrimination.

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Stage 5: Improvement Action Plan

9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Service users and families can be upset and anxious when changes to their daily arrangements are suggested.	Consultation to be carried out on specific proposals in plenty of time and by staff or agencies who are familiar to the people concerned. Care Act needs will continue to be met.	By implementing any changes successfully with no changes to the individual's activities.	31 st March 2021	External consultant/ group	Andy Ottawa y-Searle	Yes

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Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

This section can also be used in your decision making reports (CMT/Cabinet/etc) but you must also attach the assessment to the report, or provide a hyperlink

This Equality Analysis has resulted in an Outcome [2](#) Assessment

The proposals will be subject to consultation before a final recommendation and decision is made.

Current users may see a change to the way their needs are met and this can be distressing. A change in home is particularly difficult from this client group and we will work to prepare them for an move that is necessary as a result of changes to in-house provision. We will support these

service users and their families through any change.

Statutory needs will continue to be met, but there might be less choice.

Stage 7: Sign off by Director/ Head of Service

Assessment completed by	Richard Ellis, Head of Strategy & Partnership	Signature: RE	Date: 21/10/20
Improvement action plan signed off by Director/ Head of Service	Andy Ottaway-Searle, Head of Direct Provision	Signature: AOS	Date: 22/10/20

Equality Analysis

What are the proposals being assessed?	CH102 Public Health – re-commission the Dementia Hub
Which Department/ Division has the responsibility for this?	Community and Housing

Stage 1: Overview	
Name and job title of lead officer	John Morgan – Assistant Director Adult Social Care & Dagmar Zeuner – Director of Public Health
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	<p>To re-commission the Dementia Hub services when the current contract expires in September 2021. This is not a statutory service.</p> <p>The aim is to move away from a buildings based service to an outreach model, better integrated with mainstream provision that supports people with dementia, carers and families. This will include the support offered by dementia clinics and the voluntary sector. The contract for the Dementia Hub expires in September 2021 and the proposal is not to re-let the contract in its current form but commission a lower cost service based on an outreach model.</p> <p>The approach will be aligned with our work to make Merton dementia friendly, encouraging greater collaboration with the third sector to offer dementia friendly services. The new service would work with Dementia Clinics and utilise other community facilities such as libraries.</p> <p>The proposal will be subject to consultation. In the event that the review and consultation does not result in the target savings, alternative savings will need to be found from elsewhere and departmental reserves might be needed to be used to bridge any timing gap.</p> <p>The Carers Strategy engagement identified issues carers face with accessing services that are building based. This situation has been made worse by the Covid-19 pandemic. There comes a point when an individual with Dementia is no longer able to access the Hub building. This can put increasing pressure on the carer, who is increasingly unable to leave their home without support for the person with Dementia. The service will promote dementia friendly environments in all community settings..</p> <p>The desired outcome is to continue to support people with dementia and their carers to live independently (through timely advice, support and education) and to encourage connectivity within wider Dementia Friendly community groups.</p>

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<p>2. How does this contribute to the council's corporate priorities?</p>	<p>The Council's overarching policy priority is to bridge the gap in terms of outcomes between the east and west of the borough and between different communities. The new model supports the Council's prevention agenda linked to a priority around prevention in the Health and Wellbeing Strategy. As part of a prevention work-stream, the Council is working alongside Merton Clinical Commissioning Group (CCG), Central London Community Healthcare (CLCH), local voluntary community sector organisations and Merton Health and Care Together on a number of prevention activities, all of which are relevant to Supporting people with Dementia and their carers in their own communities. These include promoting prevention services in the Borough, developing a 'network of connectors', 'making every contact count' through staff training, supporting staff and providing leadership for Healthy Workplaces and embedding prevention in health and care pathways. The Community Plan and more recently the Merton Place are looking to build on. The new Outreach Support Service would look to establish a more outward facing and integrated service, supporting people with Dementia, their families and carers in their own homes and other community settings as opposed to one building based service.</p>																		
<p>3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.</p>	<p>Key identified customers and carers, staff, volunteers, voluntary and community sector organisations; existing and potential customers; health and social care partners, other internal/external commissioners. The total number of unique customers and carers supported by the service in last year (2019-2020) are highlighted below:</p> <table border="1" data-bbox="590 672 1982 802"> <thead> <tr> <th></th> <th>April-June</th> <th>July-Sept</th> <th>Oct-Dec</th> <th>Jan-March</th> <th>2019-2020</th> </tr> </thead> <tbody> <tr> <td>Customers</td> <td>182</td> <td>156</td> <td>295</td> <td>237</td> <td>870</td> </tr> <tr> <td>Carers</td> <td>188</td> <td>239</td> <td>233</td> <td>252</td> <td>912</td> </tr> </tbody> </table> <p>The Alzheimer's Society that runs the services and their staff and volunteers. There are 11 members of staff affected. The hub also has 99 hours supported by volunteers each week when the centre is open, and are currently providing keeping in touch calls to customers.</p> <p>The hub building is owned by Merton Council and is rented by the Alzheimer's Society. The building also hosts the Wandsworth Dementia Service, commissioned by SWL CCG.</p> <p>There are health and social care partners who refer people to the service, including Dementia Nurses, social workers and CLCH.</p> <p>The centre also provides a base for health partners and there are clinicians that facilitate their memory/diagnosis clinics from the hub. Other voluntary sectors work in partnership with the hub to deliver projects and activities. E.g. Sporting memories, Creative Maths. The workforce also supports the Dementia Action Alliance. There are approximately 100 alliance members across Merton.</p> <p>How the proposal will benefit the council: The new model aims to ensure more targeted use of the council's limited resources. In the current financial climate, we will be looking to support services that prevent, reduce or delay the need for more expensive interventions. The council will benefit through the contribution this service model will make to the council's corporate priorities and the priorities set out in the community plan.</p>		April-June	July-Sept	Oct-Dec	Jan-March	2019-2020	Customers	182	156	295	237	870	Carers	188	239	233	252	912
	April-June	July-Sept	Oct-Dec	Jan-March	2019-2020														
Customers	182	156	295	237	870														
Carers	188	239	233	252	912														
<p>4. Is the responsibility shared with another department, authority or organisation? If so, who are the</p>	<p>The Dementia Hub is funded via Public Health Grant and the contract is held by Adult Social Care. The contract also funds the Dementia Action Alliance co-ordinator post, which is part of the Dementia Action Alliance. This Alliance is overseen by the Dementia Friendly Communities Team, Alzheimer's Society.</p>																		

partners and who has overall responsibility?

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?

Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

The proposal is based on detailed monitoring of the service and regular engagement with and feedback from stakeholders. It is also based on the experience of supporting people differently during the COVID 19 pandemic, where we have found that people prefer more personalised support that comes to them.

By the nature of the service the users tend to be older, although some are of working age, and may have multiple health problems and/or disabilities. Dementia affects all parts of our community. However, There are a number of issues around race inequality that may mean BAME groups may be impacted more by economic deprivation. We also know that residents from Black Caribbean and Asian backgrounds have higher rates of certain conditions such as hypertension and type 2 diabetes, which may be linked to cardiovascular dementia.

There are other cultural factors including caring at home and recognition of dementia which may mean some BAME groups are less likely to access dementia services as a carer or get a diagnosis as someone living with dementia. Both can impact on quality of life and appropriate planning, such as power of attorney. Lack of diagnosis also linked to healthcare impact such as duration of stay in hospital, unplanned care etc.

The proposal will be subject to an engagement exercise with relevant stakeholders.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age	x		x		The service would operate differently. Instead of a physical hub, we would commission a virtual hub and outreach support linked to health and voluntary sector services, Dementia affects all parts of our community. However, by its nature the service supports those who tend to be older. BAME communities are more likely to be impacted by economic deprivation, and health conditions that can lead to cardiovascular dementia.
Disability	x		X		
Gender Reassignment		X		X	
Marriage and Civil Partnership		X		X	
Pregnancy and Maternity		X		X	
Race		X	x		
Religion/ belief		X		X	
Sex (Gender)		X		X	
Sexual orientation		X		X	
Socio-economic status		x	x		
					Carers often struggle to maintain employment.

7. If you have identified a negative impact, how do you plan to mitigate it?

The Dementia Hub is a discretionary service that adds to statutory health and social care services. It mostly supports people post diagnosis. The proposal would result in the closure of the building. Users would be by outreach workers or directed to alternative services.

The aim would also be to ensure that other generic services, particularly those provided by the voluntary sector, are better able to support people with a dementia diagnosis and their families. However, generic services may not meet the needs of the current Hub users in the same way and the support available would be reduced.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)

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Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed.
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality.
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully.
- Outcome 4** – The EA shows actual or potential unlawful discrimination.

Stage 5: Improvement Action Plan

9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Service users and families can be upset and anxious when changes to their daily arrangements are suggested.	Consultation to be carried out on specific proposals in plenty of time and by staff or agencies who are familiar to the people concerned.	By implementing any changes successfully with no changes to the individual's activities.	By 31 March 2021	External consultant/ group	Dagmar Zeuner	Yes
Alternative services will be supported to become more dementia friendly	Identify key support agencies and offer support and training	Monitoring of contracts and grant supported activities	ongoing	Internal	John Morgan	yes

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

This section can also be used in your decision making reports (CMT/Cabinet/etc) but you must also attach the assessment to the report, or provide a hyperlink

This Equality Analysis has resulted in an Outcome 3 Assessment
The proposal would change the model and result in the closure of the physical hub. Support would be through outreach work linked to other services, but the number of support workers supported by this contract would be fewer.
The proposal would be subject to consultation before a decision is made. If the outcome of that exercise does not achieve the target saving then

alternatives savings would to be found.

The Dementia Hub is a discretionary service that does not exist in many areas. The proposals would change the way people are supported.

Stage 7: Sign off by Director/ Head of Service

Assessment completed by	Heather Begg, Commissioning Officer	Signature: HB	Date: 22/10/20
Improvement action plan signed off by Director/ Head of Service	John Morgan – Assistant Director Adult Social Care	Signature: JM	Date: 22/10/20

Capital Investment Programme - Schemes for Approval**Annex 1**

Department	Proposed Budget 2021-22	Proposed Budget 2022-23	Proposed Budget 2023-24	Proposed Budget 2024-25
Corporate Services	19,225	9,220	4,545	13,734
Community and Housing	1,828	1,429	652	280
Children, Schools and Families	8,520	1,900	1,900	1,900
Environment and Regeneration	15,789	8,382	7,516	5,324
Total	45,362	20,931	14,613	21,238

<i>Department</i>	Proposed Budget 2021-22	Proposed Budget 2022-23	Proposed Budget 2023-24	Proposed Budget 2024-25
Corporate Services				
Customer Policy and Improvement	2,218	0	0	0
Facilities	1,470	1,250	1,675	950
Information Technology	1,836	1,270	2,870	2,055
Resources	0	700	0	0
Corporate	13,701	6,000	0	10,729
Total Corporate Services	19,225	9,220	4,545	13,734
Community and Housing				
Adult Social Care	30	0	0	0
Housing	1,598	1,289	652	280
Libraries	200	140	0	0
Total Community and Housing	1,828	1,429	652	280
Children, Schools and Families				
Primary	3,065	1,900	1,900	1,900
Secondary	82	0	0	0
Special	5,153	0	0	0
Other	220	0	0	0
Total Children, Schools and Families	8,520	1,900	1,900	1,900
Environmental and Regeneration				
Public Protection and Development	1,918	480	0	60
Street Scene and Waste	496	664	324	324
Sustainable Communities	13,375	7,238	7,192	4,940
Total Environmental and Regeneration	15,789	8,382	7,516	5,324
Total Capital	45,362	20,931	14,613	21,238

Please Note

1. Excludes budgets relating to future year announcements of Better Care Fund

2. Includes indicative budgets relating to future year announcements of Transport for London Grant

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

Merton	Capital Programme £000s	Funded by Merton £000s	Funded by grant and capital contributions £000s
2020/21 Current Budget	36,308	15,042	21,266
Potential Slippage b/f	0	0	0
2020/21 Revised Budget	36,308	15,042	21,266
Potential Slippage c/f	(9,480)	(5,283)	(4,198)
Potential Underspend not slipped into next year	(1,509)	(1,321)	(189)
Total Spend 2020/21	25,319	8,439	16,880
2021/22 Current Budget	45,362	25,897	19,465
Potential Slippage b/f	9,480	5,283	4,198
2021/22 Revised Budget	54,843	31,180	23,663
Potential Slippage c/f	(7,235)	(3,972)	(3,262)
Potential Underspend not slipped into next year	(1,552)	(1,196)	(355)
Total Spend 2021/22	46,056	26,009	20,045
2022/23 Current Budget	20,931	15,560	5,372
Potential Slippage b/f	7,235	3,972	3,262
2022/23 Revised Budget	28,166	19,532	8,634
Potential Slippage c/f	(3,306)	(2,275)	(1,031)
Potential Underspend not slipped into next year	(1,426)	(1,128)	(298)
Total Spend 2022/23	23,433	16,128	7,304
2023/24 Current Budget	14,613	11,168	3,445
Potential Slippage b/f	3,306	2,275	1,031
2023/24 Revised Budget	17,919	13,444	4,476
Potential Slippage c/f	(1,735)	(1,231)	(504)
Potential Underspend not slipped into next year	(1,342)	(1,152)	(190)
Total Spend 2023/24	14,842	11,060	3,782
2024/25 Current Budget	21,238	18,038	3,200
Potential Slippage b/f	1,735	1,231	504
2024/25 Revised Budget	22,973	19,269	3,704
Potential Slippage c/f	(724)	(633)	(90)
Potential Underspend not slipped into next year	(429)	(334)	(95)
Total Spend 2024/25	21,821	18,302	3,519

Corporate Services	Scrutiny	Revised Budget 2021-22	Revised Budget 2022-23	Revised Budget 2023-24	Indicative Budget 2024-25
<u>Customer, Policy and Improvement</u>					
Customer Contact Programme	OSC	2,218	0	0	0
<u>Facilities Management</u>					
Other Buildings - Capital Building Works	OSC	650	650	650	650
Replacement Boilers	OSC	267	0	0	0
Civic Centre Lightning Upgrade	OSC	0	300	0	0
Combined Heat and Power (CHP) System Replacement	OSC	0	0	450	0
Absorption Chiller Replacement	OSC	0	0	275	0
Invest to Save schemes	OSC	498	300	300	300
Photovoltaics & Energy Conserv	OSC	55	0	0	0
<u>Information Technology</u>					
Aligned Assets	OSC	75	0	0	0
Environmental Asset Management	OSC	0	240	0	0
Revenue and Benefits	OSC	400	0	0	0
School Admission System	OSC	0	125	0	0
Planning&Public Protection Sys	OSC	341	0	0	550
Ancillary IT Systems	OSC	50	0	0	0
Youth Justice IT Systems	OSC	100	0	0	100
Replacement SC System	OSC	0	0	2,100	0
Project General	OSC	870	705	770	1,405
Network Switch Upgrade	OSC	0	200	0	0
<u>Resources</u>					
Financial Systems - e5.5 Project	OSC	0	700	0	0
<u>Corporate</u>					
Acquisitions Budget	OSC	0	0	0	6,985
Capital Bidding Fund	OSC	0	0	0	1,000
Multi-Functioning Device (MFC)	OSC	0	0	0	600
Westminster Coroners Court	OSC	0	0	0	0
Housing Company	OSC	10,558	6,000	0	0
Corporate Capital Contingency	OSC	0	0	0	2,144
Compulsory Purchase Order - Clarion	OSC	3,144	0	0	0
Total Corporate Services		19,225	9,220	4,545	13,734

Please Note

1. Excludes budgets relating to future year announcements of Better Care Fund
 2. Includes indicative budgets relating to future year announcements of Transport for London Grant
- OSC = Overview and Scrutiny, CYP = Children and Young People, HCOP = Healthier Communities and Older People
and SC = Sustainable Communities

Community and Housing	Scrutiny	Revised Budget 2021-22	Revised Budget 2022-23	Revised Budget 2023-24	Indicative Budget 2024-25
<u>Adult Social Care</u>					
Telehealth	HCOP	30	0	0	0
<u>Housing</u>					
Disabled Facilities Grant	SC/HCOP	827	827	507	280
Learning Disability Aff Housing	SC/HCOP	771	462	145	0
<u>Libraries</u>					
West Barnes Library Re-Fit	SC	200	0	0	0
Library Management System	SC	0	140	0	0
Total Community and Housing		1,828	1,429	652	280

Children, Schools and Families	Scrutiny	Revised Budget 2021-22	Revised Budget 2022-23	Revised Budget 2023-24	Indicative Budget 2024-25
<u>Primary</u>					
Hillcross - Schools Capital maintenance	CYP	53	0	0	0
Dundonald School Expansion	CYP	50	0	0	0
Garfield - Schools Capital maintenance	CYP	6	0	0	0
Poplar - Schools Capital maintenance	CYP	5	0	0	0
Wimb. Park - Schools Capital maintenance	CYP	40	0	0	0
Abbotsbury - Schools Capital maintenance	CYP	7	0	0	0
Malmesbury - Schools Capital maintenance	CYP	35	0	0	0
Gorrige - Schools Capital maintenance	CYP	50	0	0	0
Liberty - Schools Capital maintenance	CYP	34	0	0	0
Links - Schools Capital maintenance	CYP	137	0	0	0
St Marks - Schools Capital maintenance	CYP	85	0	0	0
Lonesome - Schools Capital maintenance	CYP	7	0	0	0
Sherwood - Schools Capital maintenance	CYP	24	0	0	0
William Morris - Schools Capital maintenance	CYP	28	0	0	0
Unallocated - Schools Capital maintenance	CYP	2,505	1,900	1,900	1,900
<u>Secondary</u>					
Rutlish - Schools Capital maintenance	CYP	12	0	0	0
Harris Academy Wimbledon New School	CYP	71	0	0	0
<u>Special</u>					
Perseid - Schools Capital maintenance	CYP	107	0	0	0
Perseid School Expansion	CYP	22	0	0	0
Melrose SEMH 38 Places (formerly Melrose Primary SEMH and	CYP	1,837	0	0	0
Harris Morden Sec Autism Unit	CYP	1,360	0	0	0
Further SEN Provision	CYP	186	0	0	0
Primary ASD base 1-20 places	CYP	18	0	0	0
Melbury College - Schools Capital maintenance	CYP	13	0	0	0
Secondary SEMH/medical PRU	CYP	1,340	0	0	0
New ASD Provision	CYP	270	0	0	0
<u>Other</u>					
Bond Road Family Centre Pmay Equip	CYP	50	0	0	0
Pollards Hill Digital Divide	CYP	170	0	0	0
Total Children, Schools and Families		8,520	1,900	1,900	1,900

Please Note

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 2. Includes indicative budgets relating to future year announcements of Transport for London Grant
- OSC = Overview and Scrutiny, CYP = Children and Young People, HCOP = Healthier Communities and Older People and SC = Sustainable Communities

Environment and Regeneration	Scrutiny	Revised Budget 2021-22	Revised Budget 2022-23	Revised Budget 2023-24	Indicative Budget 2024-25
Public Protection and Development					
P&D machines for emission-based charging	SC	400	0	0	0
Pay and Display Machines	SC	0	0	0	60
Car Park Upgrades	SC	784	0	0	0
CCTV cameras and infrastructure upgrade	SC	699	480	0	0
Public Protection and Developm	SC	35	0	0	0
Street Scene and Waste					
Replacement of Fleet Vehicles	SC	417	300	300	300
Alley Gating Scheme	SC	24	24	24	24
Street Cleansing Sub Depot	SC	55	0	0	0
Replacement of Fleet Vehicles	SC	0	340	0	0
Sustainable Communities					
Street Tree Programme	SC	60	60	60	60
New street tree planting programme	SC	50	0	0	0
Street Lighting Replacement Pr	SC	290	290	290	290
Traffic Schemes	SC	150	150	150	150
Surface Water Drainage	SC	60	60	60	60
Repairs to Footways	SC	1,000	1,000	1,000	1,000
Maintain AntiSkid and Coloured Surface	SC	85	70	70	70
Borough Roads Maintenance	SC	1,200	1,200	1,200	1,200
Highways bridges & structures	SC	410	260	260	260
Bishopsford Bridge	SC	1,202	0	0	0
Cycle and Roadway Works around Bishopsford Bridge	SC	130	0	0	0
Culverts Upgrade	SC	508	0	0	0
Street Lighting Wimbledon	SC	670	0	0	0
Unallocated TfL	SC	1,300	1,300	1,300	1,300
Haydons Road Public Realm Improvements	SC	350	0	0	0
Wimbledon Public Realm Implementation	SC	500	500	0	0
Morden Town Centre Improvements	SC	200	0	0	0
Morden TC Regeneration Match Funding	SC	2,190	1,608	2,152	0
42 Graham Road	SC	50	0	0	0
Lost Rivers Repairs	SC	100	100	100	0
Wimbledon Park Lake Reservoir Safety	SC	1,157	0	0	0
Leisure Centre Plant & Machine	SC	410	250	250	250
Parks Investment	SC	363	300	300	300
Resurface Tennis Courts (Wimb Pk)	SC	75	0	0	0
Morden Rec Hockey Pitch	SC	135	0	0	0
Paddling Pools (borough wide) OPTION 1	SC	135	90	0	0
Paddling Pools (borough wide) OPTION 2	SC	113	0	0	0
Total Environmental and Regeneration		15,789	8,382	7,516	5,324
Total Capital		45,362	20,931	14,613	21,238

Please Note

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 2. Includes indicative budgets relating to future year announcements of Transport for London Grant
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**Growth/(Reductions) against Approved Programme 2021-24 and Indicative
Programme 2024-25**

Department	Proposed Budget 2021-22	Proposed Budget 2022-23	Proposed Budget 2023-24	Proposed Budget 2024-25
Corporate Services	0	0	(10,129)	10,129
Community and Housing	0	0	0	0
Children, Schools and Families	0	0	0	0
Environment and Regeneration	0	0	0	1,300
Total	0	0	(10,129)	11,429

Department	Proposed Budget 2021-22	Proposed Budget 2022-23	Proposed Budget 2023-24	Proposed Budget 2024-25
Corporate Services				
Customer Policy and Improvement	0	0	0	0
Facilities	0	0	0	0
IT Infrastructure	0	0	0	0
Resources	0	0	0	0
Corporate	0	0	(10,129)	10,129
Total Corporate Services	0	0	(10,129)	10,129
Community and Housing				
Adult Social Care	0	0	0	0
Housing	0	0	0	0
Libraries	0	0	0	0
Total Community and Housing	0	0	0	0
Children, Schools and Families				
All Sectors	0	0	0	0
Secondary	0	0	0	0
Special	0	0	0	0
Other	0	0	0	0
Total Children, Schools and Families	0	0	0	0
Environmental and Regeneration				
Public Protection and Development	0	0	0	0
Street Scene and Waste	0	0	0	0
Sustainable Communities	0	0	0	1,300
Total Environmental and Regeneration	0	0	0	1,300
Total Capital	0	0	(10,129)	11,429

	Department		Department		Indicative Budget 2025-26	Indicative Budget 2026-27	Indicative Budget 2027-28	Indicative Budget 2028-29	Indicative Budget 2029-30
71	Corporate Services	71	Corporate Services		4,186	9,089	3,280	8,580	3,130
72	Community and Housing	72	Community and Housing		630	280	420	280	280
73	Children, Schools and Families	73	Children, Schools and Families		1,900	1,900	1,900	1,900	1,900
74	Environment and Regeneration	74	Environment and Regeneration		7,962	3,999	3,964	3,964	4,304
	Total		Total		14,678	15,268	9,564	14,724	9,614

Indicative Capital Programme 2025-30

Annex 5

			Corporate Services		Indicative Budget 2025-26	Indicative Budget 2026-27	Indicative Budget 2027-28	Indicative Budget 2028-29	Indicative Budget 2029-30
			<u>Customer, Policy and Improvement</u>						
710001	Customer Contact Programme	00000006	Customer Contact Programme	OSC	1,000	1,000	1,000	0	0
			<u>Facilities Management</u>						
710101	Works to other buildings	00000627	Other Buildings - Capital Building Works	OSC	650	650	650	650	650
710130	Invest to Save schemes	00000000	Invest to Save schemes	OSC	300	300	300	300	300
			<u>Information Technology</u>						
710002	Business Systems	00000005	Aligned Assets	OSC	0	0	75	0	0
710002	Business Systems	00000008	Environmental Asset Management	OSC	0	0	250	0	0
710002	Business Systems	00000009	Revenue and Benefits	OSC	400	0	0	0	0
710002	Business Systems	00000010	Capita Housing	OSC	100	0	0	0	0
710002	Business Systems	00000013	ePayments Project	OSC	125	0	0	0	0
710002	Business Systems	00000053	School Admission System	OSC	125	0	0	0	125
710002	Business Systems	00000698	Planning&Public Protection Sys	OSC	0	0	0	0	550
710002	Business Systems	00000729	Kofax Scanning	OSC	100	0	0	0	0
710002	Business Systems	00000763	Spectrum Spatial Analyst Repla	OSC	200	0	0	0	0
710002	Business Systems	00001377	Parking System	OSC	126	0	0	0	0
710002	Business Systems	00001505	Ancillary IT Systems	OSC	0	50	0	0	0
710004	Social Care IT System	00000011	Replacement SC System	OSC	0	0	0	2,100	0
710202	Planned Replacement Programme	00000000	Project General	OSC	1,060	970	1,005	770	1,405
			<u>Resources</u>						
710301	Financial System	00001370	Financial Systems - e5.5 Project	OSC	0	0	0	700	0
			<u>Corporate</u>						
710404	Multi-Functioning Device (MFC)	00000000	Multi-Functioning Device (MFC)	OSC	0	0	0	600	0
71040?	Compulsory Purchase Order	????????	Compulsory Purchase Order - Clarion	OSC	0	6,119	0	3,460	0
	Corporate Services		Total Corporate Services		4,186	9,089	3,280	8,580	3,130
			<u>Community and Housing</u>						
			<u>Housing</u>						
720100	Disabled Facilities Grant	00000000	Disabled Facilities Grant	SC/HCOP	280	280	280	280	280
			<u>Libraries</u>						
720201	Major Library Projects	00000040	Library Self Service	SC	350	0	0	0	0
720230	Libraries IT	00000039	Library Management System	SC	0	0	140	0	0
	Community and Housing		Total Community and Housing		630	280	420	280	280
			<u>Childrens, Schools and Families</u>						
730099	Unlocated Primary School Pro	00000880	Unallocated - Schools Capital maintenance	CYP	1900	1900	1900	1900	1900
	Children, Schools and Families		Total Children, Schools and Families	0	1,900	1,900	1,900	1,900	1,900

			Environment and Regeneration		Indicative Budget 2025-26	Indicative Budget 2026-27	Indicative Budget 2027-28	Indicative Budget 2028-29	Indicative Budget 2029-30
			<u>Public Protection and Development</u>						
740040	Public Protection and Developm	00000000	Public Protection and Developm	SC	0	35	0	0	0
			<u>Street Scene and Waste</u>						
740101	Fleet Vehicles	00000643	Replacement of Fleet Vehicles	SC	300	300	300	300	300
740152	Alley Gating Scheme	00000000	Alley Gating Scheme	SC	24	24	24	24	24
740154	Waste SLWP	00000000	Waste SLWP IT & Premises	SC	42	0	0	0	0
740154	Waste SLWP	00000643	Replacement of Fleet Vehicles	SC	3,956	0	0	0	340
			<u>Sustainable Communities</u>						
740300	Street Trees	00000642	Street Tree Programme	SC	60	60	60	60	60
740308	Highways & Footways	00000101	Street Lighting Replacement Pr	SC	290	290	290	290	290
740308	Highways & Footways	00000117	Traffic Schemes	SC	150	150	150	150	150
740308	Highways & Footways	00000144	Surface Water Drainage	SC	60	60	60	60	60
740308	Highways & Footways	00000634	Repairs to Footways	SC	1,000	1,000	1,000	1,000	1,000
740308	Highways & Footways	00000638	Maintain AntiSkid and Coloured Surface	SC	70	70	70	70	70
740308	Highways & Footways	00000639	Borough Roads Maintenance	SC	1,200	1,200	1,200	1,200	1,200
740308	Highways & Footways	00000645	Highways bridges & structures	SC	260	260	260	260	260
740504	Sports Facilities	00000640	Leisure Centre Plant & Machine	SC	250	250	250	250	250
740552	Parks Investment	00000635	Parks Investment	SC	300	300	300	300	300
Total Environmental and Regeneration			Total Environmental and Regeneration		7,962	3,999	3,964	3,964	4,304
Total Capital			Total Capital		14,678	15,268	9,564	14,724	9,614

Local Government Association

2020 Spending Review: On the Day Briefing

25 November 2020



The 2020 Spending Review outlines the Government's spending plans for 2021/22 by setting budgets for each central government department. The full set of documents is available on the [Treasury website](#).

The LGA has [published a media statement](#) responding to the announcements. We have also published press releases on the following:

- [LGA responds to Spending Review rough sleeping and homelessness funding](#)
- [LGA responds to Spending Review children's services funding](#)
- [LGA responds to Spending Review social care and public health announcements](#)
- [LGA responds to Spending Review housing funding announcement](#)
- [LGA responds to additional Spending Review funding for road repairs](#)
- [LGA responds to Spending Review Levelling Up Fund](#)
- [LGA responds to Spending Review Restart programme for long term unemployed](#)
- [LGA responds to Spending Review UK Shared Prosperity Fund announcement](#)

Key messages

- This year's Spending Review provides more certainty for councils next year, but the long-term outlook remains unclear. Public finances will undoubtedly be under huge strain in the years ahead but investment in our local public services is critical to our national recovery next year and beyond.
- It is good that the Spending Review has provided a potential increase of 4.5 per cent in council core spending power to support vital local services. However, this assumes that council tax bills will rise by 5 per cent next year, and this will place a significant financial burden on households in a year of economic uncertainty.
- We welcome new funding for adult and children's social care which have been particularly impacted by the pandemic. This will help address some - but not all - of the pressures these services face next year as councils will still have to find savings to already stretched budgets. In addition, council tax rises – particularly the adult social care precept – have never been the answer to the long-term pressures faced by councils, particularly in social care and is not the long-term solution which is desperately needed.
- For children's social care, significant additional funding will be needed if we are to provide the support children, young people and their families need. This includes early help funding to avoid families reaching crisis point, and sufficient funding for those children and families who need more intensive child protection responses. As a starting point, the £1.7 billion removed from the Early Intervention Grant since 2010 should be reinstated.

Briefing

- We have warned about record numbers of households already claiming a discount on their council tax, so we are pleased the Government will provide funding to help councils provide vital support for those on low incomes who may struggle to pay.
- It is disappointing that the Spending Review did not include additional funding for public health. This runs contrary to addressing the stark health inequalities exposed by COVID-19 and levelling up our communities. Keeping people healthy and well throughout their lives reduces pressure on the NHS and social care.
- Council services have been critical in the fight against COVID-19 and it is good that the Chancellor has provided further funding for councils to manage the cost pressures they face as a result of the pandemic.
- Councils will continue to face demand pressures on day-to-day services - some pre-existing and others made more significant by the impact of COVID-19 – amid substantial income losses. The Chancellor’s pledge to compensate for 75 per cent of irrecoverable council tax and business rates income and to extend the scheme to fund a portion of councils’ lost income from fees and charges during the early part of the next year provides some much-needed stability but will need to be kept under review and probably extended.
- It is good that the Government is introducing a new Levelling Up Fund which will help to tackle our complex and fragmented funding system for local areas, which we have long warned about. Councils are concerned about the prospect of a competitive bidding process at a time when they are focused on protecting communities and businesses from the impact of the pandemic. Decisions about local investments are best made by working with councils, who know the needs of their areas best. Government should ensure that this fund produces the best possible outcomes by working closely with councils and local communities. The cut in the Public Works Loan Board lending rate, which councils and the LGA have campaigned for, is also positive.
- We recognise that in addressing the urgency of the support needed for councils and their communities, Government has used many existing centralised processes and funding streams to ensure speed. In the coming months, we must refresh the debate on English devolution. We have stated that Brexit cannot result in a centralisation of powers in Whitehall and we must take the opportunity to devolve real power to our diverse communities through local government. We offer to work with the Government to co-produce the delayed White Paper on devolution.
- The Government’s investment of £1.6 billion for local road repairs is also positive as it will help councils support their communities and help tackle our local road repairs backlog. Going forward, it is important for councils to have more long-term certainty of funding support so they can make the most of this new infrastructure strategy.
- The announced funding for building safety remediation will be helpful however, it will not be enough to protect leaseholders. The cladding crisis affects hundreds of thousands of leasehold residents who are utterly blameless. Not only will the costs of fixing buildings often be beyond their means, but leaseholders face the cost of waking watches and insurance hikes, while trapped in flats they are unable to sell or remortgage. Government

should act soon to avoid this crisis spreading throughout the housing market and damaging the economy.

- We welcome the additional funding from the Government to tackle rough sleeping which will help councils to continue their ongoing efforts to support people at risk. Councils have done an incredible job getting people sleeping rough off the streets and have accommodated more than 29,000 people who have faced homelessness since the start of the year.
- We also urge the Government to temporarily remove the No Recourse to Public Funds condition. This would reduce public health risks and ease the pressure on homelessness services by enabling vulnerable people to access welfare benefits, who are currently unable to do so because of their immigration status. We continue to call for a long-term shift towards investing in homelessness prevention services and for councils to be given powers to kickstart a post-pandemic building boom of 100,000 new social homes for rent each year, including reform of Right to Buy.
- Only with the right funding and freedoms, can councils lead local efforts to level up the stark inequalities the pandemic has exposed and level up the economy so that it benefits everyone.

The Spending Review in detail

Public finances and general funding for local government

The Chancellor announced that:

- The Government has set Total Revenue Departmental Spending in 2021/22 at £384.6 billion, a 4 per cent increase in cash terms from 2020/21. (*Page 43, paragraph 4.3*)
- Local authority core spending power is projected by the Government to rise by 4.5 per cent in cash terms, or £2.2 billion in 2021/22. This increase is largely due to the ability of social care authorities to increase their council tax bills by up to 5 per cent (this is covered in more detail elsewhere in the briefing). Revenue Support grant will increase in line with inflation. (*Page 6, paragraph 31; Page 75, paragraph 6.66*)
- The underlying general funding to local government (also known as the local government Departmental Expenditure Limit (LG DEL)) will rise by £0.5 billion, or 5.8 per cent in cash terms. This compares to a 4.8 per cent cash terms increase to NHS England, a 4.3 per cent cash terms increase to education and a 2.6 per cent cash terms increase to defence.

Measure	2020/21, £bn	2021/22, £bn	Change, £bn	% change, cash terms
Local government core spending power*	49.0	51.2	2.2	4.5%
Local Government Department Expenditure Limit	8.6	9.1	0.5	5.8%

NHS England, day-to-day	129.9	136.1	6.2	4.8%
Department for education, day-to-day	67.8	70.7	2.9	4.3%
Defence, day-to-day	30.7	31.5	0.8	2.6%
Total Revenue Departmental Spending	369.9	384.6	14.7	4.0

Note: The figures in the table are for core funding and do not include COVID-19 funding.

* Subject to data changes, the final figures will be published in the 2021/22 local government finance settlement

Source: (LGA analysis of Spending Review book figures: page 6, paragraph 31; table 1.2, page 19; table 6.3, page 61; table 6.11, page 67; table 6.16, page 74; table C.3, page 106-107.)

LGA view

- It is good that that today's Spending Review provides a potential increase of 4.5 per cent in council core spending power next year to support vital local services. However, this assumes council tax bills will rise by 5 per cent next year which will place a significant burden on households.
- Councils will still have to find savings to already stretched budgets in order to plug funding gaps and meet their legal duty to set a balanced budget next year.
- Council tax rises have never been the answer to the long-term pressures faced by councils, particularly in social care, raising different amounts of money in different areas, unrelated to need. It is not the long-term solution which is desperately needed. We have warned about record numbers already claiming a discount on their council tax due to the pandemic and are pleased the Government will provide funding to help councils provide vital support for those on low incomes who may struggle to pay.
- Overall, the Spending Review provides more certainty for councils next year but the long-term outlook remains unclear. Public finances will undoubtedly be under huge strain in the years ahead but investment in our local public services is critical to our national recovery next year and beyond. Only with the right funding and freedoms, can councils lead local efforts to level up the stark inequalities the pandemic has exposed and level up the economy so that it benefits everyone.

Funding for local authority COVID-19 pressures

The Chancellor announced that:

- To support local authorities in England with COVID-19 pressures next year, the Government expects to provide over £3 billion in additional support. The additional support includes £1.55 billion to meet additional expenditure pressures as a result of COVID-19, £670 million to support households that are least able to afford council tax payments, £762 million to compensate for 75 per cent of irrecoverable loss of council tax and business rates revenues in 2020/21, and extending the existing COVID-19 sales, fees and charges

reimbursement scheme for a further 3 months until the end of June 2021
(Page 75, paragraph 6.65)

LGA view

- Council services have been critical in the fight against COVID-19 and it is good that the Chancellor has provided further funding for councils to manage the cost pressures they face as a result of the pandemic.
- The Chancellor's pledge to compensate for 75 per cent of irrecoverable council tax and business rates income and to extend the scheme to fund a portion of councils lost income from fees and charges during the early part of the next year provide some much-needed stability but will need to be reviewed and probably extended.

Fair Funding Review

The Chancellor confirmed that:

- As announced earlier this year, the implementation of the fair funding review has been delayed. (Page 75, paragraph 6.70)
- The Spending Review does not specify when the review will be revisited.

LGA view

- The impact of the pandemic has not changed the way general Government grants are distributed between councils and remains complex, opaque and out of date. It is not possible to succinctly explain why the funding allocations for different councils are what they are. However, it is also clear that any review of distribution arrangements puts a multi-year local government finance settlement at risk, with an impact on certainty.
- We are calling on the Government to resume the Fair Funding Review, but with a guarantee that the transitional mechanisms ensure that no councils experience a loss of income.
- Councils had to revisit and revise many of their services to react to the impact of the pandemic and it is yet to be seen how permanent some of those shifts are. This means that, when the Fair Funding Review is relaunched, the Government needs to review progress made to date to ensure that it is still fit for purpose, or flexible enough to deal with any such shifts in council service models.

Business Rates

The Chancellor announced that:

- The Government is undertaking a fundamental review of the business rates system and is currently considering responses to the call for evidence. A final report setting out the full conclusions of the review will be published in spring 2021. (Page 75, paragraph 6.69)
- The Government has decided to freeze the business rates multiplier in 2021/22, saving businesses in England an estimated £575 million over the

next five years. Local authorities will be fully compensated for this decision. *(Page 75, paragraph 6.69)*

- The Government is also considering options for further COVID-19 related support through business rates reliefs. In order to ensure that any decisions best meet the evolving challenges presented by COVID-19, the Government will outline plans for 2021/22 reliefs in the New Year. *(Page 26, paragraph 2.10)*
- Earlier this year, the Government announced that it would delay the move to 75 per cent Business Rates Retention and the implementation of the fair funding review. This decision allowed local authorities to focus on meeting the public health challenge posed by the pandemic. In order to provide further stability to the sector, the Government has decided not to proceed with a reset of business rates baselines in 2021/22 and will maintain the existing 100 per cent business rates pilots for a further year. *(Page 75 paragraph 6.70)*

LGA view

- We welcome the fact that local government will be fully compensated for the freezing of the business rates multiplier in 2021/22. However, this decision reduces buoyancy in the business rates system, and without alternative means of funding, council income would reduce.
- In our [response to the Call for Evidence for the Business Rates Review](#), we stated that although property continues to provide a good basis for a local tax on business, we cannot look to business rates to form such a substantial part of local government funding in the future and alternative means of funding councils will be needed instead or as well as a reformed business rates system.
- The move to 75 per cent business rates retention should only be revisited, if appropriate, once the business rates review concludes. We call on the Government to take early and decisive steps to provide councils with as much certainty as possible after the conclusion of the Business Rates Review in Spring 2021.
- Not resetting the business rates baseline will provide councils with some of the funding certainty and stability they need for next year.

Council tax

The Chancellor announced that:

- Local authorities will be able to levy a three per cent adult social care precept. *(Page 75, paragraph 6.67)*
- The referendum threshold for increases in council tax will remain at two per cent in 2021/22. MHCLG will set out full details of the council tax referendum principles and adult social care precept flexibility as part of the consultation on the detailed methodology for the Local Government Finance Settlement for 2021/22. *(Page 75, paragraph 6.68)*
- Police and Crime Commissioners (PCCs) in England will have the flexibility to increase funding in 2021/22 with a £15 council tax referendum limit on a Band D property. *(Page 64, paragraph 6.23)*

LGA view

- Whilst it is good that there will be flexibility for councils to raise the adult social care precept by a further 3 per cent in 2021/22, this is not a sustainable solution.
- An increase in council tax of up to 5 per cent will place a significant burden on households. In addition, increasing council tax raises different amounts of money in different parts of the country, unrelated to need.
- We have always maintained that the council tax referendum limit should be abolished so councils and their communities can decide how local services are paid for, with residents able to democratically hold their council to account through the ballot box.

New Homes Bonus**The Chancellor announced that:**

- The Government will maintain the existing New Homes Bonus scheme for a further year with no new legacy payments (*Page 75, paragraph 6.66*)
- The Government will consult on reforms to the New Homes Bonus shortly, with a view to implementing reform in 2022/23. (*Page 75, paragraph 6.70*)

LGA view

- The New Homes Bonus makes up a considerable part of funding for some councils, particularly shire district authorities. The Government needs to work closely with councils as part of its review of housing incentives in order to ensure it helps us deliver more homes and works for local government. It is important that sufficient clarity about the outcome of the review, is provided to councils as soon as possible to allow them to plan their 2022/23 budgets and beyond.

Public Sector Pay and the National Living Wage**The Chancellor announced that:**

- In order to protect jobs and ensure fairness, pay rises in the public sector will be restrained and targeted in 2021/22. Given the unique impact of COVID-19 on the health service, and despite the challenging economic context, the Government will continue to provide for pay rises for over 1 million NHS workers. In setting the level for these rises the Government will need to take into account the challenging fiscal and economic context. The NHS Pay Review Body and Doctor and Dentist's Review Body will report as usual next spring, and the Government will take their recommendations into account. The Government will also prioritise the lowest paid, with 2.1 million public sector workers earning less than £24,000 receiving a minimum £250 increase. (*Page 21, paragraph 1.31*)
- For the rest of the public sector the Government will pause pay rises in 2021/22. The pay bill represents around 25 per cent of total Government

expenditure. Pausing headline pay awards next year for some workforces will allow the Government to protect public sector jobs and investment in public services to respond to spending pressures from COVID-19. It will also avoid further expansion of the gap between public and private sector reward. *(Page 21, paragraph 1.32)*

- The Government also remains committed to continuing to support the low-paid. Therefore, following the recommendations of the independent Low Pay Commission (LPC), the Government will increase the National Living Wage (NLW) for individuals aged 23 and over by 2.2 per cent from £8.72 to £8.91, effective from April 2021. This follows the Government's acceptance of a previous recommendation from the LPC that the NLW apply to those 23 and over from April 2021. *(Page 21, paragraph 1.33)*
- The Government has also accepted the LPC's recommendations for the other National Minimum Wage (NMW) rates to apply from April 2021, including increasing the rate for apprentices by 3.6 per cent from £4.15 to £4.30 per hour. *(Page 22, paragraph 1.35)*

LGA view

- The Government has no formal role in the decisions around annual local government pay increases which are developed through negotiations with the trade unions.
- Calculations around the affordability of pay increases take full account of the financial settlement given overall to local government but this is not the only factor involved. Thus, the Government cannot automatically impose a pay freeze in local government unless it uses a legislative route to do so.
- This means also that the announcement of an increase of £250 for employees earning less than the national median wage of £24,000 per annum does not apply automatically for local government staff (30 per cent of whom earn below this salary), as was made clear after a similar announcement by the then Chancellor in 2010/11.
- If applied in local government, an increase of £250 to each employee earning £24 thousand or less would cost in the region of £100 million.
- A pay claim for 2021/22 is expected from the trade unions very soon and the negotiations will need to take account of a variety of factors, including the redundancy programmes that have already begun as a result of the financial effects of the pandemic.
- The LGA will be seeking clarity on which groups of local authority employed staff such as health visitors and school nurses, if any, will be covered by the announced pay increase for health staff including nurses.
- Pay for teaching staff is set by a pay review body following a remit set by the Government. Teachers have been a key part of the community response during the pandemic, ensuring schools remained open for key workers, providing a safe haven for priority children and finding innovative ways to keep children learning. A pay freeze for teachers may exacerbate existing recruitment and retention challenges, particularly for teachers in key subject areas.

- The LGA will work with partners to understand the costs in social care of the announced increase in the National Living Wage (NLW) as around 50 per cent of social care workers are paid around the NLW level.

Adult social care

The Chancellor announced that:

- Announcements at SR20 enable local authorities to access over £1 billion of spending for social care through £300 million of social care grant and the ability to levy a 3 per cent adult social care precept. This funding is additional to the £1 billion social care grant announced last year which is being maintained. The Government expects to provide local authorities with over £3 billion to address COVID-19 pressures, including in adult social care. This will support councils to maintain care services while keeping up with rising demand and recovering from the impact of COVID-19. *(Page 44, paragraph 4.10)*
- In the longer term, the Government is committed to sustainable improvement of the adult social care system and will bring forward proposals next year. *(Page 44, paragraph 4.10)*
- £2.1 billion provided to local authorities through the improved Better Care Fund which will be pooled with the NHS to help meet adult social care needs and reduce pressures on the NHS. *(Page 48, paragraph 4.29)*
- SR20 will support the delivery of the Long Term Plan for the NHS. It also provides significant funding for the adult social care sector. This spending disproportionately benefits older individuals. *(Page 94, paragraph A.7)*

LGA view:

- As welcome as the measures are for enabling councils to have access to additional funding for adult social care, and the continuation of improved Better Care Fund funding, only £300 million appears to be genuinely new grant funding and is for both children's and adult social care. The social care precept provides limited means to raise additional funding, but it is not sustainable; it raises different amounts of money in different parts of the country, is unrelated to need and adds an extra financial burden on households.
- Much of it will also be immediately used to fund care providers to enable them to fund increases in the National Living Wage and National Minimum Wage (see Workforce section for further commentary).
- Adult social care faces cost pressures of £4.8 billion in 2021/22, including £533 million pressures arising just from COVID-19, which continue into 2021/22. And a one-year deal provides absolutely none of the certainty social care desperately needs to be able to plan for beyond the next twelve months. This will make it difficult for the NHS and local government to invest jointly in integrated services aimed at improving health outcomes, reducing health inequalities and increasing the resilience and wellbeing of our communities.
- This is a continuation of the sticking plaster approach to funding adult social care. The Prime Minister promised to 'fix social care' in July 2019

and everyone connected to social care is frustrated by the lack of progress on this crucial agenda; there must be no further delays to the process of reform.

- The pandemic has demonstrated to the public the immense value of adult social care to lead the life they want to lead, and it is disappointing that the Spending Review has not recognised the crucial role it plays. The pandemic has also demonstrated the enormous contribution made by our committed and dedicated care workforce. The Spending Review has missed the opportunity to recognise this contribution and to deliver parity of esteem with the equally invaluable workforce of the NHS.

Health (NHS)

The Chancellor announced:

- £52 billion for frontline health services to tackle the pandemic including £22 billion for the Test and Trace programme, over £15 billion for the procurement of personal protective equipment (PPE) and £2.7 billion to support the development and procurement of vaccines. *(Page 27, paragraph 2.12)*
- The Government will provide an additional £3 billion next year to support the NHS recovery from the impacts of COVID-19. This includes around £1 billion to begin tackling the elective backlog, enough funding to enable hospitals to cut long waits for care by carrying out up to one million extra checks, scans and additional operations or other procedures. The remainder of the funding will address waiting times for mental health services, give more people the mental health support they need, invest in the NHS workforce and help ease existing pressures in the NHS caused by COVID-19. The Government also remains committed to providing PPE to frontline workers to protect them from COVID-19 and reduce transmission. On top of over £15 billion for PPE purchases and logistics already provided in this financial year, SR20 provides £2.1 billion to purchase and store PPE, sufficient funding to meet expected demand and maintain a 4 month stockpile across 2021/22. *(Page 28, paragraph 2.18)*
- £4.2 billion for NHS operational investment next year to allow hospitals to refurbish and maintain their infrastructure, and £325 million of new investment in NHS diagnostics equipment to improve clinical outcomes. *(Page 33, paragraph 3.4)*

LGA view:

- We welcome the additional resources to support frontline health services to continue to respond effectively to the pandemic, and to rapidly roll out an extensive vaccination programme. However, it is crucial that this is planned and delivered in partnership with local councils, who will also need additional resources.
- We welcome the additional funding to the NHS in order to get back on track with the treatment backlog that has built up since March 2109. However it is important to note the starkly different funding context for the NHS, compared with local government, before SR20.
- The settlement for the NHS from 2019/20 to 2023/24 represented an annual average 3.4 per cent real terms increase when it was announced in

2019. In addition, in April 2020, the Government announced that NHS debt affecting over 100 hospitals and amounting to £13.4 billion would be written off to allow them to invest in maintaining services and longer-term infrastructure improvements. In comparison, no such concessions have been made to local government, despite having to face the same demanding situation as the NHS.

- We welcome investment in NHS infrastructure, but this needs to be matched with investment in community support, including adult social care, to ensure that all people requiring care and support get the right care, in the right place, at the right time. This should be in, or as close to, their own homes as possible. Investing in hospitals will not achieve the NHS Long Term Plan objective of rebalancing investment towards community and primary care.

Public Health

The Chancellor announced that:

- SR20 confirms an additional £25.8 million to increase the value of Healthy Start Vouchers to £4.25 in line with the recommendation of the National Food Strategy. *(Page 60, paragraph 6.9)*
- Local authority spending through the public health grant will also continue to be maintained and the Government will set out further significant action that it is taking to improve the population's health in the coming months. *(Page 60, paragraph 6.9)*

LGA view

- We are pleased that the Government has recognised the importance of improving access to vitamins, milk and fresh fruit and vegetables, for disadvantaged and low-income families. The Government should now commit to accelerating the digitalisation of the voucher scheme to ensure the vouchers are accessible and non-stigmatising for those that need them most.
- It is positive that the Government has issued its firm commitment to improving the health of the nation as part of the COVID-19 recovery. It is, however, extremely short-sighted to accompany this with no increase to the public health grant.
- Despite councils' good work, the current funding model for public health is not sustainable. We have warned repeatedly that local authorities' public health grant funding has reduced by over £700 million in real terms between 2015/16 and 2020/21. The lack of new funding for public health runs contrary to the aim of addressing the stark health inequalities exposed by COVID-19 and levelling up our communities. It is also out of step from increases in funding for the NHS. Keeping people healthy and well throughout their lives reduces pressure on the NHS and social care.
- Over the coming months the Government should consult in detail with local public health systems to ensure the correct capacity and resource to continue to provide essential public health services.

Disabled Facilities Grant and Care and Support Specialised Housing Fund

The Chancellor announced that:

- SR20 includes an investment of £573 million in Disabled Facilities Grants and £71 million in the Care and Support Specialised Housing Fund, supporting people to live independently. *(Page 60, paragraph 6.11)*

LGA view:

- We are pleased that Government has listened to our call to increase Disabled Facilities Grants which will go some way towards meeting demand for adaptations. The funding will enable councils to adapt more of the existing housing stock to help older people and disabled adults and children to live independently in their own homes for longer, improving wellbeing and preventing further pressure on social care and health systems. We continue to encourage Government also to consider improvements other aspects of people's homes that help people to live healthier lives, such as tackling damp and cold homes.
- Today's boost to the Care and Support Specialised Housing Fund is a step in the right direction for improving the supply of affordable of specialist housing for older people and adults with disabilities or mental health problems. The provision of suitably designed housing that meets people's practical and care needs is a vital part of ensuring that more people can live well in communities. Whilst our population continues to age, we also need to continue supporting people with disabilities or mental health needs, so it is vital that the capital and revenue costs of different types of supported housing are fully funded.

Mental Health

The Chancellor announced that:

- The additional £3 billion to support the NHS's recovery from the impact of COVID-19 includes around £500 million to address waiting times for mental health services, give more people the mental health support they need, and invest in the NHS workforce. *(Page 60, paragraph 6.4)*
- The DHSC settlement provides further investment in the NHS workforce. This includes £260 million for Health Education England to continue to grow our NHS workforce and support commitments made in the NHS Long Term Plan. This includes training more new nurses and doctors, delivering some of the biggest undergraduate intakes ever, and funding to increase the mental health workforce and deliver training to highly valued NHS staff. *(Page 60, paragraph 6.8)*

LGA view

- Additional funding for NHS mental health services should ensure that more people with higher levels of mental health needs can access timely support. Key to tackling the COVID-19 pandemic has been how to support the public's mental wellbeing, and maintaining the funding focus on treating mental ill-health means a missed opportunity to develop locally-led approaches to helping people stay mentally well as we emerge from the pandemic and throughout their lives. Councils' statutory children's and

adults mental health services and wider public health responsibilities need parity of esteem with NHS mental health services, so that councils can help the whole population to be mentally healthy, prevent the escalation to clinical services and work with health colleagues to support people of all ages who are mentally unwell.

- It is important to recognise that a significant proportion of the mental health workforce, in particular professionals working in early intervention and community support, are employed in local government. It is crucial that the whole of the mental health workforce is properly supported, whether employed by local government, by private and voluntary providers and the NHS. Therefore, the LGA is calling for equivalent investment in the mental health of social care staff. Creating workplaces and working cultures where care staff are supported, motivated and nurtured to thrive is essential to supporting their wellbeing and mental health.

Preparations for the end of the Transition Period

The Chancellor announced that:

- £363 million to recruit 1,100 Border Force officers to deliver transit customs arrangements and to continue supporting law enforcement cooperation with EU member states from 1 January 2021. *(Page 53, box 5.1)*
- £572 million to the Department for Environment, Food and Rural Affairs to seize the opportunities resulting from environmental, regulatory and economic independence for the UK, including ambitious regulatory reforms which will enable the UK to take ownership of its own agenda. *(Page 53, box 5.1)*

LGA view

- Councils face many challenges this winter, including the priority to support and protect their communities during the COVID epidemic. Councils' capacity and resources are fully stretched. Additional work resulting from the end of EU transition must be seen in this context.
- Through their regulatory work at ports, councils will be on the frontline of changes to import and export controls following the end of the transition period, but additional funding has only been provided until March 2021. It is vital that the Government commits to extending funding beyond this period, given that the greatest impact of these changes will be in July 2021, and that this funding ensures councils do not experience funding shortfalls until additional revenue can be generated to support additional work.
- There will also be increased demands on councils to support businesses navigating their way through a changing regulatory environment. COVID-19 has highlighted the vital work local regulatory services do, and the capacity issues these services are already experiencing, with a shortage of existing trained officers and limited pipeline of new officers coming through to support additional work linked to transition.
- Maintaining sufficient capacity and resilience in local regulatory services to enable councils to support local businesses must therefore be a fundamental part of post-transition planning.

UK Shared Prosperity Fund (UKSPF)

The Chancellor announced that:

- The Government is supporting the regeneration of towns and communities by targeting further investment at places most in need by supporting places, such as former industrial areas, deprived towns and coastal communities, by setting out what the UK Shared Prosperity Fund (UKSPF) will invest in and how it will be targeted (see Box 3.1) *(Page 36, paragraph 3.16 and page 37, box 3.1)*
- SR20 sets out how the UK Shared Prosperity Fund (UKSPF) will help to level up and create opportunity for people and places across the UK and provides £220 million additional funding to help local areas prepare over 2021/22 for the introduction of the UKSPF *(Page 73, paragraph 6.60)*

LGA view

- Since the referendum, the LGA has been lobbying Government to ensure that there was a domestic replacement for EU funds. The SR contains the “Heads of Terms” for the UKSPF (the Government’s replacement of the European Structural and Investment Funds) and confirms that the fund will be at least £1.5 billion a year. We welcome the clarity this announcement has brought to local government, and we look forward to further detail.
- Local government has made an offer to co-design the programme with Government and the investment framework for local areas that sits behind this. The investment proposals and specific outcomes defined in the UK-wide investment framework need to be locally determined by councils and combined authorities, who have a democratic mandate to represent their communities, as well as respect current local decision making and devolution agreements.
- The additional £220 million to help local areas transition to the UKSPF in 2021/22 by running pilots and new approaches is welcomed and prevents a financial cliff edge. The Government must now work with all local areas to ensure there is a smooth transition to the new funding regime.
- We will be working with the Welsh LGA to ensure that the new funds meets the needs of councils in Wales.

Digital Connectivity

The Chancellor announced:

- Over £260 million for transformative digital infrastructure programmes, including the Shared Rural Network for 4G coverage, Local Full Fibre Networks, and the 5G Diversification and Testbeds and Trials Programmes. *(Page 33, paragraph 3.4)*
- £1.2 billion to subsidise the rollout of gigabit-capable broadband, as part of the Government’s £5 billion commitment to support rollout to the hardest to reach areas of the UK. *(Page 34, paragraph 3.5)*

LGA view

- As the last few months have highlighted, access to fast and reliable digital connectivity is a necessity for communities and businesses across the country and will be essential to keeping pace with developments across the globe as we emerge from the pandemic.
- We welcomed the previously announced Shared Rural Network as good news for our communities. It is now vital that mobile network operators and the Government work with local authorities to deliver this ambitious programme.
- It is positive that the Government has confirmed the first four years of funding for the £5 billion Gigabit Broadband programme. We continue to be concerned by the Government's intention to manage this programme centrally from Whitehall. We believe that the success of the Superfast Broadband Programme demonstrates how councils' local knowledge and expertise can make all the difference to a well-managed roll out. We remain committed to working with Government to help design an approach to roll out that will benefit from the local expertise of councils.
- Finally, we note the Government has revised down its target of rolling out 100 per cent gigabit-capable broadband by 2025. It will now aim for a minimum of 85 per cent gigabit capable coverage, but will seek to accelerate roll-out further to get as close to 100 per cent as possible. We had previously outlined our reservations as to whether the Government's original 100 per cent ambition was achievable by 2025.

Freeports**The Chancellor announced that:**

- The Government is supporting the regeneration of towns and communities by targeting further investment at places most in need by delivering 10 Freeports across the UK – at least one in each of England, Scotland, Wales and Northern Ireland – to bring jobs, investment and prosperity to some of the most deprived communities. The programme aims to establish Freeports as national hubs for global trade and investment across the UK, promote regeneration and job creation and create hotbeds for innovation. *(Page 36, paragraph 3.16)*

LGA view

- Following our calls to Government, we welcomed its commitment in the Freeports Bidding Prospectus to consider more than 10 freeports if bids are particularly strong. It is also positive that seed capital will be provided to winning areas to address local infrastructure constraints. It will be vital that freeports create new jobs and opportunities for local people. We have therefore asked that Government remains alive to the risk of domestic economic displacement of UK domestic businesses in its assessment of bids and as it progresses with winning areas.

Levelling Up Fund

- The Government is launching a new Levelling Up Fund worth £4 billion for England. Moving away from a fragmented landscape with multiple funding streams, this new cross-departmental fund for England will invest in a broad range of high value local projects up to £20 million, or more by

exception, including bypasses and other local road schemes, bus lanes, railway station upgrades, regenerating eyesores, upgrading town centres and community infrastructure, and local arts and culture. *(Page 36, paragraph 3.16)*

- It will be open to all local areas in England and prioritise bids to drive growth and regeneration in places in need, those facing particular challenges, and areas that have received less Government investment in recent years. Spending Review 2020 makes available up to £600 million in 2021/22. The Government will publish a prospectus for the fund and launch the first round of competitions in the New Year. *(Page 72, paragraph 6.57)*

LGA view

- Councils across the country work hard to invest in improvements in their local communities so it is good that the Government is introducing this new Levelling Up Fund.
- It is good news that this fund moves to tackle our complex and fragmented funding system, which we have long warned about. However, we are concerned by the prospect of a competitive bidding process at a time when councils want to be fully focused on protecting communities and businesses from the impact of the pandemic.
- The best way to make decisions about local investment is by working with councils, who know the needs of their areas best. We want to work with the Government to ensure this fund produces the best possible outcomes for local communities.

National Infrastructure Strategy

The Chancellor announced that:

- Increased infrastructure investment is supported by a new National Infrastructure Strategy, which sets out the Government's plans to transform the UK's economic infrastructure. It is based around three central objectives: economic recovery, levelling up and unleashing the potential of the Union, and meeting the UK's net zero emissions target by 2050 *(Page 4, paragraph 22)*

LGA view

- We welcome the Government clearly setting out its infrastructure strategy in response to the National Infrastructure Assessment carried out by the National Infrastructure Commission.
- We supported the Commission's recommendation, as set out in their National Infrastructure Assessment, that all transport authorities, including those without metro mayors, should have long term funding settlements in order to clearly plan their own infrastructure programmes. It is disappointing that the Government has not implemented this recommendation.

Borrowing framework and Public Works Loans Board

The Chancellor announced that:

- The Government will reform the Public Works Loan Board (PWLB) lending terms, ending the use of the PWLB for investment property bought primarily for yield. (*Page 76, paragraph 6.71*).
- The Government will cut PWLB lending rates to gilts + 100 base points for Standard Rate and gilts + 80 base points for Certainty Rate. (*Page 76, paragraph 6.71*)
- The Government has also announced the outcome of the Local Infrastructure Rate competition. Six authorities will benefit from £336 million in discounted lending for local infrastructure priorities (*Page 76, paragraph 6.71*)
- Alongside the Spending Review, the Government is publishing revised lending terms for the PWLB and guidance to support local authorities to determine if a proposed project is an appropriate use of PWLB loans. These new terms will apply to all loans arranged from 9am on 26 November. ([Outcome of PWLB consultation](#))

LGA view

- The cut in the PWLB lending rates reverses the increase in rates made in October 2019. This is something we have called for since the rate was increased and is welcomed.
- Under the revised lending terms, in order to qualify for any PWLB loans, council Finance Directors will be required to certify that there is no intention to buy investment assets primarily for yield at any point in the next three years. It is disappointing that this restriction applies on a 'whole plan' basis rather than linking specific spending with specific loans. There is a danger that this will make it difficult for local authorities to continue to access PWLB borrowing to support service delivery including housing and regeneration, or to refinance existing debt.

Road maintenance funding

The Chancellor announced:

- £1.7 billion in 2021/22 for local roads maintenance and upgrades to tackle potholes, relieve congestion and boost connectivity (*Page 77, paragraph 6.74*)

LGA view

- We welcome the Government delivering this boost to roads maintenance spending by including last year's additional pothole fund top up into the baseline for ongoing maintenance funding.
- Going forward, it is important for councils to have more long term certainty of funding support so they can make the most of this new infrastructure strategy.

Electric Vehicle Charging Infrastructure

The Chancellor announced:

- £90 million to fund local electric vehicle (EV) charging infrastructure to support the roll out of larger on-street charging schemes and rapid hubs in England. *(Page 39, paragraph 3.26)*

LGA view

- We welcome the Government's continued commitment to fund charging infrastructure which is crucial in order to meet our net zero targets.
- In order to accelerate uptake to meet the Government's new phase out date of petrol and diesel vehicles, we need a step change in the pace of delivery. We offer to work with Government to develop a much clearer role for councils in delivery and ensure that as well as grants for physical infrastructure, support and resources are given to build skills and capacity for local delivery.

Active Travel Infrastructure

The Chancellor announced that:

- To encourage more active travel, the Government has provided £257 million for cycling and walking in 2021/22, part of the Prime Minister's £2 billion commitment to cycling and walking across the parliament *(Page 39, paragraph 3.27)*

LGA view

- The long-term commitment of £2 billion across the Parliament to walking and cycling was a step in the right direction. The £257 million announced earlier this month is a welcome step for increasing walking and cycling provision.
- Councils need maximum flexibility and certainty in order to ensure that this money is spent quickly and effectively and to support engagement and consultation with local residents.

Review of Green Book appraisals

The Chancellor announced that:

- Alongside SR20 the Government has published [a review of the Green Book](#) *(page 48, paragraph 4.31)*

LGA view

- The [new Green Book](#) introduces changes to the way that business cases for projects are appraised. While the process remains mostly centralised, it is good that there will be a new requirement that business cases should be

developed to align with relevant local strategies and major interventions in the area. This is something we called for in our CSR submission and represents a step in the right direction.

Children's services

The Chancellor announced that:

- SR20 additionally provides capital investment in the education estate to support levelling up education across England, including £24 million in 2021/22 to start a new programme to maintain capacity and expand provision in secure children's homes. *(Page 63, paragraph 6.18)*
- The underlying core settlement for local authorities in 2021/22 includes £300 million of new grant funding for adult and children's social care, in addition to the £1 billion announced at SR19 that is being maintained in 2021/22 in line with the Government's commitment. *(Page 75, paragraph 6.66)*
- £165 million for local authorities through the Troubled Families programme, providing intensive support to families facing multiple interconnected problems. Funding is distributed by the Ministry of Housing, Communities and Local Government, with input from the Department for Education, the Department of Health and Social Care, the Ministry of Justice, HM Treasury and the Home Office. *(Page 48, paragraph 4.29)*

LGA view:

- The LGA has been highlighting the challenges facing councils in finding suitable homes for children with complex or challenging needs for some time, so the additional funding to maintain capacity and expand provision in secure children's homes is very welcome.
- It will be important for the Government to work closely with local authorities on the programme of expansion to ensure that settings are established where they are most needed and provide the best possible care for children and young people. It is also important to note that placement sufficiency is a challenge across the children's social care system and we are keen to work with the Government to find solutions to ensure all children in care have the homes they need.
- While it is positive that additional funding has been allocated for adult and children's social care, this will not be enough to tackle the challenges facing children's social care, which was already under strain prior to the pandemic as a result of increasing demand and long-term funding reductions. Significant additional funding for children's social care is urgently required, including for early help to avoid families reaching crisis point, and for those children and families who need more intensive child protection responses. As a starting point, the £1.7 billion removed from the Early Intervention Grant since 2010 should be reinstated.
- We are pleased that funding is being maintained for the Troubled Families programme. The programme has delivered real outcomes, demonstrating the benefits of cross-departmental support for a preventative, council-led approach to support.

- It is vital that we use this year to build on the learning and outcomes from the programme so far to further embed a locally-led and integrated approach to addressing multiple problems.
- The programme has demonstrated that investing in early help leads to genuinely improved outcomes and reduces pressure on frontline crisis support. This year provides an opportunity to review and develop the evidence base for sustained investment in 2022 and beyond.

Day-to-day school funding

The Chancellor confirmed that:

- At SR19 the Government set out a commitment to increase the core schools budget by £7.1 billion by 2022/23, compared to 2019/20 funding levels. SR20 reaffirms this commitment, with the Government's three-year investment representing the biggest school funding boost in a decade. The schools budget will increase from £47.6 billion in 2020/21 to £49.8 billion in 2021/22 – an uplift of £2.2 billion. *(Page 44, paragraph 4.12)*

LGA view

- The LGA welcomes the Government's announcement to increase schools budgets by £7.1 billion by 2022/23. The Government must now urgently confirm council high needs block allocations for 2021/22 and use the on-going review of Special Educational Needs and Disability (SEND) to give councils the powers and long-term certainty of funding to support children and young people with SEND.
- It is however disappointing that additional funding has not been made available to help cover the exceptional costs incurred by schools in responding to COVID-19 since they reopened in September.

School capital

The Chancellor announced that:

- SR20 additionally provides capital investment in the education estate to support levelling up education across England, including further detail on the Government's ten-year school rebuilding programme. The programme will launch with a commitment to 50 new school rebuilding projects a year across England. *(Page 63, paragraph 6.18)*
- Investment of £1.8 billion in 2021/22 to maintain and improve the condition of school buildings *(Page 63, paragraph 6.18)*
- £300 million in 2021/22 for new school places for children with special educational needs and disabilities, almost four times as much as the Government provided to local authorities in 2020/21 *(Page 63, paragraph 6.18)*

LGA view

- The LGA welcomes the announcement of funding for school rebuilding projects and an investment of £1.8 billion to maintain and improve the

condition of school buildings during 2021/22. To ensure this funding is easily accessible to those schools that need it, the Government must replace the existing, fragmented school capital funding arrangements with a single, local school capital fund.

- The LGA welcomes the £300 million for new school places for children with SEND during 2021/22. This funding recognises that councils continue to struggle to meet the year-on-year increase in demand for SEND support and we await further detail on how these places will be created.
- The DfE's review of SEND must deliver legislative reforms that increase levels of inclusion in mainstream schools and reduce the use of special and independent and non-maintained special school places, which are more expensive.

Early years

The chancellor announced:

- £44 million for early years education in 2021/22 to increase the hourly rate paid to childcare providers for the Government's free hours offer. (*Page 63, paragraph 6.19*)

LGA view

- The LGA has repeatedly raised concerns about the underfunding of the early entitlements, so additional funding is welcome.
- However, with many early years providers struggling in the light of COVID-19, it is disappointing that this is not a more significant and immediate investment to support providers during this time. It is crucial we retain the good quality early education and childcare that improves children's outcomes and reduces the disadvantage gap.

Youth services

The chancellor announced:

- Almost £100 million to deliver the National Citizen Service (NCS) and invest in youth facilities. The Government will review its programmes to support youth services including the NCS in the spring. (*Page 81, paragraph 6.88*)

LGA view

- COVID-19 has shown the importance of youth services and young people having safe spaces to go to, so we welcome additional funding to invest in youth facilities. However, more than 4,500 youth work jobs have been lost since 2010/11 due to funding reductions, therefore funding for staff and training is urgently needed in addition to funding for facilities.
- Local government and local youth services need confirmation of the £500 million promised to youth services in 2019 which will provide essential investment into the sector and support young people to achieve good outcomes.

- The LGA has repeatedly called for devolution of some NCS funding to local youth services, which can provide the year-round support that many young people need rather than a time-limited programme. We will look to work with the NCS Trust to consider how the NCS works with councils, and with Government on its review of programmes to support youth services, ensuring that funding is targeted towards areas it will be most effective.

Supporting jobs

The Chancellor announced that:

- £2.9 billion Restart programme will provide intensive and tailored support to over 1 million unemployed people and help them find work, with approximately £0.4 billion of funding in 2021/22 (*Page 29, paragraph 2.20*)
- Funding the £2 billion Kickstart scheme which will create hundreds of thousands of new, fully subsidised jobs for young people at risk of long-term unemployment across Great Britain. The SR20 settlement includes £1.6 billion in 2021/22 which will ensure funding for over 250,000 Kickstart jobs. (*Page 29, paragraph 2.20*)
- Investment of £375 million from the National Skills Fund in 2021/22, which will provide £138 million for the Government's commitment to fund in-demand technical courses for adults, equivalent to A level, and to expand the employer-led boot camp training model. (*Page 62, paragraph 6.17*)
- On Apprenticeships, the Government is:
 - making available £2.5 billion of funding for apprenticeships and further improvements;
 - allowing levy paying employers to transfer unspent levy funds in bulk to Small and Medium-sized Enterprises (SMEs) with a new pledge function from August 2021.
 - confirming unspent Levy funds will continue to expire after 24 months;
 - introducing a new online service to match levy payers with SMEs that share their business priorities for the purposes of Levy transfer from August 2021;
 - allowing employers in construction and health and social care to front-load training for certain apprenticeship standards from April 2021 and explore whether this offer can be extended to other sectors;
 - testing approaches to supporting apprenticeships in industries with more flexible working patterns in 2020/21, including considering how to best support apprenticeship training agencies;
 - extending incentive payments for hiring a new apprentice introduced in the Plan for Jobs to 31 March 2021. (*Page 62, paragraph 6.17*)

LGA view

- The Chancellor has rightly prioritised jobs in this Spending Review. With millions displaced from the labour market and needing to find work and reskill due to the COVID-19 crisis, we need to align job creation and employability measures including skills, so no community is left behind.

- The economic and social challenges facing our communities will vary across the nation. National and local government should combine resources and expertise to deliver for people and businesses hard hit by the crisis and co-design the solutions.
- Investment in the low-carbon economy provides an opportunity to create further employment opportunities. In 2030 across England there could be as many as 694,000 direct jobs employed in the low-carbon and renewable energy economy, rising to over 1.18 million by 2050.

Restart

- We face a growing and stark unemployment challenge. Support for people who are long term unemployed is urgently needed and Restart must be delivered in the right way to reduce the scarring effect of unemployment on communities. There is strong evidence that localised and devolved programmes deliver more sustained outcomes and that centralised employment and skills schemes struggle to deliver for the economy, employers or individuals.
- Support to the long-term unemployment needs to be as close as possible to local communities and the local services they rely on including housing, health, training and debt management. Local government offers to work with the Government to plan, commission and deliver Restart so it can align with local services and training opportunities. Councils are in the unique position locally to bring together a range of local organisations including charities, housing associations, councils, and training providers as well as Department for Work and Pensions (DWP) prime providers.
- Local government stands ready to make this happen with the right level of resource. The Government should work with us to plan Restart so it is delivered to optimal impact for people and places.

Kickstart

- Local government is already working hard to make a success of and coordinate the Kickstart scheme locally, working with providers and Jobcentre Plus. The first phase excluded 16-17 year olds at risk of unemployment. We believe this next phase of Kickstart should be extended to this group, and that [local government should be able to refer this group into the Scheme](#).
- Kickstart will work best for young people, businesses and communities if it is planned and delivered in partnership locally. That requires real collaboration at a local authority level between national Government and its agencies, local government, employers and providers to ensure the offer is coordinated, promoted, signposted, targeted and delivered. [DWP must build local government into the further iterations of the Scheme as we have already set out](#).

In-demand technical courses for adults

- Using the National Skills Fund to fund free Level 3 courses for adults not yet qualified to these levels is welcome. We encourage the Chancellor to go further by devolving and localising this support so that it is customised to

local need and can offer a clear pathway to further learning and work in places where people live.

- We continue to recommend the Government at least doubles funding for the Adult Education Budget to increase support for the nine million people across England that lack basic literacy and numeracy skills.

Apprenticeships

- The Government has listened to employers and is introducing some long overdue reforms to the apprenticeship levy. The extension of the £2,000 apprenticeship incentive payments and the introduction of a new service to match levy payers with SMEs that want to receive a transfer of funds should both help to create more apprenticeship opportunities.
- We continue to urge the Government to go further and deliver the root and branch reform of the apprenticeship levy. Local government should be offered more local freedom and flexibility to maximise the use these funds, for example to widen participation to disadvantaged groups. We look forward to receiving more information on the Government's plan to allow employers to make levy transfers to SMEs and we hope that it will provide the opportunity for local government to work with employers to take a more strategic approach to apprenticeships locally and pool funds so we can maximise support to our communities.
- It is disappointing that the Government has confirmed that the 24-month expiry policy for unspent levy funds will remain in place. We urge the Treasury to reconsider and pause this policy to prevent employers from losing funds through no fault of their own. The Government should also introduce a levy payment holiday of up to six months for businesses struggling with cashflow problems.

Building Safety

The Chancellor announced that:

- SR20 confirms £1.6 billion of capital to remove unsafe cladding from high rise buildings. (*Page 73, paragraph 6.61*)

LGA view

- The LGA has been asking the Government to address this issue for over three years. Although these Government funds for remediation will be helpful, the Housing Communities and Local Government Select Committee, the Public Accounts Committee and the LGA have all said that the current level of funding (£1.6 billion) will not be enough to protect leaseholders.
- The LGA wants the Government to meet remediation costs upfront, taking a building-wide, risk-based approach to remedial works. They should then pursue those responsible for shoddy products or workmanship in order to protect the taxpayer.
- The cladding crisis affects hundreds of thousands of leasehold residents who are utterly blameless; not only will the costs of fixing buildings often be beyond their means, but leaseholders face the cost of waking watches and insurance

hikes, while trapped in flats they are unable to sell or remortgage. The Government needs to act soon to avoid the effects of this crisis spreading throughout the housing market and damaging the economy.

Housing

The Chancellor announced that:

- SR20 also provides nearly £20 billion in multi-year capital investment to underpin the Government's long-term housing strategy:
 - a National Home Building Fund (NHBF), with initial funding of £7.1 billion over the next four years to unlock up to 860,000 homes, including:
 - confirming £4.8 billion of capital grant funding, including for land remediation, infrastructure investment, and land assembly
 - delivery of the Brownfield Fund, announced at Budget 2020 for Mayoral Combined Authorities (MCAs)
 - an additional £100 million for non-Mayoral Combined Authorities in 2021/22 to support housing delivery and regeneration, including unlocking brownfield sites, regenerating estates and releasing public sector land – including serviced plots for self and custom builders
 - £2.2 billion of new loan finance to support housebuilders across the country. This includes delivering Help to Build for custom and self-builders, and funding for SMEs and modern methods of construction
 - further funding for the NHBF will be confirmed at the next multi-year spending review, delivering on the Government's commitment to provide £10 billion to unlock homes through provision of infrastructure
 - reconfirming £12.2 billion for the Affordable Homes Programme (AHP). The new AHP will deliver up to 180,000 new homes for affordable homeownership and rent, with a greater proportion outside of London than the previous programme. *(Page 73, paragraph 6.59)*

LGA view

- It is positive to see further Government investment to support the building of new homes. We welcome the additional funding for non-Mayoral Combined Authorities to support housing delivery and regeneration. In our view, all councils should have access to funding to support their ambitions to bring forward brownfield sites, estate regeneration projects and the release of public sector land.
- With more than one million households on council waiting lists, and now more than 98,000 households in temporary accommodation, it is vital that the Affordable Homes Programme is re-focused towards support for truly affordable homes, including those for social rent. Councils also need to be

able to retain all Right to Buy receipts, combine them with other funding sources and set discounts locally, to support them in building homes to meet the needs of local communities.

Planning

The Chancellor announced that:

- SR20 provides an additional £12 million to take forward the Government's radical planning reform agenda and £4 million towards its ongoing Oxford-Cambridge Arc programme, building on the Government's commitments to accelerate housing and infrastructure delivery. (*Page 74, Paragraph 6.61*)

LGA view

- The LGA's response the Planning White Paper is: <https://www.local.gov.uk/parliament/briefings-and-responses/lga-submission-ministry-housing-communities-and-local-2>
- Additional investment will be vital in taking forward any proposed reforms to the planning system. We await further details on how the £12 million will be allocated.
- Councils need to have the resources, tools, powers and flexibilities required to make locally-led planning decisions for their current and future residents. This includes having the ability to set planning fees locally. These fees should also help to cover the cost of wider planning functions. This will ensure that these can continue to support the decision and plan-making process.
- The Government will also need to ensure that councils have access to the right capacity, skills and training support to implement any changes to the planning system. Any new burdens should also be fully funded.

Homelessness

The Chancellor announced that:

- SR20 also provides £254 million of additional resource funding, including £103 million announced earlier this year for accommodation and substance misuse, to support rough sleepers and those at risk of homelessness during COVID-19. This takes total resource funding in 2021/22 to £676 million, a 60 per cent cash increase compared to SR19. This additional funding will support frontline services through the Rough Sleeping Initiative and enable local authorities to fund their statutory duties to prevent homelessness. The Government will also provide new funding to support prison leavers at risk of homelessness into private rental tenancies and will commit £87 million of capital funding in 2021/22 primarily to support the delivery of long-term accommodation for rough sleepers. (*Page 72, paragraph 6.58*)

LGA view

- Councils have done an incredible job getting people sleeping rough off the streets and have accommodated more than 29,000 people who have faced homelessness since the start of the coronavirus pandemic. It is

good the Government has recognised this with additional funding today, which will help councils to continue their ongoing efforts to support people at risk of rough sleeping and homelessness.

- As we fight a second wave of coronavirus, we would also urge the Government to temporarily remove the No Recourse to Public Funds condition, which would reduce public health risks and ease the pressure on homelessness services by enabling vulnerable people to access welfare benefits, who are currently unable to do so because of their immigration status.
- In the longer-term, it is also important that there is a shift towards investing in homelessness prevention services. With council housing waiting lists set to potentially nearly double as a result of COVID-19, we are calling for councils to be given powers to kickstart a post-pandemic building boom of 100,000 new social homes for rent each year, including reform of Right to Buy.

Welfare support

The Chancellor confirmed that:

- A £20 per week increase to the Universal Credit (UC) standard allowance and Working Tax Credit basic element for 2020/21. This means that for a single UC claimant (aged 25 or over), the standard allowance has increased from £317.82 to £409.89 per month until April 2021. *(Page 26, paragraph 2.8)*
- There was an increase in the Local Housing Allowance (LHA) rates for UC and Housing Benefit claimants so that it covers the lowest third of local rents. This increase will mean nearly £1 billion of additional support for private renters claiming UC or Housing Benefit in 2020/21 and benefits over 1 million households, including those in work. Claimants will gain on average an additional £600 per year in increased housing support. *(Page 26, paragraph 2.8)*

LGA view

- We welcomed the £20 per week increase in Universal Credit, which is providing vital support to many people whose livelihoods have been affected by the pandemic. However, it is clear that the economic impact of COVID-19 on low income households will be with us for some time to come, and that additional support in the employment system will take time to deliver. It is therefore disappointing that the Government did not take this opportunity to offer councils and communities much-needed certainty by committing now to sustaining vital uplifts in the benefits system.
- The LGA has long campaigned for Local Housing Allowance rates to be maintained at least at the 30th percentile of market rents. We were therefore pleased when Government restored LHA rates earlier this year. We recognise that, at present, the uplift in LHA rates will be retained in cash terms (as laid out in point 22, table 1.1 on page 12). This means, however, that LHA rates will once again begin to fall in real terms, as rents continue to rise. This is likely to present challenges for households renting in the private sector at a time when increasing numbers of people are struggling to meet their housing costs and may in turn place pressure on councils' housing and homelessness services.

Flooding and coastal erosion

The Chancellor announced that:

- A doubling of flood and coastal investment across England investing £5.2 billion over six years. *(Page 82, paragraph 6.92)*
- This includes a £200 million six-year flood and coastal erosion resilience innovation programme which will support over 25 local areas to take forward wider innovative actions that improve their resilience to flooding and coastal erosion, and up to £155 million to accelerate 22 shovel-ready flood defence schemes announced earlier this year. *(Page 82, paragraph 6.92)*

LGA view:

- The LGA has welcomed the investment, which has been announced previously.
- Councils are well placed to lead a local approach to managing the risks from flooding and coastal erosion. Funding for flood defences needs to be devolved to local areas and sit within a new national framework for addressing the climate emergency.
- We will be seeking further information on funding for the role of councils as Lead Local Flood Authorities (LLFAs). Grant funding runs out at the end of this financial year and councils need clarity on how this critical statutory role will be funded.

The natural environment

The Chancellor announced that:

- Investment will include £90 million for the Nature for Climate Fund – to increase tree planting and peatland restoration in England. *(Page 41, paragraph 3.41)*
- A doubling of the Green Recovery Challenge Fund with a further £40 million to fund a second round of natural capital projects next year. *(Page 41, paragraph 3.41)*
- £7 million to improve public access to green space by taking forward the Coast to Coast National Trail and England Coast Path and more than £75 million in funding for National Parks and Areas of Outstanding Natural Beauty. *(Page 41, paragraph 3.41)*
- The Government is also funding the implementation of key Environment Bill measures including biodiversity net gain for development, Local Nature Recovery Strategies and the Office for Environmental Protection. *(Page 41, paragraph 3.42)*

LGA view

- The investment in natural capital is welcome. We will be seeking further information on how councils can access this funding for their communities.
- We have raised concerns about the impact of disease and climate change on mature trees in public spaces. Dealing with tree disease is a cost pressure on councils and we will continue to press for this to be fully funded.
- The LGA has highlighted the need for councils to be given funding and capacity to carry out the new biodiversity functions set out in the Environment Bill. We will be working with the Department for Environment, Food and Rural Affairs to ensure that the new burdens are fully funded.

Green investment and infrastructure

The Chancellor announced that:

- The NIS, published alongside SR20, is rooted in the expert advice of the highly respected National Infrastructure Commission (NIC), and responds to its ground-breaking 2018 assessment of the country's infrastructure needs. The NIS sets out how we will deliver the greener infrastructure that is fundamental to the Ten Point Plan, and as part of this announces the creation of a UK-wide bank focused on infrastructure and headquartered in the North of England. The bank will support private infrastructure projects to help meet the Government's objectives on economic growth, levelling up, and transitioning to net zero. *(Page 39, paragraph 3.22)*
- The Ten Point Plan mobilises £12 billion to give industry the certainty it needs to invest, supports up to 250,000 green jobs and saves 180 megatonnes of carbon dioxide equivalent. *(Page 39, paragraph 3.23)*

LGA view

- The LGA welcomes the investments and support to develop the low carbon and green infrastructure economy in the Government's Ten Point Plan. Councils share the ambition for a green revolution and with at least 230 councils declaring a climate emergency, are well placed to support Government to meet its net-zero carbon ambitions by 2050.
- We want to work with Government and business to establish a national fiscal and policy framework for addressing the climate emergency, supported with long term funding.

Low carbon solutions

The Chancellor announced that:

- £1 billion for a Carbon Capture and Storage (CCS) Infrastructure Fund and will help establish four CCS clusters by 2030. These clusters will bring jobs and investment to industrial heartlands in areas of North East and North West England, the Humber, Scotland and Wales. *(Page 40, paragraph 3.30)*
- £240 million Net Zero Hydrogen Fund and £81 million for pioneering hydrogen heating trials. *(Page 40, paragraph 3.31)*

- By 2030 the Government plans to quadruple offshore wind capacity to 40 GW and maximise the opportunities this presents for jobs and investment. To grow the UK manufacturing base, the spending review invests £160 million into modern ports and manufacturing infrastructure, providing high quality employment in coastal regions. *(Page 40, paragraph 3.32)*
- The Government will spend nearly £500 million in the next four years for the development and mass-scale production of electric vehicle batteries and associated EV supply chain. *(Page 40, paragraph 3.33)*
- It is providing over £125 million for nuclear technologies in 2021/22, as part of up to £525 million set out in the Ten Point Plan, including £385 million for an Advanced Nuclear Fund. *(Page 40, paragraph 3.34)*
- It is committing £200 million for Net Zero Innovation Portfolio in 2021/22 to support new decarbonisation solutions and bolster emerging technologies such as direct air capture and low carbon hydrogen. *(Page 41, paragraph 3.35)*
- SR20 provides over £280 million in 2021/22 for net zero Research and Development, including an £81 million multi-year commitment for pioneering hydrogen heating trials. *(Page 56, paragraph 5.26)*

LGA view

- The LGA has been calling for investment in renewable energy and is pleased with the commitment and investment in low carbon energy. There are significant opportunities in the green growth sector if the approach to delivery is flexible and designed around place.
- Councils want to support the local implementation of low carbon solutions necessary across every sector, industry and place and, support the creation of local green skills and jobs. Councils want to play a key role in developing a flexible, resilient energy supply that realises the full economic benefits that are felt across all parts of the country.
 - Councils are well placed to test transformational solutions and we will work with Government to understand how councils can use funding for research and development to support place-based low carbon action.
 - We will now be working with Government to ensure that councils have the tools and powers they need to play a lead role in harnessing this investment and supporting a locally led green economic recovery.

Warmer homes and buildings

The Chancellor announced that:

- SR20 allocates £475 million to make public buildings greener, £150 million to help some of the poorest homes become more energy efficient and cheaper to heat with low-carbon energy, and a further £60 million to retrofit social housing. It also extends the popular Green Homes Grant voucher scheme with £320 million of funding in 2021/22. The Government is committed to spending £3 billion on building decarbonisation, and will review this allocation

in the spring, together with how it can best deliver this agenda over the course of this parliament. *(Page 41, paragraph 3.38)*

- SR20 also confirms £122 million in 2021/22 to support creation of clean heat networks. This, together with the measures to be set out in the Government's forthcoming Heat and Buildings Strategy, will help meet the target of installing 600,000 heat pumps by 2028, and scale up the other low carbon heating and energy efficiency measures necessary to make buildings fit for net zero. *(Page 41, paragraph 3.39)*

LGA View

- We support investment to allow councils to help Government achieve its aim for the UK to become a net zero carbon economy in 30 years' time. Councils await further details to understand how to access the funding for public buildings.
- It is positive that the Government is investing a shift to greener, more efficient buildings and housing. The Government should work with councils to urgently bring forward its commitment for a [£3.8 billion capital Social Housing Decarbonisation Fund](#). This would provide a national stimulus to kick start the deep energy retrofit of all homes by investing in an energy revolution in social housing.
- Heat networks will continue to play an important role in national and local ambitions to reduce carbon and cut heating bills for domestic and commercial customers. It will be vital that the Government continues to work with local authorities to address capability and capacity challenges to heat network deployment.

Fire and Rescue Services

The Chancellor announced that:

- The Home Office (HO) settlement provides a £881 million cash increase in core resource funding from 2020/21 to 2021/22, delivering a 4.9 per cent average real terms increase per year since 2019-20. *(Page 64, paragraph 6.21)*

LGA view

- It is disappointing that the Spending Review does not include any information about funding for the crucial fire and rescue services (FRS).
- LGA is seeking clarity from the Home Office on what the settlement will mean for FRS. The LGA has been working with the Home Office to make the case for further funding to answer the cost pressures felt by the service due to risk and demand.
- The LGA is also asking for clarity on funding from the Home Office for pensions costs arising from remedying court judgments such as [age discrimination](#) for the fire service.

Reducing offending and serious violence

The Chancellor announced that:

- SR20 also commits an additional £200 million from 2021/22 to fund a second round of pilots under the Shared Outcomes Fund (SOF). This continues progress made on funding join-up across Government through the SOF launched at SR19, which funded a wide range of pilot projects that cut across multiple departments. The projects will be subject to thorough evaluation to inform future policy development and programmes. *(Page 48, paragraph 4.30)*
- Prison leavers (£20.0 million – MoJ, Department for Work and Pensions (DWP), MHCLG, Department for Digital, Culture, Media & Sport (DCMS), DHSC, Department for Education DfE), NHS England): The project will work closely with service users and stakeholders from across Government, and the third and private sectors to test ways to improve the social inclusion of people leaving prison, and reduce reoffending. *(Page 97, paragraph B.1)*
- Creating opportunities forum for tackling serious violence (£3.7 million – HO, DWP, DCMS, DHSC, DfE): This pilot will work with the private and third sectors to generate employment opportunities and wraparound support packages for vulnerable young people at risk of serious violence. *(Page 97, paragraph B.1)*
- Early intervention (£1.8 million – MoJ, HO, MHCLG, DHSC): This pilot will work with police and health specialists to better join up services for police forces to manage offences outside of court, understand which interventions are effective, and improve data on the impact of the interventions on reoffending. *(Page 97, paragraph B.1)*

LGA view

- The Shared Outcomes Fund projects which focus on reducing reoffending and tackling serious violence are positive. However if we are to tackle the underlying causes of offending, including serious violence, we need to see long-term and sustainable funding in local public sector and voluntary services, particularly in early intervention and prevention initiatives.

Domestic abuse**The Chancellor announced that:**

- SR20 also provides £98 million of additional resource funding, bringing total funding to £125 million, to enable local authorities to deliver the new duty to support victims of domestic abuse and their children in safe accommodation in England *(Page 74, paragraph 6.61)*

LGA view

- Domestic abuse can have a long-term and devastating impact on families and particularly children. The announcement of £98 million of additional resource funding to enable local authorities to deliver the new duty to support domestic abuse victims and their children in safe accommodation is therefore welcome. However, it is not yet clear how this figure has been calculated and whether it will meet the full costs of the new proposed duty.
- The new funding needs to fully account for any increases in demand for services, and any additional burdens identified by local needs assessments when the duty comes into force in April 2021. Children have been added into

the statutory definition of domestic abuse, so it will be important to assess whether additional provision is required and therefore whether councils need additional funding to meet the new proposed duty.

- One-off, short term grants do not allow for long-term planning or consistency in service, which is why long-term and sustained investment is needed. Transitional funding is also required to provide support for current domestic abuse services due to close at the end of the next financial year.
- In order to transform the response to domestic abuse, a joined-up approach is needed, providing a broad range of support packages to assist victims of domestic abuse and intervene with perpetrators to change and prevent their behaviour. This is why we have called for greater investment in early intervention and prevention programmes and wider community-based domestic abuse support, as well as greater investment in perpetrator programmes.
- It was disappointing to note that no funding has been allocated to the National Female Genital Mutilation (FGM) Centre, despite its vital work in supporting and protecting victims of FGM in the UK. We will continue to work with the Government on securing funding to help tackle this crime.

Asylum, refugee resettlement and modern slavery

The Chancellor announced that:

- The settlement provides £66.4 million in resource funding to the Home Office and £459.5 million in Official Development Assistance (ODA) resource funding to support and protect vulnerable people in the asylum system, to deliver refugee resettlement, and to support victims of modern slavery. (*Page 65, paragraph 6.26*)
- The cross-government refugee transitions outcomes fund will provide £10 million to the Home Office, Department of Work and Pensions, the Ministry for Housing, Communities and Local Government and councils for a pilot aimed at supporting the self-sufficiency of newly granted refugees across the UK by delivering employment support and housing support. (*Page 98, paragraph B.1*)

LGA view

- Councils play a valuable role supporting new arrivals who are starting a new life in the UK. The LGA will continue to work with Government to build a joint understanding of local government's key role in asylum, resettlement and supporting victims of modern slavery, and to address the costs to councils of that support. It is not clear whether these announcements will tackle the lack of funding which has been a barrier to participation, and hinders our joint efforts to reduce the pressures in areas with large numbers of asylum-seeking adults and children.

Counter-terrorism

The Chancellor announced that:

- SR20 provides the UK Intelligence Community (UKIC) with a £173 million funding increase in 2021/22, representing a 5.4 per cent average annual real-terms increase since 2019/20. It also includes over £1.3 billion of capital investment from 2021/22 to 2024-25. (*Page 56, paragraph 5.32*)

LGA view

- Local authorities will continue to do what they can to help keep communities safe from the threats from terrorism and extremism. However, it is not enough to tackle the symptoms of terrorism alone, whilst ignoring the underlying causes. It is vital that there is continued investment in prevention work at a local level, to aid wider efforts to protect the public and build resilience, including initiatives to support integration and counter extremism and prevent radicalisation.
- The Government has withdrawn funding for the Special Interest Group on Countering Extremism (SIGCE), which has been a significant and agile force in supporting both local and national Government's efforts to counter extremism, tackle hate crime and help counter the ideology that can draw individuals into terrorism and criminality. We believe the SIGCE remains key to addressing rising tensions in many areas, and in supporting wider efforts to prevent terrorism. We urge Government to continue to invest in the SIGCE to support local authorities to build resilience and help stop division and polarisation from taking hold.

Online harms

The Chancellor announced:

- £45 million for programmes to drive growth through digital technologies and data, while improving online safety and security. (*Page 81, paragraph 6.86*)

LGA view

- Councils have important statutory responsibilities in supporting those exposed to online harms, including in relation to child sexual exploitation, mental ill-health (particularly children and young people), suicide prevention, radicalisation, and the online abuse and harassment experienced by councillors and senior local government officers. We therefore welcome the Government's recognition of the importance of improving online safety and security as the digital environment continues to innovate and grow in scope and scale.

Local Government Cyber Security

The Chancellor announced that:

- The underlying core settlement for local authorities in 2021/22 includes...providing £16 million to support modernisation of local authorities' cyber security systems. *(Page 75, paragraph 6.66)*
- SR20 also provides continued investment in the National Cyber Security Programme, funding transformational cyber security projects to support departments, the private sector and wider society. This investment will enable the UK to stay at the forefront of global action to secure a safe digital future and successfully adopt new technology to drive resilience and economic growth. *(Page 69, paragraph 6.44)*

LGA view

- The LGA welcomes the announcement of specific local government cyber security funding in this review. £16 million for the next financial year is a sizeable step in the right direction.
- It is currently unclear as to how the Treasury intend to allocate this money and whether or not further funding from the National Cyber Security Programme will also be directed toward reducing cyber security risk in local government.
- It is critical that local government receives sufficient funding for councils to address the cyber security risk they currently face, and meet the competing assurance demands of different central Government departments and agencies.
- We look forward to meeting with the Cabinet Office and the Ministry of Housing Communities and Local Government to understand how this £16 million will be allocated, and how any further funds from the National Cyber Security Programme will be spent.

Culture, tourism and sport

The Chancellor announced that:

- This settlement includes the following priority outcomes:
 - Increase economic growth and productivity through improved digital connectivity
 - Grow and evolve our sectors domestically and globally, in particular those sectors most affected by COVID-19, including culture, sport, civil society, and the creative industries. *(Page 81, paragraph 6.90)*

LGA view

- Culture and the creative industries, tourism and sport services are among those that have been hardest hit by COVID-19, yet have the potential to contribute significantly to economic recovery and personal resilience over the forthcoming years. The recognition throughout the Spending Review of their importance is a positive sign, including their explicit inclusion in the objectives for the UK Shared Prosperity Fund and Levelling Up Funds.
- However, leisure services are in need of an immediate injection of funding if they are to keep services going and to enable them to benefit from the

capital investments announced today. It is important that Government announces a second investment on top of the £100 million already announced.

Holiday Activities Fund

The Chancellor announced that:

- The Government will also provide £220 million for the Holiday Activities and Food programme to provide enriching activities and a healthy meal for disadvantaged children in the Easter, Summer and Christmas holidays in 2021. This provides funding up to the end of 2021-22 and supports the Government's commitment to establish a Flexible Childcare Fund to increase the availability of high quality and affordable flexible childcare. *(Page 45, paragraph 4.14)*

LGA view

- We are pleased that the Government has recognised the vital role of councils in providing consistent health and wellbeing support for children in disadvantaged and low-income families. To secure better outcomes it is vital that this support is provided in the context of a properly recognised and resourced local safety net and a genuinely preventative approach to addressing multiple disadvantage.
- We hope that when further detail emerges on the coming year's approach to the Troubled Families programme it enables vital links to be made between this support and wider preventative approaches to improving children's health and wellbeing.
- It is disappointing that there are no proposals for putting local welfare funding on a more sustainable footing to ensure a consistent approach to locally-led support to address financial hardship and economic vulnerability.