

**Committee:** Cabinet

**Date:** 7 February 2022

**Agenda item:**

**Wards:** All

**Subject:** Business Plan 2022-26

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

**Lead member:** Councillor Owen Pritchard

**Urgent report:**

Reason for urgency: The chairman has approved the submission of this report as a matter of urgency as it provides the latest available information on the Business Plan and Budget 2022/23 and requires consideration of issues relating to the Budget process and Medium Term Financial Strategy 2022-2026. It is important that this consideration is not delayed in order that the Council can work towards a balanced budget at its meeting on 2 March 2022 and set a Council Tax as appropriate for 2022/23.

**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.

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**Recommendations:**

1. That Cabinet considers and agrees the response to the Overview and Scrutiny Commission;
2. That the Cabinet resolves that, having considered all of the information in this report and noted the positive assurance statement given by the Director of Corporate Services based on the proposed Council Tax strategy, the maximum Council Tax in 2022/23, equating to a Band D Council Tax of £1,380.87, which is an increase of below 3% be approved and recommended to Council for approval.
3. That the Cabinet considers all of the latest information and the comments from the scrutiny process, and makes recommendations to Council as appropriate
4. That Cabinet resolves that the Business Plan 2022-26 including the General Fund Budget and Council Tax Strategy for 2022/23, and the Medium Term Financial Strategy (MTFS) for 2022-26 as submitted, along with the draft Equality Assessments (EAs), be approved and recommended to Council for approval subject to any proposed amendments agreed at this meeting;

5. That the Cabinet resolves that, having considered all of the latest information and the comments from the scrutiny process, the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy); the Treasury Management Strategy (Section 5), including the detailed recommendations in that Section, incorporating the Prudential Indicators and the Capital Strategy (Section 4) as submitted and reported upon be approved and recommended to Council for approval, subject to any proposed amendments agreed at this meeting;
  6. That Cabinet notes that the GLA precept will not be agreed by the London Assembly until the 24 February 2022, but the provisional figure has been incorporated into the draft MTFS
  7. That Cabinet request officers to review the savings proposals agreed and where possible bring them forward to the earliest possible implementation date
  8. That Cabinet note that there may be minor amendments to figures and words in this report as a result of new information being received after the deadline for dispatch and that this will be amended for the report to Council in March.
  9. That Cabinet consider and approve the Risk Management Strategy.
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## 1. **Purpose of report and Executive Summary**

- 1.1 This report summarises the work that has been undertaken since April 2021 towards formulating the Business Plan 2022-26 including the Budget for 2022/23, Medium Term Financial Strategy 2022-26 and Capital Strategy 2022-26. It describes the steps taken to ensure that business planning is integrated with financial planning. It sets out details of how the budget has been structured to ensure that a balanced budget is set for 2022/23 and progress towards a balanced budget over the medium term. A separate section is provided for Schools budgets.
- 1.2 The report sets out the draft Capital Programme 2022-26. It details the work that has been undertaken to produce a programme that is aligned with business planning requirements and also integrated with the revenue budget.
- 1.3 The Medium Term Financial Strategy (MTFS) is updated to reflect the Council's anticipated financial outlook over the period 2022-26.
- 1.4 The Cabinet is being invited to consider the various responses from scrutiny bodies to the draft budget proposals as set out in a separate report on the agenda for this meeting. The Overview and Scrutiny Commission and panels considered the budget savings proposals agreed by Cabinet on 6 December 2021.

1.5 Since the end of the 2019/20 financial year, the world Covid-19 pandemic has been impacting on the delivery of the Council's services and finances. This report includes details of the ongoing financial implications of Covid-19 and in particular the impact on the MTFS 2022-26.

## 2. Introduction

2.1 At this Cabinet meeting, Members are presented with reports that provide a comprehensive presentation of all issues relevant to the formulation of the Council's Business Plan for the period 2022-26.

2.2 The report includes details about the General Fund revenue budget and explains how this information has been used to produce a draft budget and Council Tax levy.

2.3 The Council's Business Plan 2022-26 consists of a number of key elements and the report is structured into three main sections for ease of reference :-

- Section 1: Business Plan 2022-26 Strategy and Treasury Management Policy Statement; Other Key Resources containing Workforce Strategy and Planning, the Procurement Plan and the Information Technology Strategy; Risk Management; Performance Management Framework; and Service Planning
- Section 2: The Medium Term Financial Strategy including the General Fund Revenue Budget and Council Tax strategy;
- Section 3: Schools budgets – funded by Dedicated Schools Grant (DSG)

### 2.4 The Scrutiny Function

2.4.1 The Overview and Scrutiny Commission and Panels considered new savings proposals and proposed amendments to previously agreed savings and the draft capital programme 2022-26 agreed by Cabinet on 6 December 2021 during the January 2022 cycle of meetings. Draft Equalities Impact Assessments associated with new savings proposals and draft Service Plans were also included in the Savings Information Packs sent to all Members at the end of December 2021 and considered by Scrutiny Cabinet during the January 2022 cycle of meetings. On 17 January 2021, Cabinet considered and agreed the capital strategy, and Treasury Management Strategy and also referred these to the Overview and Commission for consideration at its meeting on 19 January 2022.

During the January 2022 cycle of meetings, the available details relating to the MTFS, revenue and capital budgets and the Business Plan have been considered by the Scrutiny Panels on the following dates:-

Healthier Communities & Older People Overview & Scrutiny Panel	10 January 2022
Children and Young People Overview & Scrutiny Panel	12 January 2022
Sustainable Communities Overview & Scrutiny Panel	18 January 2022
Overview and Scrutiny Commission	19 January 2022

## 2.5 Feedback from Scrutiny Process

A summary of findings and recommendations from the Overview and Scrutiny Commission is provided in a comprehensive report on the scrutiny of the Business Plan 2022-26 as a separate report on the agenda for this meeting.

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

2.7 The meeting of the Council, to set the Council Tax and General Fund budget (revenue and capital) for 2022/23 and agree the Business Plan 2022-26 including the MTFs, will be on 2 March 2022.

2.8 Delivery of the Business Plan, including the budget and service plans, will be monitored throughout the year in line with the corporate Performance Management Framework.

## 3. **Business Planning**

3.1 Further information about the Business Plan 2022-26 is included in Section 1 of this report.

3.2 The financial impact of the Business Plan is reflected in the budget proposals in this report.

## 4. **Financial, resource and property implications**

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

## 5. **Legal and statutory implications**

5.1 The Local Government Act 2003 requires the Chief Finance Officer to report to Council as part of the budget process on the robustness of the estimates and the adequacy of the proposed financial reserves. The Council is required by the Local Government Finance Act 1992 to make specific estimates of gross revenue expenditure and anticipated income leading to the setting of the overall budget and council tax. The amount of council tax must be sufficient to meet the council's legal and financial commitments, ensure the proper discharge of its statutory duties and lead to a balanced budget.

- 5.2 The Localism Act 2011 amended the legislation regarding the calculation of council tax. It also provides for a council tax referendum to be held if an authority increases its relevant basis amount of council tax in excess of principles determined by the Secretary of State.
- 5.2.1 The Secretary of State has ruled that for most principal authorities, which includes Merton council, for 2022-23, the following referendum principles will apply :-
- For 2022/23, the relevant basic amount of council tax of an authority such as a London borough, is excessive if the authority's relevant basic amount of council tax for 2022-23 is 3% (comprising 1% for expenditure on adult social care, and 2% for other expenditure), or more than 3%, greater than its relevant basic amount of council tax for 2021-22.
- 5.3 In considering the budget for 2022/23, and the possible reduction or alteration of service provision, members must consider the Public Sector Equality Duty under s149 Equality Act 2010. The council must, when exercising its functions, have due regard to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited by the Equality Act and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' under the Act and those who do not share a protected characteristic. A 'protected characteristic' is defined in the Act as age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination. Members must consider how the decision will contribute to meeting these duties in light of other relevant circumstances such as economic and practical considerations.
- 5.4 The specific proposed savings contained in the material before Council will be subject to separate decision making processes (either by Cabinet, Cabinet member or Officer). Some of the proposed savings will require a consultation process to be undertaken and the product of consultation (together with the equality analysis) must be conscientiously taken into account in finalising any decisions. If, as a result of the consultation process there are changes to proposed savings alternative arrangements will need to be made to deliver reductions in spend. The proposals contained in the budget report are not fixed or rigid decisions to impose specific reductions in spending.
- 5.5 The budget decision is not the final decision affecting the provision of an element of a service and individual saving proposals are not set in stone - a detailed assessment of the impact of savings proposals will be undertaken if required when specific policies have been formulated.
- 5.6 The Council's processes for the development and adoption of the budget are set out in the Budget and Policy Framework Procedure Rules contained in Part 4C of the Constitution.

## **6. Human Rights, Equalities and Community Cohesion Implications**

- 6.1 In identifying spending reductions, services where at all feasible, have sought to minimise the impact of the reductions on traditionally disadvantaged groups. The proposed budget reflects the Council's spending priorities for the year and the Council's core commitment to equal opportunities in employment and service delivery. The Council has a corporate policy of endeavouring to redeploy staff affected by reorganisation and other staffing changes. Every effort is therefore made to redeploy any staff affected by spending reductions.
- 6.2 A number of meetings with Staff Side have taken place and they have been advised of the Council's savings proposals and consultation is ongoing and they will be further involved in any proposals affecting staff when they are to be implemented.
- 6.3 It is anticipated that the Budget will be set at a level which enables the Council to continue to be Human Rights compliant.
- 6.4 Equality and community issues are also addressed in savings proposals. Draft equalities assessments of savings proposals have been provided and these were discussed at Scrutiny meetings.

## **7. Risk Management and Health and Safety Implications**

- 7.1 Each saving proposal has been assessed in terms of service impact and reputational impact and these have been included in reports to the Scrutiny Panels.
- 7.2 In setting the budget the level of risk has been an important factor in setting the assumptions on which the overall budget is based. The level of reserves and balances, as well as the level of contingencies available have been taken into account as well as an assessment of pressures identified as part of current year monitoring. Account has also been taken, as far as possible, of the likely impact of expected legislative and technical changes.
- 7.3 Risk management and health and safety implications were considered as part of the Capital Strategy.

## **8. Consultation undertaken or proposed**

- 8.1 Reports have been made on progress of the Business Plan to Cabinet on 11 October 2021, 8 November 2021, 8 December 2021 and 17 January 2022.

- 8.2 In addition, Scrutiny Panels and the Overview and Scrutiny Commission have scrutinised the proposed budget and Business Plan;
- 8.3 There have been and will be further detailed consultations held by all service departments in relation to some of their proposals.
- 8.4 In accordance with statute, consultation has taken place with business ratepayers and a meeting was held on 25 January 2022. A verbal update will be provided at the Cabinet meeting.
- 8.5 Further, regarding the capital programme, meetings of the Capital Programme Board were held, consisting of key officers from each department.
9. **Appendices – the following documents are to be published with this report and form part of the report**

### **SECTION 1: BUSINESS PLAN 2022-26**

### **SECTION 2: GENERAL FUND BUDGET AND COUNCIL TAX STRATEGY**

Appendix 1:	Draft Resolutions to Council
Appendix 2:	Local Government Finance Settlement 2022-23
Appendix 3:	Collection Fund, Council Tax Base, NNDR1 and Funding Methodology
Appendix 4:	Other Corporate items in the MTFS
Appendix 5:	Analysis of the transition from Council in March 2021 to a balanced budget
Appendix 6:	Statement of Council Tax requirements and balances
Appendix 7:	Revised MTFS incorporating changes
Appendix 8:	Reserves
Appendix 9:	Budget summaries 2022/23
Appendix 9a:	Standard Subjective Analysis
Appendix 10:	Risk Analysis for the General Fund

### **SECTION 3: Schools budget 2022/23**

#### **Background Papers – the following documents have been relied on in drawing up this report but do not form part of the report**

Reports to Cabinet  
Budget files in Corporate Services department  
Centrally held financial information and other papers held by the Children Schools and Families Finance Team.

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## INTRODUCTION

Welcome to Merton Council's Business Plan for 2022/26, which brings together financial information in the form of the council's budget and the Medium Term Financial Strategy, along with the service planning of all of the council's operational services over the next four years. Although it is a four year plan, it will be refreshed every year to ensure we are on target and to take account of changing needs and priorities.

As the work of the council encompasses such a wide and diverse range of services, we have tried to include all the necessary information needed to understand what we are doing and why we are doing it. This information should give you a detailed picture of how the council will operate over the next four years. To help understand some of the more complex areas of the council's business a Glossary of Terms has been included.

The Background and Context section sets the scene for the Business Plan, with some of the key facts relating to Merton.

The Medium Term Financial Strategy incorporates details of the money the council has coming in (revenue) and the money and assets it has in place (capital) and how it will spend and invest this money over the four year planning period, through the Capital and Treasury Management Strategies.

Other key resources in place to enable the council to manage the Business Plan include how we:

- manage and develop staff, through the Workforce Strategy;
- obtain goods and services, through the Procurement Plan;
- design and develop information technology, through the IT Strategy;
- identify and manage the risks the council may face in delivering services, through the Risk Management Strategy; and
- manage and monitor performance against objectives, through the Performance Management Framework.

Each major work area in the council completes a service plan, to give a high level overview of its financial position, what it exists to do, what it hopes to achieve.

We appreciate that there is a huge level of detail in the plan, but hope it helps you to understand what the council is trying to achieve and how we intend to succeed. If you have any comments or questions on the content of this plan, then please contact [zoe.church@merton.gov.uk](mailto:zoe.church@merton.gov.uk)

## **RECOVERY AND MODERNISATION**

The pandemic has had a profound impact on the borough. During shielding many people relied on the support of the council and its partners, in particular voluntary and community groups. There has been a significant impact on the Merton economy with business closures, most noticeably on our high streets, resulting in people having to seek jobs elsewhere. The impact of the pandemic has been disproportionate with those living in the more deprived wards seeing a worse impact from Covid and the economic down turn. The negative impact of the pandemic has also been worst amongst certain community groups including older and disabled people, and those from ethnic minority groups.

During the pandemic people have spent more time at home in the borough. This has allowed them to appreciate the borough's assets, most notably its green spaces, but also given them a keener sense of some of the frustrations such as litter and congestion which detract from these assets.

The council was forced to change the way it delivered services as a result of lockdown restrictions. More services were delivered virtually and a significant proportion of our workforce has been working from home. IT has proved pivotal in enabling us to continue working and delivering services but in a different way.

In 2019 the council launched its Recovery and Modernisation Programme. The aims of the programme are two-fold. Firstly, to plan and support recovery as the country emerges from the pandemic. Secondly, to capture and build on some of the new ways of working to develop a modern council fit for the future.

The council has published an ambitious long-term plan for the borough in response to its biggest-ever engagement with residents. Merton 2030 sets the council's key priorities, commitments and service improvements for the next eight years, and includes major commitments to housing, regeneration, keeping the borough clean and improving high streets, among other areas.

The plan is the result of Your Merton, which ran this summer as a borough-wide engagement to get people's views on future priorities and how the pandemic has impacted their ambitions for the coming years. More than 10,000 people engaged with the consultation, and more than 5,000 views were given.

### **The ambition for Merton in 2030**

The council's ambition is to make Merton a place residents are proud to call home - a borough that enables everyone to get as far as they want to go, and a place where nobody is left behind.

This means building on the council's past educational and economic successes, and ensuring residents have the skills and job opportunities they need to go places and fulfil their ambitions. It means building on our core strength of local communities and how the council supports them to thrive.

Above all, it means listening to residents – by investing in the things residents want to see developed, such as the borough's high streets, open spaces and community hubs, and by tackling the things residents told us need improvement - including

street cleanliness, parking and transport. The council's aim is that by 2030, those programmes have delivered a real difference in quality of life in the borough. Set out below is the council's ambition for Merton and what it will look and feel like by 2030.

The borough's biggest assets, its **local communities**, are thriving – communities have a sense of identity and pride in their area, and people feel connected and safe locally. Most of all nobody is left behind, with both community and council support for those in need.

In addition, people are spending more time in the area because the council has helped deliver **better quality spaces** to spend their leisure and family time; the council has encouraged more diversity into our local High Streets; and invested into our highly-rated open spaces.

**Local high streets** are now bustling, with a mix of independent and high-street traders, as well as cafes, restaurants and community spaces. They feature a visible improvement in **street-scene and cleanliness**. They are now places to spend time to relax, socialize and stay healthy, not just places to go when you need something. And each one is unique, reflecting the needs of its communities.

Investment into improving **access to skills & education** has allowed people to make the most of a stronger local economy, with a focus on supporting schools, apprenticeships, colleges and adult education helping more people into local employment as career opportunities grow.

But the council has also incorporated our residents' biggest local priority – a **cleaner, and greener borough**. The council has improved key open spaces, and the borough's green-flag parks are now the place of choice during the summer for local families. Additionally, the council is delivering on its commitments around climate change and air pollution. This has meant change, but the council has engaged residents in it and people recognise why it is necessary.

Finally, the council has invested to **celebrate our history and the diversity** across each community in the borough. Local references and infrastructure generate pride in what makes Merton – its local communities. To deliver all this, the council is working collaboratively with local communities and partners more than ever before.

## **Strategic Priorities**

To achieve this ambition the council has 5 strategic priorities to shape and guide delivery.

- Maintaining excellent education and skills for all ages and needs;
- Promote a dynamic, connected and inclusive community and economy with safe, vibrant high streets and jobs for our residents;
- Support residents who are most in need and promote the safety and wellbeing of all our communities;
- Ensure a clean and environmentally sustainable borough with inclusive open spaces where people can come together and enjoy a variety of natural life;
- Work to make Merton a fairer, more equal borough and support those on lower income by tackling poverty and fighting for quality affordable housing.

## **Our Guiding Principles**

We have developed 10 guiding principles to inform how we implement the strategic priorities and related delivery objectives. These are the things that matter to this council and also act as enablers for delivery. Our guiding principles are:

- Engage, involve and communicate effectively with our community;
- Actively promote equality, representation and inclusion;
- Aim to keep council tax at or below the south London average;
- Ensuring financial stability and value for money;
- Invest in the efficient and secure use of digital technology and data;
- Work with and learn from national, regional and local partners;
- Consider the environmental and social impact of all that we do;
- Monitor our progress – from local to global;
- Put Merton first in all economic and financial decisions;
- Look to the long term.

## **Planning for Delivery**

There will be an overarching delivery framework for each strategic priority with a number of delivery objectives set out over the short, medium and long term. Planning for delivery will need to be ongoing over the coming months. While some of the delivery objectives are fully funded, with an implementation plan already in place, others require work to more clearly define the objectives and develop the related plans, including consideration of any investment required to support delivery.

The delivery of this ambition will clearly not be a short-term action but will require it being worked through the Council's annual business planning process for several years to ensure that our business and resource is directed to the appropriate actions.

Further resourcing implications will be considered through the process for developing the MTFs as part of the council's delivery planning process. We would also look to leverage external investment to support delivery – for example accessing grants from regional or central government – and work with our partners to make use of all the levers, assets and investment at our disposal at a local level.

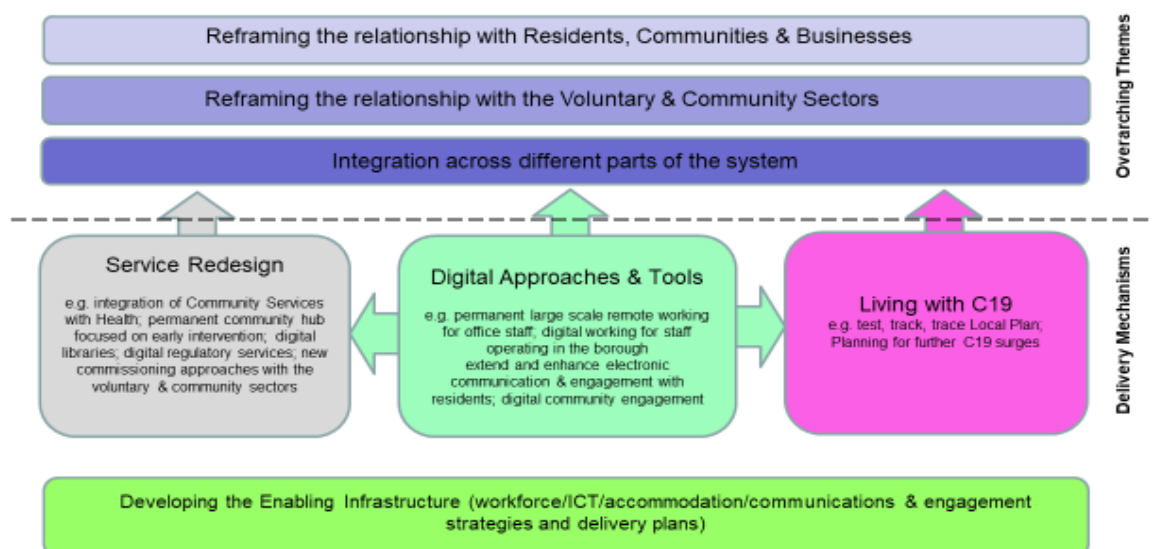
The strategic priorities and delivery objectives will be reflected in a new Corporate Performance Framework. Council will receive an annual update on progress on implementing the delivery objectives over the last financial year and proposals for the forthcoming year in May/June. This update would also go to each of the scrutiny panels for review. This timeframe allows Scrutiny the opportunity to both scrutinise performance and to contribute to the future planning process and resourcing around delivery.

## **Modernising Merton**

The Modernising Merton framework sets out high level themes for the Programme

and the delivery mechanisms for turning aspiration into reality (see diagram below).

Diagram 1: Modernising Merton – ‘Redesign’ Themes & Delivery



The Enabling Infrastructure strand of the Programme picks up the recommendations from the internal review and LGA Peer Challenge relating to the operation of the council’s internal functions, processes and governance, as well as the cross-cutting strategies and frameworks led by corporate functions that support departmental planning and delivery e.g. workforce planning, accommodation, ICT/digital. It is focused on several high level outcomes including:

- reducing bureaucracy and costs;
- freeing up capacity
- better alignment of ambition, priorities, activity and resources
- speedier decision making, with a sensible balance between risk and efficiency

A framework for the development of digital approaches is encompasses several, inter-linked strategic themes, including:

- Customer Access** Ensure services can be accessed online 24/7 (primary channel) by residents who are able to self-serve, alongside redesigning secondary access channels (face to face and telephone) to integrate with digital approaches e.g. single view of the customer;
- Smarter Working** Equip staff with the digital tools to improve the way they work, whether in offices, remotely, or in the borough;
- Digital Inclusion** Coordinate digital inclusion activity across the borough to tackle the ‘digital divide’;
- Customer Single View** Manage customer intelligence so that it can be safely and securely shared and analysed to join up service delivery and improve decision making;
- Technology and Automation** Reduce the overall costs of Council services by redesigning service processes to maximise the use of technology.

The high level outcomes will include:

- increased resident satisfaction with council services

- reduced costs
- increased efficiency across services

These will be defined in more detail through the specific projects within this workstream and the benefits to be delivered through those projects. The council intends to follow a 'proof of capability' model to develop projects across all of these themes, test the approach and then roll out more widely.

## NATIONAL AND REGIONAL POLICY CONTEXT

Local government has been affected by reductions in the level of funding it receives from central government for more than a decade. Local Government Association (LGA) analysis highlighted that grants to local government fell by nearly 40% since 2010, and predicted that by 2020 local authorities will have lost 75 pence out of every £1 of core central government funding it had to spend in 2015. During this time, a number of local authorities have had to use reserves to fulfil their statutory duties.

Since then, while funding from central government has not dropped as much as the LGA predicted, between 2010-11 and 2019-20, a reduction in funding of 55% did occur, with funding only starting to recover in the next financial year. Even so, funding for local government from central government was still 52.3% lower in 2020-21 than in 2010-11, according to analysis from the National Audit Office. As a result, the share of funding going to social care has increased since 2014-15, while other areas requiring funding have seen their funding reduced proportionally.

The pressures caused by the COVID-19 pandemic, which has almost reached the end of its second year, have exacerbated this issue considerably. Demand and expectation for support from local government has increased, and the costs of providing that support have increased alongside them. Lockdowns to reduce the spread of the virus have resulted in businesses throughout the UK needing to be supported financially, and requirements for social care workers to be vaccinated before returning to work has led to a massive loss in staff, which has compounded existing staff shortages and lack of funding, particularly in Adult Social Care.

In the Spending Round announced in November 2021 the government set out plans to increase councils' core spending power by 6.9% in cash terms in 2022–23. This is predicated on the assumption that every local authority will raise council tax by the maximum amount permitted without a referendum. This constitutes a real-terms increase in spending power of 4.3%. £882 million of this is part of a one-off Services Grant, targeted at the most deprived local authorities in the country. This means that those councils will be receiving a proportionally larger increase in spending power - £20.18 per capita compared to £7.44 for the most and least deprived quintiles respectively, according to analysis by the Institute for Government.

From 2021-22, there has been a greater reliance from councils on local revenues in funding their activities from council tax and business rates. However, pilots of 100% and 67% business rates retention are set to be continued into 2022-23.

Following the Spending Round, the government has published a consultation document, setting out in greater detail its proposals for how to fund local government in 2022 to 2023.

The proposed approach to the proposed settlement includes:

- Confirmation that the Core Spending Power of local authorities is estimated to rise in cash terms by 6.9% to £53.9 billion in 2022 to 2023, an increase of £3.5 billion, and a real-terms increase of over 4%. Merton is expected to have core spending power of £162.9 million for the period 2022-23, up from £153.2 million in 2021-22.

- An additional £700 million of grant funding for social care, and £162 million to fund Adult Social Care reform. Including the assumed increases in council tax, this amounts to an over £1 billion increase.
- A reduction in the amount local authorities can raise Council Tax by to 2% plus an additional 1% of adult social care tax before a local referendum has to take place;
- £554 million for the New Homes Bonus in 2022 to 2023;
- A Lower Tier Services grant of £111 million for councils to fund homelessness, planning, recycling, refuse collection, and leisure services, with an updated funding floor so no council will have less funding than in the previous financial year;
- Business rates retention pilots of 100% will be continued in Cornwall, Greater Manchester, Liverpool, the West Midlands, and West of England, and of 67% in some London Councils through 2022-23;
- Continued provision of the £85 million Rural Service Delivery Grant;
- An uplift to the Revenue Support Grant to keep it in line with inflation, worth over £70 million.



The Queen's Speech from 11th May 2021 highlighted a number of important commitments from the government. These include a Subsidy Control Bill to set out post-Brexit regulations on support for private companies, new powers for the police to affect the conduct of protests in the Police, Crime, Sentencing, and Courts Bill, and the Environment Bill, which recently became the Environment Act, and sets out new post-Brexit rules for the protection of nature.

The funding increase for the NHS that was announced in the Queen's Speech on the 19 December 2019 has, so far, been carried out as intended. However, pressures on the NHS due to the COVID-19 pandemic have required a number of injections of cash into it in order to make up for increased demand. An extra £6.6 billion has been allocated to it for 2022-23, on top of the yearly funding increase. There has also been a great deal of reform to public health recently, with the replacement of Public Health England by two successor agencies – the Office for Health Improvement and Disparities and the UK Health Security Agency – and the Health and Care Bill currently in Parliament, which seeks to reform the NHS. Integrated Care Systems, which are to be implemented from July 2022, are to replace Clinical Commissioning Groups in the new system. It is currently unclear what the specific implications of these reforms will be. However, there may no longer be a single model for organising regional NHS offices, which could result in unequal efficiency between regions.

£5.4 billion has been allocated for spending on Social Care over the next 3 years (up to 2025), and an additional £1 billion for the same period to reform the social care system. This was laid out partly in the Spending Review of November 2021, and also in the Social Care White Paper released on the 1<sup>st</sup> December 2021, though the latter has yet to be signed into law.

On housing, a recent announcement has revealed plans to force companies responsible for creating housing with unsafe cladding to pay for its replacement. This is to replace previous efforts to respond to the issues with construction standards that the Grenfell disaster made apparent. There has also been an announcement that, from June 2022, all new housing developments will need to emit 30% less carbon, and other developments 27% less, as part of the government's commitment to reaching net zero emissions by 2050. There are also plans to introduce new Planning and Building Safety Bills to introduce a zoning system into UK planning law, and to change the way high-rise developments are regulated, and construction sites are inspected.

There has also been a Levelling Up White Paper, released on the 2<sup>nd</sup> February 2022, which purports to spread prosperity to all areas of the country. This appears to entail increased devolution for much of England, and increased funding in areas of the UK outside of London. While there are a number of positive aspects that may affect Merton, such as requirements for privately-rented homes to have a minimum standard of quality, it is possible that much of this funding for other areas is going to be taken from funding for London, and that may affect Merton's ability to tackle issues here.

As of the 1<sup>st</sup> January 2022, the transitional period of the UK leaving the EU is over, and the UK is now subject to full customs controls from the EU, and vice versa, per the Trade and Cooperation Agreement. This will mean a number of extra hurdles for businesses to overcome, especially those involved in importing and exporting food and animal produce.

Regionally, the Mayor of London has released a number of strategies over the past four years that will affect all London boroughs and the way they work with the Greater London Authority (GLA)

### [Housing Strategy](#)

The London Housing Strategy sets out the Mayor's plans to tackle the capital's housing crisis and his vision to provide all Londoners with a good quality home they can afford. The strategy follows on from consultation on a draft version from 2017 and has been considered by the London Assembly and Secretary of State for Housing, Communities and Local Government. The strategy was formally adopted in August 2018, and is a framework for the Mayor's housing policy including over £4.8bn of affordable housing investment through to 2022.

The aim of this strategy is to address the housing shortage through an intensive use of London's available land, focusing on more genuinely affordable housing and providing help now for people feeling the effects of the housing crisis – from private renters to rough sleepers. This strategy has five key areas:

- building more homes for Londoners
- delivering genuinely affordable homes
- high-quality homes and inclusive neighbourhoods
- a fairer deal for private renters and leaseholders
- tackling homelessness and helping rough sleepers

Merton's housing target in the draft New London Plan has increased significantly from 411 new homes per annum to 1,328 new homes per annum, a level of assumed development much higher than Merton has delivered historically. Achieving these targets, based on the pattern of housing delivery in the borough in previous years will be highly challenging, with the additional impact on demand for council services that these new households will bring.

### [London Environment Strategy](#)

The state of London's environment affects everyone who lives in and visits the city – it helps Londoners to stay healthy, makes London a good place to work and keeps the city functioning from day to day. It faces a number of challenges; toxic air, noise pollution, threats to green spaces, and the adverse effects of climate change.

Published in 2018, this is the first strategy to bring together approaches to every aspect of London's environment, integrating the following areas:

- air quality
- green infrastructure
- climate change mitigation and energy
- waste
- adapting to climate change
- ambient noise
- low carbon circular economy

An implementation plan has been produced to set out what the Mayor will do between 2018 and 2023 to help achieve the ambitions in the strategy.

Since the publication of the Environment Strategy, there have also been 2 progress reports published, covering what has been achieved since the Strategy was begun. As of the second report (September 2021), a number of initiatives have seen substantial progress, and a "Green New Deal" has been agreed to grow the capital's green economy and assist with recovery from the economic impacts of COVID-19

## Culture Strategy for London

Culture for all Londoners aims to provide Londoners with access to culture on their doorsteps. Culture and the creative industries contribute £52bn to London's economy every year and account for one in six jobs in the capital.

The Strategy has four priorities:

- **Love London** - more people experiencing and creating culture on their doorstep
- **Culture and Good Growth** - supporting, saving and sustaining cultural places
- **Creative Londoners** - investing in a diverse creative workforce for the future
- **World City** - a global creative powerhouse today and in the future.

A “One Year On” report on the progress of the culture strategy was also released in March 2020, detailing changes to London’s situation since the strategy was written, and the progress towards the strategy’s goals.

## Economic Development Strategy

In his Economic Development Strategy, the Mayor sets out his plans to create a fairer, more inclusive economy that works for all Londoners and businesses.

The strategy has three main goals:

- **opening up opportunities** – everyone should be able to benefit from all our city offers
- **growth** – ensuring our economy will continue to thrive and is open to business
- **innovation** – to make London a world leader in innovation, technology and a hub of new ideas and creativity

## Health Inequalities Strategy

This strategy tackles the determinants of health which lead to these differences - or health inequalities - by focusing on five key areas:

**Healthy Children** – helping every London child to have a healthy start in life by supporting parents and carers, early years settings and schools

**Healthy Minds** – supporting Londoners to feel comfortable talking about mental health, reducing stigma and encouraging people across the city to work together to reduce suicide

**Healthy Places** – working towards London having healthier streets and the best air quality of any major global city, ensuring all Londoners can access to good-quality green space, tackling income inequality and poverty, creating healthy workplaces, improving housing availability, quality and affordability, and addressing homelessness and rough sleeping

**Healthy Communities** – making sure all Londoners have the opportunity to participate in community life, empowering people to improve their own and their communities health and wellbeing

**Healthy Living** – helping Londoners to be physically active, making sure they have

access to healthy food, and reducing the use of or harms caused by tobacco, illicit drugs, alcohol and gambling.

An implementation strategy for the period 2021-2024 has since been released, detailing how the Mayor intends to meet the goals of the HIS over this period. A report entitled “Beyond the Data: One Year On” has also been produced, detailing the ways London has responded to the Beyond the Data report from 2020 that assessed health inequalities due to COVID-19.

## [The London Food Strategy](#)

The Mayor has made food a key part of his social fairness and economic equality agenda. In the London Food Strategy, the Mayor has put food at the heart of London's approach to tackling a number of issues including child obesity, food insecurity and climate change.

The strategy's six chapters reflect this approach:

- **Good Food at Home, and Reducing Food Insecurity** - Helping to ensure all Londoners can eat well at home and tackling rising levels of food insecurity.
- **Good Food Economy, Shopping and Eating Out** - Supporting good food businesses to improve London's food environment and make healthy, affordable options more widely available to Londoners.
- **Good Food in Community Settings and Public Institutions** - Working with public sector partners to improve their food procurement for the communities they serve.
- **Good Food for Pregnancy and Childhood** - Using good food to help give Londoners the best possible start to life.
- **Good Food Growing, Community Gardening and Urban Farming** - Promoting the multiple benefits of food growing for individuals and communities.
- **Good Food for the Environment** - Reducing the environmental impact of our food system by making it more efficient, more sustainable and less wasteful.

Since the strategy's announcement, an implementation plan for the 2018-2023 period has been released, and as part of the strategy, the Mayor announced the banning of all junk food advertisements from the Transport for London network as of the 25<sup>th</sup> February 2019.

## [Mayor's Transport Strategy](#)

The Mayor's Transport Strategy was published in 2018 that sets out the Mayor's policies and proposals to reshape transport in London over the next 25 years. The focus of the strategy will be on:

- Healthy Streets designed to tackle the physical inactivity crisis
- Reduced traffic on London's streets
- Better air quality and work aimed at making London a zero-carbon city
- A reliable public transport system that can cope with more passengers
- An accessible, affordable and safe transport network
- Investment in transport to support the creation of new homes and jobs

## [Skills for Londoners Strategy 2018](#)

Skills for Londoners is the first post-16 skills and adult education strategy produced by a London Mayor. It sets out the contextual skills challenges London faces, along with the priorities and actions required to ensure London has a thriving economy.

There are three key priorities at the heart of the Strategy:

- empower all Londoners to access the education and skills to participate in society and progress in education and work

- meet the needs of London's economy and employers now and in the future
- deliver a strategic city-wide technical skills and adult education offer

Alongside the strategy was published the Skills for Londoners Framework, which outlines the ways the strategy is intended to be implemented. The Framework is consulted on every year through engagement with the public, to make sure the Framework meets their expectations and needs. This is especially important now, as the Adult Education Budget for London was delegated to the Mayor as of 1<sup>st</sup> August 2019, meaning that the Mayor of London is now responsible not only for forming strategy on adult education, but also in allocating the funding for it.

## **THE COUNCIL**

The Council currently comprises of 60 elected councillors representing 20 wards, though as of May 2022, the number of councillors will decrease to 57 due to changes mandated by the Local Government Boundary Commission. The current political composition of the Council as of January 2022 is:

- Labour: 33 councillors
- Conservative: 17 councillors
- Liberal Democrats: Six councillors
- Merton Park Ward Independent Residents: Three councillors
- One vacant seat

The full Council usually meets five times a year, and is responsible for setting the overall direction of the council, including agreeing the rate of council tax. A Cabinet of nine councillors from the administration makes the majority of decisions throughout the year, with Overview and Scrutiny committees in place to hold the Cabinet's decision making to account. Regulatory committees are appointed by Council and carry out planning and licensing functions.

## **THE ORGANISATION**

As of 31 December 2021, the council, excluding schools, had 1,560 FTE (head count 1,750) employees. Children, Schools and Families had 440 FTE employees, Corporate Services had 432 FTE, Community and Housing had 372 FTE, and Environment and Regeneration 314 FTE.

Overall, 68.3% of the council's workforce is female, which is above the London average of 62.1% as at 31 March 2021. 37.0% are from an ethnic minority background compared to a London average of 34.7%. 5.5% of the workforce is recorded as having a disability, which equals the London average of 5.5%. The majority of employees (47.1%) are aged between 50 and 64, with 22.1% aged between 25 and 39 and 21.4% aged between 40 and 49. 5.7% of employees are over 64, and a further 3.7% are below age 25.



## **MERTON: THE PEOPLE AND THE PLACE**

Merton is an outer London borough situated to the south west of central London, neighbouring the boroughs of Croydon, Kingston, Lambeth, Sutton and Wandsworth. Comprising of 20 wards, the borough of Merton covers an area of approximately 14.7 square miles and has a projected population at 2020 of 211,787 residents living in 85,940 properties.

### **Population**

The biggest proportion of the population (9.2%) is aged between 35-39. The proportion of the population that is working-age (16-64) is 66.2%, while 12.6% of the population is aged 65 or over, a little over the London average of 12.2%. Population density is higher in the wards of the east of the borough compared to the wards in the west.

Merton's population is projected to increase to 217,554 by 2025 and 224,502 by 2030. The age profile is also predicted to shift with a notable growth in the proportion of the population that are under the age of 16 and those over 50 years old. The number of households as of 2021 is projected at 79,099, and is expected to rise by several hundred households a year going forward, with much of the increase expected to be in single person households.

Merton has a rich mix of ethnicity, culture, and languages. GLA data as of 2020 puts Merton's Black, Asian and Minority Ethnic (BAME) population as 78,390, meaning BAME groups make up just under 36.9% of the population. Merton is one of the most religiously diverse boroughs in London, and Morden is home to the largest mosque in Western Europe.

### **Business and transport**

Served by 13,305 active businesses, the borough's main commercial centres are Mitcham, Morden and Wimbledon, of which Wimbledon is the largest. Other smaller centres include Raynes Park, Colliers Wood, South Wimbledon, Wimbledon Park and Pollards Hill, each with well-developed characters of their own. The borough is predominantly suburban in character, with high levels of commuter flows in and out of central London.

Merton has good connections with the London transport network, with 15 mainline stations and 28 bus routes. Wimbledon is a central transport hub in the South London area and 18 minutes from Waterloo by train, while the suburban station at Mitcham Eastfields puts the east of the borough 25 minutes from Victoria. As well as the regular suburban rail services that run into central London, both the District and Northern underground lines run through the borough. The Tramlink provides connections between Wimbledon and Croydon via Mitcham and Morden, while over ground stations and bus routes provide easy access to neighbouring boroughs.

## **Green spaces**

Merton has more than 100 parks and green spaces, including Wimbledon and Mitcham commons, with 99.6% of the borough within less than 400m distance from a publicly accessible open space. 18% of the borough is open space, compared to a London average of 10%.

## **Deprivation**

Merton ranks as 'very low' in terms of overall social deprivation compared to other London boroughs and nationally in the UK. It is the fifth least deprived of the 33 London boroughs and ranks 214 out of 326 authorities (where 1 is the most deprived) in England. 89 of the 124 lower super output areas (LSOAs) that make up the borough fall above the 50% least deprived in the country. There were 85 in this category in 2015. This overall lack of deprivation does, however, hide inequalities and extremes in the borough between deprived wards in the east of the borough that are some of the top 15% most income-deprived in the country, and the more affluent wards in the west that are amongst the top 5% most affluent. The LSOAs where deprivation is highest are located in Figge's Marsh and Pollards Hill, and where deprivation is higher than the London average.

## **Health**

The health of people in Merton is generally better than the London and England average. Life Expectancy at birth in Merton is 80.3 years for males and 84.1 years for females, both at about the London average, and rates of death considered preventable are low. However, within the borough there are significant inequalities in health outcomes, aligned with deprivation. In East Merton life expectancy in men is 78.9 years compared to 81.9 years in West Merton. Women's life expectancy is 83.3 years in the East compared to 85.1 years in West Merton. Linked to deprivation, those in the east of the borough have a much higher chance of serious illness and early deaths from illnesses such as cancer and heart disease.

In the 2011 Census 52% of residents reported their health as 'very good' whilst 3.9% reported themselves as being in either 'very bad' or 'bad' health. 5.6% of people said that their daily activities were limited a lot by a health problem, below the London average of 6.7%. According to data from Public Health England from 2019/20, 53.2% of the adult population of the borough are classified as overweight or obese. This is below the London average, and well below the average for England. 65.6% of adults are defined as being physically active.

## Employment

Merton residents who are in active full-time employment are distributed all over the borough, however, unemployed residents are concentrated towards the east of Merton, and self-employed residents are concentrated toward the west. The employment rate for 16-64 year olds is 76.1%, somewhat above the London average of 74.1%. Unemployment in the borough is 5.6%, below the London average of 6.6%, but a little above the national average of 5.2%. Unemployment also rises significantly in some of the eastern wards. The median annual pay for residents in Merton in full time employment as of 2021 is £34,127, while for those overall it is £29,696. Both of these figures are below the London average, and are down from 2019.

As of November 2021, the Claimant Count – numbers claiming Universal Credit and Job Seekers Allowance – is 5%, just below the London average of 6%. The latest figure for the Proportion of 16-18 year olds who are Not in Employment, Education or Training (NEET) is 3.1% for males and 2% for females, both of which are below the London average. 13.6% of children in the borough are living in low income families (2016).

## Education

The borough currently has just under 29,000 pupils across its local authority maintained primary, secondary and special schools and pupil referral units. 52 out of the 55 schools (including maintained, academies and special schools) in the borough that have been rated as Ofsted are judged as being 'Good' or 'Outstanding' as at December 2021. In 2018 68.2% of students in Merton achieved 9-4 pass (incl. English and Maths), above the London average of 67.7%. 46.6% of primary school pupils and 34.8% of secondary school pupils in Merton have a first language known or believed to be other than English, while the percentage of children known to be eligible for and claiming free school meals is 13.9% at primary school and 15.1% at secondary school.

## Housing

59.3% of households in the borough are owner occupied, either owned outright or with a mortgage. 23.5% are privately rented through a private landlord or letting agency, and 1.3% from other sources. 14.1% of households are social rented, with 3.7% of the total rented from the council and 10.4% from other sources. Finally, 0.9% are in shared-ownership dwellings, and 1% live rent-free. The median average house price in Merton in 2019 is £540,000, the fourteenth highest in London. The ratio of house prices to earnings in Merton is 11.53, which is the 28th highest in London and below the London average of 13.67.

## Crime

Merton's total crime rate during the most recent 12 month period (up to November 2021) is 61.9 per 1000 people. This is the sixth lowest in London during this time, however there are variations, with higher rates of crime in the East (71) compared to the West (55). Merton has a lower overall crime rate (5.1 total notifiable offences per 1,000 population) compared to London (10.2) as of November 2021).

For further information on Merton as a borough, and the Merton population, please see <https://data.merton.gov.uk/>

## **MERTON PARTNERSHIP**

Merton Partnership brings together a range of key partners from the public, private and community and voluntary sectors in Merton, including the council, Clinical Commissioning Group, and Police. The Merton Partnership will play a key role in steering and supporting the delivery of Merton 2030 over the coming year, and has been closely involved in its development. The latest Community Plan 2020-26 sets out the key priorities that Merton Partnership members want to work on together, with a key focus on increasing social capital as a driver to improve social wellbeing across the borough. This partnership plan will be aligned with and support the delivery of the new Merton 2030 strategic framework across its five overarching priorities.

The Partnership is chaired by the Leader of the Council. It has an Executive Board, also chaired by the Leader of the Council whose role is to set the strategic direction of the Partnership and manage the delivery of the priorities and targets set out in the Community Plan, aligning with Merton 2030 as the new strategic ambition for the borough.

Within the Partnership there are four thematic subgroups that co-ordinate the activities of their members to ensure that the strategy agreed by the Executive Board is carried out through the relevant Boards and Trusts. These four thematic subgroups mirror the themes of the Community Plan.

### **Children's Trust**

Merton's Children's Trust arrangements began in 2005 in order to bring together all partners involved in providing services to children and families in Merton. The Board encompasses a wide range of different groups and partnerships, overseeing their performance and activities. The Children's Trust is designed to deliver the outcomes set out in Merton's Children & Young People Plan 2019-23 which includes improving outcomes for those subject to the effects of disadvantage, safeguarding children and young people and closing the gap in educational outcomes and opportunity.

### **Health and Wellbeing Board**

Merton Health and Wellbeing Board's full statutory responsibilities have been in place since April 2013, bringing together the Council, Clinical Commissioning Group, HealthWatch and the voluntary and community sector. Health and Wellbeing Boards deliver strategic local leadership to improve health outcomes. The work of the Board is also central in helping to inform the commissioning of health and social care services in Merton. It has a core role in encouraging services across the NHS, social care, public health and other local partners to join-up and work together to reduce health inequalities and support independent living. Currently its priorities are set out in the Health and Wellbeing Strategy, the latest version of which runs from 2019-2024 and which has four overarching themes: Start Well; Live Well; Age Well; in a Healthy Place.

## **Safer and Stronger Communities**

The Safer and Stronger Partnership incorporates the statutory Community Safety Partnership and is responsible for setting and overseeing the strategic direction for community safety and the community cohesion agenda in the borough. The Community Safety Partnership has a statutory duty to undertake an annual strategic assessment to inform and shape the boroughs approach to addressing crime and disorder issues. Key themes for the Community Safety Partnership include reducing crime and the fear of crime, reducing alcohol related violence in a sustainable manner whilst supporting those who are affected by alcohol dependency. The Community Safety Partnership also works to address anti-social behaviour and its effects on communities as well as individuals. The Partnership will work with our communities to empower local people to have a greater choice and influence over local decision-making, increase community cohesion and integration.

## **Sustainable Communities and Transport**

The Sustainable Communities and Transport partnership was established to create a more sustainable borough, one which is less reliant on fossil fuel and which reduces its negative impact on the environment and climate change. The Partnership aims to balance the different social, economic and environmental components of the community to meet the needs of existing and future generations. The Partnership promotes investment into the borough in order to create new jobs, improve the skills and capacity of residents and to improve the condition and supply of housing including affordable housing. The Partnership also works to promote the development of sustainable transport including cycling and walking, as well as public transport in and around Merton.

## **Corporate Capacity**

In addition to the four thematic partnerships, Merton Council has added the theme of Corporate Capacity which looks at ensuring that the council has sound financial management and high standards of governance, effectively recruits, develops and manages staff and that it is continually reviewing its processes to improve them and provide value for money. The theme ensures that customer access, customer services and customer care as well as equalities, diversity and community cohesion underpin the work of the council, as reflected in the principles set out in the Merton 2030 strategic framework.

## **Corporate Strategies**

The council has a number of corporate and service-specific strategies and plans that support the work of the council, the Merton Partnership and the four Thematic Partnerships. These strategies and plans reflect central Government policy changes, sub-regional policies (e.g. set by the Mayor of London), new legislative requirements and short-term changes to local priorities and will support the development and delivery of Merton 2030 in future. Ten of the key strategies are part of the Council's Constitutional Policy Framework. The following list is not exhaustive but shows the diversity of strategies and plans currently in place:

# Merton's Capital Strategy 2022-26



**December 2021 – 2nd Draft**

## **Delivering Your Merton**

Our ambition for the future of Merton (Your Merton) should build on the strengths of the borough and what makes Merton unique, while not shying away from the big challenges ahead. Merton has a huge amount to offer but not everyone has been able to benefit from this to the same degree, and we have not shouted loud enough about what makes Merton and its communities great.

Our parks, rivers and open spaces form part of the unique identity and character of Merton. People have told us how much they value the wealth of green spaces in Merton and that they want to see these green spaces being maximised to their fullest extent. The Council and its partners should think creatively and ambitiously about how to harness their value as community assets, while protecting them and supporting biodiversity.

People have also told us how important community is to them and want to see a vision for the future which brings people together. They value the diversity in our communities, want to hold onto the community spirit from the pandemic and see more places in their local area where people can come together. Merton has a wealth of assets in its community infrastructure, especially our voluntary and community groups – our ambition must reinforce and build on these.

The strength of Merton's partnerships on a local level is an asset for the borough and should drive delivery of the ambition. Investment in our local partnerships and community infrastructure has proven to be invaluable over the last year when mobilising the emergency response to the pandemic. This will continue to be crucial in recovery and how we work with our community to deliver the best outcomes for the borough and its residents.

Looking back over the last decade, there is much that Merton can be proud of in what the council and its partners have delivered for its residents and communities. The recent experience of the pandemic has imposed huge strains on the boroughs' residents, but it has also reinforced the value and importance of the council's role in leading the response to this unique event. We have shown the strength and effectiveness of our local partnerships and what we can achieve when we work side by side with our communities and partners. This partnership working and collaboration should be carried forward into developing and delivering Your Merton 2030.



**Councillor Mark Allison,**  
**Leader, Merton Council**



## Strategic Planning Strategy Framework

The Capital Strategy is an integral part of the Council's Strategic and Financial Planning Framework:



As part of the Prudential Code for Capital Finance in Local Authorities 2017 local authorities are required to produce a capital strategy. This document should embody the capital investment requirements of the strategic leadership of the Authority including key strategies and plans developed by the organisation such as the Local Plan, Pupil Place Planning, the Asset Management Strategy and any Transport Strategies.

Since September 2020 Merton has been undertaking the largest borough-wide engagement programme it has ever undertaken and is now taking forward five strategic priorities to deliver our ambition:



Underneath these five priorities will sit a set of strategic objectives which we would work with our partners to develop and deliver on.

The impact of the pandemic continues to be felt by all our communities, businesses and the local economy. As a Council we continue to respond to these challenges making sure we position ourselves to recover as quickly as possible from its effects. Strong financial management is at the heart of the Capital Strategy enabling it to play a key role in the Council's response.

## Business Plan 2022-2026

The Business Plan is specific to Merton Council and sets out the council's vision and ambitions for improvement over the next four years and how this will be achieved. Business Planning and financial planning frameworks are closely aligned and integrated.

The Medium Term Financial Strategy (MTFS) is a 4 year plan which sets out our commitment to provide services that meet the needs of people locally, and represents good value for money. It links our council vision and priorities with forecasted resources and budgets. This shows how our finances will be structured and managed to ensure they support our priorities, and those of our partners. It incorporates the medium term impact on rate payers of activity within both the Capital Strategy and the Treasury Management Strategy.

The capital strategy provides a high level overview of how capital expenditure, capital financing and treasury management activity contributes to the provision of services, along with an overview of how associated risk is managed and what the implications might be for future financial sustainability.

Treasury Management Strategy summarises the management of the council's cash flows, its banking, money market and capital market transactions and the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

Other key resources in place to enable the council to manage the Business Plan include how we:

### Key Non-Financial Information in the Business Plan



## Service Plans

In developing the Capital Strategy, clear linkages have also been identified with not only the Business Plan but departmental service and commissioning plans beneath this. It reflects the capital investment implications of the approved objectives of those plans, which themselves reflect the council's proposals set out in service based strategies such as the Primary Places Strategy, Local Implementation Plan (Transport), and Asset Management Plans. Priorities for the Corporate Services department are based around how the council manages its resources effectively and how it carries out its wider community leadership role.

## Capital Strategy

The Council recognises the vital contribution its Capital Strategy plays in the economic growth of the borough. The significant and strategically planned investment shows that Merton is an ambitious borough looking to invest in improvements of placemaking to create an economic resilience which allows both local business and communities to thrive. It also welcomes the opportunity to work with the private sector to deliver its priorities and for the private sector to see Merton as a place it wants to invest in. The Council recognises that it needs to leverage private investment to create a resilient local economy and deliver the best outcomes for residents and businesses.

The importance of having a meaningful and comprehensive Capital Strategy is recognized by the Chartered Institute of Public Finance and Accountancy's (CIPFA) in both its Prudential Code and Capital Strategy Guidance which requires every local authority have a Capital Strategy allowing them to ensure capital investment is directed to programmes and projects which maximise the delivery of organisational objectives, support sound borrowing and effective financial management.



## **Evidence of Need**

Merton is an outer London borough with a current population in 2021 of 204,676, projected to increase to 210,416 in 2026 and 221,303 in 2036 (BPO projections dated March 2021). The Borough Preferred Option (BPO) population projections are calculated using the Merton housing trajectory, as published in the Authority Monitoring Report (AMR) each year. This is considered to be the best estimate of assumed growth in Merton and is used for the Local Plan.

Over the next 15 years it is projected that the number of residents aged over 65 across Merton is projected to increase by a minimum of 43%. The population aged 85 and over is projected to increase by an even greater proportion, 52% (BPO March 2021). Local research supports the increasing need identified in the London Plan for housing designed for older people, including sheltered and extra-care.

The Covid-19 pandemic has had a profound impact on Merton, its residents, local businesses and communities. Community organisations, faith groups, local businesses and thousands of volunteers of all ages and backgrounds have worked in partnership with the council to help those in need across the borough.

Using this insight gained from our extensive listening exercises alongside other recent engagement activities and data and intelligence about the borough - we have developed an ambition for the borough rooted in the views and aspirations of residents. Alongside this ambition, we have developed a strategic framework for delivery which includes 5 priorities, 10 principles and a range of delivery objectives for each of the priorities which is intended to shape and guide the future delivery of the council, how it invests its resources and its approach to working with partners.

To deliver the ambition that residents have set out will require all of us – the council, residents, businesses, voluntary and community sector and public sector bodies – to work collaboratively and cooperatively together. Communication and planning for delivery will need to be ongoing over the coming months. While some of the delivery objectives are fully funded, with an implementation plan already in place, others require work to more clearly define the objectives and develop the related plans, including consideration of any investment required to support delivery. Officers therefore intend to bring back to Cabinet an updated list of delivery objectives in June 2022, which is likely to have an impact on the Capital Programme detailed in the Annexes.

### **Priority 1 Maintaining excellent education and skills for all ages and needs.**

Looking at the earlier stages of life there is projected to be little change in the number of people aged under 15, compared with increases or decreases shown for other age groups. Focussing on the student aged population of 18-23 years, there is projected to be a rise of around 3,300 or 33% between 2021 and 2036 (BPO March 2021).

The council is responsible for school places in the borough and has a statutory duty to ensure that sufficient school places are available for every child. Children Schools and Families (CSF) provide annual reports and updates with regard to supply and demand of school places in Merton. These are the council's official school roll forecasts submitted to the Department for Education (DfE) and are based on the GLA Model 2 medium scenario (middle development scenario and middle migration scenario) which incorporates the borough housing development growth.

From 2022/23 £2.5 million per annum is provided for community and voluntary controlled schools (subject to grant funding) this will be limited to urgent health and safety related needs, with the council expecting schools to fund all works below £20,000. Work for the next few years will be prioritised using a conditions survey undertaken in late 2017.

While Merton schools perform well, there are differences across the borough which existed prior to the pandemic and emerging evidence suggests that attainment of disadvantaged pupils will be further compounded by the pandemic impacts.

- 68% of children in the west of the borough meet school readiness expectations compared to 55% of children in the east of the borough – below the London average.
- 12.6% of Merton school pupils received Special Educational Needs (SEN) support with 4.8% (1,583) having an Education Health and Care (EHC) plan – above the London average. The highest rates of children and young people on SEN support and EHC plans are in the East of the borough.
- Before the pandemic, Merton had a lower proportion of Asian and Black pupils who achieved grade 5 or above in English and Maths GCSE compared to London average. Differences in attainment across wards can also be seen in GCSE results and poorer outcomes are seen for children eligible for Free School Meals or Pupil Premium grant. Emerging evidence suggested that attainment of disadvantaged pupils will be further compounded by the pandemic

The information below has been taken from the September 2021 School Places Planning Strategy.

### **Primary Education**

A baseline review carried out in summer 2021 identified that Merton has a total of 44 state funded primary schools.

After an unprecedented 35% increase in primary school pupil numbers in the 11 years to 2017/18 (a rise of 4,367 from 12,683 to 17,050), 2017/18 was the peak. Merton is now experiencing a significant fall, with a drop of 1,184 (7%) to 2020/21. This fall was not forecast at a London or national level prior to 2016 and seems to have been highly influenced by changing migration patterns as a result of the Brexit referendum and then Brexit itself. Reception year numbers decreased in 2020/21 for the fifth consecutive year and projections indicate further falls in future years.

The actual and forecast numbers for reception year and total for primary schools between 2006/07 and 2025/26 determines that there are no primary school projects identified for the first 5 years of the new Local Plan period. This will be reviewed on an annual basis, but it is expected that the downward trend will continue for a number of years.

### **Secondary Education**

A baseline review carried out in September 2021 identified that Merton has a total of 9 state funded secondary schools.

The substantial increase of primary school pupils in the 11 years to 2017/18 then moved into the secondary schools, with the most substantial rise in demand for year 7 places coinciding with the opening of Harris Academy Wimbledon in September 2018. Since that time the numbers have declined and the continued downward trend of primary school pupils will carry into the secondary schools over the next few years. The level of demand will continue to be dependent on pupil retention, as there is extensive cross borough border moment.

Based on forecast pupil numbers there are no plans to implement any further mainstream secondary school expansions for the first five years of the Local Plan period and the council is not supportive of new schools in neighbouring boroughs close to the borough boundaries. The current strategy is to continue to work with the secondary schools to monitor numbers annually, to agree options for reductions in admissions numbers in the coming years.

## Special Education Needs

The council caters for pupils with Special Educational needs and disabilities (SEND) through mainstream schools, specialist provision within mainstream schools (referred to as additional resourced provision), special schools, and the use of independent provision.

The growth in demand for SEND placements has received national attention, and recent growth has been significant in Merton. The number of children with Education, Health and Care Plan (EHCP) in Merton more than doubled in the last 5 years, from 1,075 in January 2016 to 2,252 in January 2020.

The council has been active in implementing special school expansions in recent years, including the following sites:



Despite recent school expansions, SEND places are currently full. The council is therefore reliant on independent schools, which is continuing to increase the overall costs. To respond to this forecast continued growth, the council has planned to provide an additional 80 SEND school places at Whatley Avenue, from September 2022. Additionally, there is a need to address the current over reliance on the independent sector.

Reports provided by CSF in September 2021 indicate that the number of increased places has not kept up with the increase in EHCPs. The CSF team was working with the Department for Education (DfE) over the autumn as part of the 'Safety Valve Intervention Programme' with a view to submit a proposal to DfE for future plans if successful. The actual and projected fall in demand for primary school places, and the projected fall in demand for secondary school places offers the opportunity to deliver additional specialist spaces for a lower capital cost and make the best use of buildings.

Due to the high deficit in its Dedicated Schools Grant High Needs Block, Merton Council was invited to join the DfE's 'Safety Valve' programme which required the Council to set out a series of re-balancing actions that would enable the DfE to provide financial support for the revenue deficit. Following negotiations that ended on the 9<sup>th</sup> December 2021, DfE officials supported Merton request to join the safety valve programme. **As of the 28 January 2022 confirmation of this agreement and level of financial support have not been received.**

One of the key rebalancing Actions (Number 4) is to “Expand our community specialist provision by 314 places to be completed by September 2027.” These expansion proposals are summarised in the Table below:

Expansion	No of Places	Cost Indication
Whatley Avenue additional capacity*	30	Provision in the Capital Programme
Further New School**	140	Preliminary estimate of £10.3 Build Cost Plus £10m Land
3 Secondary ARPs	72	Preliminary estimated cost if through adaptations is £900k each requiring between £5 to 6 million to develop
3 Primary ARPs	72	
Total	314	

\* This is in addition to the 80 places capacity of the new provision being developed for September 2022; it is envisaged the building would eventually be able to provide for an additional 30 pupils e.g. opening a 6th form provision

\*\* It is envisaged that this will be developed as a free school/academy and as such the bulk of the identified development costs will eventually fall on Central Government

Officers are currently seeking to maximise government grant support for other expansions through:

Firstly, it is anticipated that the council will receive its formulaic High Needs Provision Capital Allocation (HNPCA) in 2022/23 as received in the current and previous years that is now part of bigger central government pot (£2.6bn over 3 years), expected to be confirmed by Easter 2022.

Secondly, as part of its participation in the ‘Safety Valve’ programme Merton Council has been specifically invited by the DfE to apply by 18 March 2022 for capital funding to address deficit reduction proposals put forward in the ‘Safety Valve’ programme. Capital proposals are contingent on the successful conclusion of the revenue agreements. The DfE cannot say what quantum of funding Merton Council may receive if approved but for an indication they have stated that in the first round of ‘Safety Valve’ (earlier in the 2021/22 financial year) five local authorities shared a total of £20m. Merton is therefore working up costed proposal to submit a bid by the 18 March deadline. Based on very early estimates it is expected that at least £15 to £26 million of additional capital is required for SEND expansions over the next 5 years.

### **Tertiary and Adult Education**

The council has no statutory obligation to provide tertiary education, however there are a small number of tertiary education facilities in the borough, providing higher level learning through adult education courses, apprenticeships and workforce training. These facilities include South Thames College (Merton Campus) and Wimbledon College of Arts; and Merton Adult Education.

These facilities have a regional and even a national catchment and can therefore impact on the local areas, for example, the numbers of students seeking local private accommodation in the borough, local transport patterns, and the types of local retail provided. Whilst there is no need for special provision to be made for such facilities, they form an important component of the borough’s overall educational offer and in themselves can be significant contributors to the educational infrastructure of the borough.

The council is supportive of apprenticeships for local people in Merton, collaborating with other neighbouring boroughs through the South London Partnership to support local employment. There are no known tertiary education projects to be delivered in the first 5 years of the Local Plan.

### **Early Years and Childcare**

Children under the age of 5 may require early years childcare. The council has a statutory duty under Section 6 of the Childcare Act 2006 to work in partnership with childcare providers to influence childcare provision, as far as is practicable, to ensure that there is sufficient childcare.

The Merton BPO 2021 indicates there are 13,718 children under the age of five living in Merton, representing 6.7% of the total population. This total is projected to decline over the next 5 years to 12,653 in 2026, before then increasing slightly over the 10-year period to 13,250 in 2036 (5.9% of the total population).

The Merton Childcare Sufficiency Assessment (CSA) (2020) published in January 2021 provides an assessment of the sufficiency of Merton's childcare market place and how the council proposes to manage any shortfalls in a specific type or need in the borough. The CSA report identifies that the quality of childcare provision in Merton is consistently high.

The CSA recorded 377 childcare providers in the Borough, offering approximately 7,721 early years childcare places through childminders, nursery classes in primary schools and one special school and private and voluntary nurseries and preschools. The CSA reports that the childcare market in Merton remains stable, although it does identify that the impact of Covid-19 may have an effect on the market throughout 2021 and into early 2022. It identifies that demand for childcare is likely to be reduced over the next 5 years, given that the 0-5 years and 5-11 years population groups both continue to fall.

The report identified further investigation was required in the next year to increase the number of places for funded 2 year olds in Figge's Marsh, Ravensbury and St Helier wards. This was due to these areas having lower supply and take up. A recently opened site in Ravensbury at the end of 2020 will assist this need. As two of these wards share a border with Sutton, it is acknowledged that families may be utilising childcare facilities in the neighbouring borough.

Wimbledon Park was also identified as an area of concern, with less than a quarter of eligible families taking up places and a lack of provision may be dissuading families as they have to look elsewhere for places.

It is difficult to provide a complete assessment of all early childcare needs, given that population data does not take into account the movement of children into neighbouring boroughs. The CSA is carried out annually, and will continue to be monitored. Major developments that come forward in the borough will need to liaise with the council to consider childcare needs early on in the planning process.

### **Priority 2 Promote a dynamic, connected and inclusive community and economy with safe, vibrant high streets and jobs for our residents.**

#### **Vibrant High Streets, Jobs and Transport**

The new Local Plan also supports the delivery of new jobs. The development of key sites across Merton, particularly in the town centres and along the high streets will include the provision of commercial space, to ensure businesses continue to thrive in the borough.



Economic and social recovery from the effects of the Covid-19 pandemic will be a priority for the UK, for London and for Merton for the short to medium term. There are already a variety of predictions as to how Covid-19 is likely to change the supply and demand for businesses and jobs. It is not yet known which of these will become a longer term reality and which might fall away as we start to recover from the impacts of the pandemic. This Local Plan continues to plan for space for businesses, jobs, apprenticeships and training in order to boost wages and local employment opportunities within the borough.

The LIP sets out Merton Council's transport strategy and has been developed to align with and contribute towards the delivery of objectives set out in the Mayor's Transport Strategy. These include:

- Healthy streets and healthy people;
- A good public transport experience; and
- New homes and jobs.

LIP3 sets out a three year delivery programme for the period 2019/20 to 2020/22 and also outlines an indicative programme through to 2041. The programme is set against a background of predicted employment, population and freight growth and the demands it places on an increasingly congested transport system and the need to lessen and minimise the impacts on the environment and air quality.

The plan acknowledges a changing society and expanding health challenges, notably growing obesity in children and health inequalities in Merton, especially in the eastern parts of the borough. It seeks to reduce these inequalities by encouraging healthier lifestyles through increased physical activity, especially for short trips, and supporting better access to community facilities and essential services.

As an outer London borough, with lower levels of public transport accessibility in some areas, Merton has a challenging target that 73 per cent of all trips should be made on foot, by cycle or using public transport by 2041, compared to around 61% today.

To meet the ambitious targets set out in the Mayor's Transport Strategy and the LIP, the council and its partners will need to build on the progress over recent years and deliver transport projects that enable a greater shift to sustainable travel choices over the Local Plan period.

The Merton LIP is focused on tangible pedestrian and cycle improvements, in line with TfL's Health Streets approach and the Mayor's aim that "Londoners do at least the 20 minutes of active travel they need to stay healthy each day."

A number of transport and public realm schemes have been identified for delivery in the first five years of the Local Plan period. These include:

- Improvements to cycling and pedestrian route networks throughout the borough;
- Introduction of Dockless cycle schemes and e-bikes;
- Wider coverage of car clubs;
- Increasing the number and mix of on-street electric vehicle charge points;
- Improvements to the London Tram Network;
- Improvements to bus infrastructure and access across the borough; and
- Improvements to the public realm quality and accessibility in Wimbledon town centre.

The funding and delivery of transport and public realm improvements will come from a number of sources, primarily from TfL and planning contributions.

Restrictions over the course of 2020 and 2021 have had a significant impact on the local business sector with continued disruption, financial uncertainty and loss of income. Merton BIDs and the Merton Chamber of Commerce has reported the huge pressure and stress being experienced by local business owners. As government schemes for financial support for businesses come to an end, the full scale of the pandemic impact and compounding challenges from Brexit is likely to become more apparent.

- Over £55million in financial support has been provided to businesses who were supported through £44.5m business rates relief and over £11 million in grants delivered by through the local authority, alongside business support activities.
- Street inspections carried out over the summer showed that the shop vacancy rate doubled in all the town centres as a result of the pandemic. Mitcham, Raynes Park and Wimbledon have the highest shop vacancy rate, with 42, 23 and 63 businesses that became vacant over the pandemic respectively.
- The Google Mobility report indicates lower numbers returning to retail and recreation places as well as workplaces, and public transport usage have all significantly decreased in Merton as a result of the pandemic. In Merton, as of 1 October 2021, -38% people were visiting workplaces and -31% people were using public transport while -18% of people were visiting retail and recreation places compared to the first 5 weeks from 3 January 2020.
- 50 percent less spend was recorded on Wimbledon High Street in July 2021. The combined data on Mastercard spend, footfall and Google mobility during lockdown indicate the impact on our high streets which continue to face challenges in recovery.

### **Libraries**

There are seven libraries operating in the borough in the following locations; Colliers Wood, Mitcham, Morden, Pollards Hill, Raynes Park, Wimbledon and West Barnes. The libraries offer a range of community services for all ages, both in person and online. This includes book hire, e-library, holding of events, room hire, provision of arts spaces, volunteering activities, Merton memories collection, the hiring of computers and use of printing facilities.

The Morden library also houses the Heritage and Local Studies Centre, which tells the story of Merton and its people through a changing programme of exhibitions and events. The Centre also offers educational services for local schools and adult learners as well as access to a wide range of local history resources.

### **Digital Infrastructure and Telecoms**

The provision of high speed communications infrastructure is key to ensuring economic growth and social wellbeing. The council recognises that digital services are integral to the residents and businesses in Merton; they enhance civic inclusivity, social participation and the local economy.

Telecommunications and digital infrastructure is provided across the borough through a variety of private network suppliers. In order to meet the needs of the population and housing growth over the Local Plan period, these networks will need to expand accordingly. Future digital connections should be provided with a focus on affordability, security and resilience and should provide access to services from a range of providers. This includes publicly accessible Wi-Fi and connections for flexible and affordable workspaces in the borough.

While most of the borough experiences good digital connectivity, Ofcom does identify that there remain some areas with low or poor connectivity which are unable to receive a minimum download speed of 30Mbit/s. The council is supportive of the expansion of digital services into these areas.

The installation of connectivity infrastructure to increase digital, mobile and smart technology and provide enhanced coverage, resilience and connectivity has been identified as essential delivery for the Local Plan period. As these services are provided by private suppliers, it is not identified within the council's funding portfolio.

**Priority 3 Support residents who are most in need and promote the safety and wellbeing of all our communities.**

The Merton Family Services Directory provides a user friendly webpage resource to enable residents to find community groups and places in their neighbourhood. This includes 12 community centres, 5 adult and community education services, 19 community and cultural groups, 12 faith groups and the 7 libraries.

Merton Connected (formerly Merton Voluntary Service Council (MVSC)) works to support, enable and champion the voluntary, community and faith sectors in Merton, aiming to create a thriving community where people's lives are enriched by voluntary and community action.

The Authority aims to provide residents with the chance to live independent and fulfilling lives, in suitable homes within sustainable communities, with chances to learn, use information, and acquire new skills.

The Merton Story (2019) is Merton's Joint Strategic Needs Assessment (JSNA), which sets out the population health and wellbeing needs for the Health and Wellbeing Board. It identifies the following key themes and challenges, which have been derived from the aim of having an overall healthy and safe borough, rich in assets:

- a) Inequalities and the health divide;
- b) Healthy lifestyles and emotional wellbeing;
- c) Child and family, resilience and vulnerability;
- d) Increasing complex needs and multi-morbidity; and
- e) Hidden harms and emerging issues.

Health in Merton is, in general, better than in London and in England as a whole. Life expectancy is better than in 75% of other local authorities. Overall deprivation is lower than average. The borough is fortunate to have a good range of public and community assets which support good health such as green spaces, schools, libraries and voluntary sector activity. Merton is also well served by public transport, more so in the west of the borough than the east, and has a road and path infrastructure to support cycling and walking. However cycling rates are lower than some neighbouring boroughs. The voluntary and community sector in Merton is very active, with approximately 917 voluntary, community, faith and social enterprise organisations providing a wide range of services and activities for residents across the borough. However, there are significant social inequalities between the eastern and western parts of the borough, related to a range of factors including life expectancy, income and areas of deprivation.

The Merton Story outlines that life expectancy for men in living in east Merton is 79.3 years, shorter than the 82.2 years of men who live in the west of the borough. Similarly, for women, life expectancy for those who live in the east of Merton is 83.3 years, compared to 85.3 years for women in the west of the borough.

Data from the National Institute for Health Protection (formally known as Public Health England) indicates that the gap between the 30% most and 30% least deprived wards is larger than for total life expectancy: 9.4 years for men and 9.3 for women. Therefore, someone living in a deprived ward in the east of the borough will on average spend at least 9 more years in poor health than someone in a more affluent part of the borough. This may impact on the last years of working life, family life and on a healthy and fulfilling retirement. Risk factors such as tobacco use, an unhealthy diet, alcohol and drug use, obesity and high blood pressure can also have a large impact on premature mortality, or deaths under 75 years, which are found to be higher in the more deprived wards of east Merton.

The Merton Story identifies that the main causes of ill health and premature deaths in Merton are cancer and circulatory disease such as coronary heart disease and stroke. Unhealthy behaviours, such as smoking, lack of physical activity, an unhealthy diet and using drugs and alcohol, can all contribute to these types of deaths. The Health and Wellbeing Strategy aims to make healthy choices easier and more preferred, particularly for people in areas with lower socio-economic conditions.

Merton's Health and Wellbeing Strategy (2019-24) is aligned with other strategies and plans across the Council including the Children and Young People's Plan, the developing Sustainable Communities Strategy and the Local Plan. The themes for the strategy are Start well; Live well; Age well in a Healthy place.

Merton's Children and Young People's Plan (2019-2023) sets out the priorities to make sure that Merton is a place where children and young people feel they can belong, stay safe, be healthy and can thrive.

The mental health of residents is just as important as their physical wellbeing. Public Health England figures indicate that in 2017, it was estimated that 25,300 adults in Merton were suffering depression and anxiety. While this is lower than the London and England average, it suggests that not all adults who experience mental health issues visit a GP.

The number of people in Merton with dementia is predicted to increase from 2,050 to 3,300 by 2035, with only 70% currently diagnosed (the Merton Story 2019).

Dementia is an umbrella term used to describe a range of progressive neurological disorders, that is, conditions affecting the brain. There are over 200 subtypes of dementia, but the five most common are: Alzheimer's disease, vascular dementia, dementia with Lewy bodies (DLB), frontotemporal dementia and mixed dementia. Some people may have a combination of different types of dementia and these are commonly called mixed dementia.

Because dementia is a general term, its symptoms can vary widely from person to person. People with dementia often have problems with:

- Memory
- Attention
- Communication
- Reasoning, judgement and problem solving
- Visual perception beyond typical age-related changes in vision

Early diagnosis can slow the disease progression and improve quality of life. Merton Council is an active member of the Merton Dementia Action Alliance (MDAA) and is working towards becoming a Dementia Friendly borough. The new Local Plan policies incorporate how dementia-friendly design through housing, transport and public realm can help to make communities more dementia-friendly.

## **Projections**

The London Healthy Urban Development Unit (HUDU) has provided a spatial analysis of the population projections for Merton, to illustrate the interactions between the different types of health services in the borough and how the changes in future population may impact on these services:

- Overall healthcare provision; health centres, primary care networks, GPs and hospitals;
- Primary care floorspace;
- Mental health care floorspace; and
- Acute health care floorspace.

A new Merton Borough Health and Care Estates Strategy 2021 (MBES) has been prepared in partnership with Merton Borough Estates Group. The MBES reviews the needs of local health providers against the borough's housing and population growth and supports the delivery of

Merton's Local Health and Care Plans. The MBES also takes into account some of the implications of Covid-19 on the healthcare system, although it is acknowledged that this is ongoing work and further information may be provided to the council as it comes forward.

Merton is unique to its neighbouring boroughs as there is no acute hospital within the borough. This results in residents travelling to the most convenient hospital close to where they live, either St George's University Hospital in Wandsworth, Epsom and St Helier Hospital in Sutton or Kingston Hospital in Kingston. The MBES 2021 identifies the key healthcare needs for the borough, setting out the areas and the projects that are considered to be a priority in meeting the health needs of the Merton population.

To meet the healthcare needs for the borough, a number of schemes have been identified for delivery over the Local Plan period. These include:

- Wimbledon Stadium PCN improvements.
- Colliers Wood new GP surgery.
- Rowans Surgery new premises at Rowan Park.
- Mitcham Health and Wellbeing Hub.
- Morden Road Health Centre, to be considered alongside Morden town centre regeneration.
- Expansion of healthcare capacity across the borough to respond to population and development growth.

The disproportionate impact of Covid-19 - There were higher levels of infections, hospitalisations and deaths seen in the east of the borough in 2020, associated with a greater prevalence of risk factors such as deprivation.

- Overall, wards in East Merton saw a higher rate of COVID-19 deaths over 2020 (131.1 per 100,000), than those in the West (120.7 per 100,000), despite wards in the west of the borough having an older population. There has been a total of 499 deaths related to Covid in Merton as of September 2021.
- Merton residents of Asian ethnicity also have been overrepresented in numbers of infections, hospitalisation and death, compared to their proportion in the population; Black residents were also more likely to be hospitalised from Covid-19. This reflected a similar picture in other London boroughs.

#### **Priority 4 Ensure a clean and environmentally sustainable borough with inclusive open spaces where people can come together and enjoy a variety of natural life**

The council declared a Climate Emergency on 10 July 2019 and adopted the 2020 Climate Change Strategy and Action Plan on 18 November 2020. The Action Plan sets a vision for Merton to be a low carbon borough and identifies a number of actions for how the vision can be achieved. The plan identifies that 81% of the boroughs emissions currently comes from buildings and energy and that low carbon alternatives will need to be adopted going forward in order to meet the council's targets. While these are long term plans overall, changes will need to start being made over the Local Plan period. The Authority has set aside £2 million to progress delivery of this target and the proposed programme for 2025-26 makes provision for the replacement of the majority of the waste fleet with carbon neutral vehicles.

At this stage, there are no specific projects that have been identified in Merton to deliver gas or electricity improvements in the borough however the council is committed to further conversations with the gas and electricity infrastructure suppliers to understand how a move towards low carbon energy sources may come forward over the Local Plan period.

## **Waste Management**

The preparation of the new South London Waste Partnership (SLWP) commenced in 2018. The draft SLWP works towards reducing the amount of waste going to landfill, making major waste developments zero carbon, making minor waste developments as close to zero carbon as possible and providing opportunities for the circular economy to expand. As at December 2021, the draft SLWP had been submitted to the Secretary of State in January 2021, with the hearings held in September 2021. Adoption is expected in early 2022.

## **Recreation, Sport and Leisure Facilities**

To support the new Local Plan, the council commissioned studies to assess the quantity, quality, accessibility and availability of indoor and outdoor sports facilities in Merton. The Merton Playing Pitch Strategy (PPS) was adopted in October 2019 and the Merton Indoor Sports Facility Study (ISFS) was published in February 2020.

These documents provide a strategic assessment and an up to date analysis of supply and demand for grass and artificial playing pitches and indoor sports facilities in the borough. They were carried out in line with Sport England's published guidance and in conjunction with a number of national sports governing bodies (NGBs), including the English Cricket Board, Rugby Football Union, Football Foundation, Lawn Tennis Association, England Hockey, Badminton England, English Indoor Bowls Association, England Netball, Swim England, Volleyball England and Table Tennis England.

These documents identify that Merton has the following sports and playing pitches and indoor facilities:

- Football – 104 pitches across 28 sites
- Cricket – 39 pitches, 307 grass wickets and 1 artificial wicket
- Rugby union – 46 grass pitches on 15 sites
- Hockey – 8 pitches on 7 sites
- AGPs – 26 pitches, 11 of full size
- Tennis – 205 tennis courts across 30 sites
- Lawn bowling – 9 greens
- Athletics – 1 athletics site
- Water sports centre – 1
- Indoor swimming pools – 20
- Indoor sports halls – 13 (3 or more courts)
- Health and fitness suites – 20
- Fitness studios – 38
- Squash courts – 8
- Indoor tennis – 4

The PPS identifies that Merton has significantly higher levels of “Active” participation compared with Outer London and England (Sport England Active Lives Survey) and playing pitches are generally well used throughout the borough. The value of participation in sport and physical activity is significant, and its contribution to the health, wellbeing and quality of life of residents should not be under estimated. The PPS also notes that residents will travel across and into neighbouring boroughs to access sports facilities.

The PPS supply and demand analysis identified that the projected growth in population and the increased participation in female sports and youth sports will mean that continued investment in sporting facilities will be needed over the lifetime of the Local Plan. This is to ensure that the number and quality of facilities is sufficient for the population needs.

The PPS recommends that playing pitches are protected in the borough, to ensure there remains sufficient sports provision for the population. The action plan sets out the issues and opportunities that have been identified across all Merton playing pitches, showing the priority sites, delivery timescales and costs involved in bringing these forward. Many of the items in the action plan relate to improvements to ancillary facilities, which will lead to a more efficient use of pitches across a number of sports and teams.

The PPS identifies that over the lifetime of the Local Plan, there is likely to be a shortfall in the provision of some sports pitches in the borough, with a number of recommendations and actions set out. As the majority of these are currently unfunded, it is the joint responsibility of landowners, sporting providers, clubs and other partners to work together and provide funding for, and the delivery of new, and improvements to, sports pitches.

There are three council leisure centres in the borough; Canons Leisure Centre, Wimbledon Leisure Centre and Morden Leisure Centre. All three facilities are operated by Greenwich Leisure Limited and provide access to a variety of sports and leisure activities including swimming, diving, gym, sauna, fitness classes, multi-use games areas, sports halls and squash courts. The council has made significant investment into the leisure centres, with the new Morden Leisure Centre opening in 2019, replacing the previous Morden Park Pools facility. Some improvements to the other leisure centres will be required over the Local Plan period.

### **Green Infrastructure**

Green Infrastructure is a form of natural capital, which provides direct and indirect benefits to people. These benefits include clear air and water, cooling to lessen the impacts of climate change, provision of a better environment for walking and cycling, promoting healthier living and providing habitat for biodiversity and ecological resilience.

The Merton Green Infrastructure Study was published in 2020, providing an assessment of the quality, quantity, accessibility and use of open spaces throughout the borough. Merton has a relatively high proportion of open space, at 35% land cover, similar to the neighbouring boroughs of Kingston and Sutton, reflecting the characteristics of outer London. The quality assessment carried out in the study identified that 60% of open spaces can be classified as fair, good or very good, including parks, recreation and outdoor sports facilities, allotments and cemeteries. Of the 40% of green spaces that fall into the poor category, these were natural and semi-natural greenspaces, green corridors and education; thus showing a general trend that more formal open space areas are of a higher quality. There are some areas (particularly noticeable around Raynes Park) where there are gaps in access to both district and local parks, and these areas should be targeted for improvements in accessibility through new developments that come forward.

There is good accessibility (84%) to nature through publicly accessible Sites of Importance for Nature Conservation (SINCs). In the small areas that are identified as having deficiency, there are a number of existing open spaces which could provide opportunities to enhance the natural environment.

### **Burial Spaces, Cemeteries and Crematoria**

There are 9 cemeteries in Merton, located widely in the north, south-west and east of the borough. These cover a variety of faiths and religions, catering for the diverse population in Merton and the wider area.

The council's parks and open spaces team manage the following three of these cemeteries:

Merton and Sutton Joint Cemetery, Morden  
Church Road Cemetery, Mitcham  
Gap Road Cemetery, Wimbledon

The Greenspaces team has confirmed that recent expansions to Merton and Sutton Joint Cemetery and London Road Cemetery mean that there is sufficient burial capacity for 50-75 years. While improvements to other privately managed cemeteries may come forward throughout the borough, at this time it is considered there is sufficient burial space capacity for the Local Plan period. Burial needs will continue to be regularly reviewed and updated in this document as necessary.

### **Children's Play Facilities**

The Green Infrastructure Study (2020) includes a quality, quantity and accessibility review of all play spaces in Merton. These are defined areas set aside for children and young people in supervised or unsupervised environments, providing a variety of play equipment such as swings, slides, skateboard parks, outdoor basketball areas and other informal space for social interaction.

83 play areas were identified for survey in the borough and 82 were surveyed (1 was not accessible at the time of the survey). Of these, 21 were doorstep play spaces, 56 were local play spaces and 5 were neighbourhood play spaces. The majority of play spaces are located in the east, south and north of Merton, with fewer in the Wimbledon, Raynes Park and New Malden areas. Access to play spaces was assessed in line with the standards set out in the Mayor's SPG for children's play spaces:

- 0-4 years – 27% of the borough is within an accessible walking distance (100m). There are some areas of deficiency identified in the north-west and south-west of the borough, particularly with formal play areas.
- 5-11 years – 76% of the borough is within an accessible walking distance (400m) of a play area of open space which could be used for informal recreation. Much of the provision of play in Morden and Wimbledon is delivered by open spaces, rather than formal play areas.
- 12 years and over – More than 95% of the borough is within an accessible distance (800m) of a play area or an open space which could be used for informal recreation. There is a lack of formal play areas in the west of the borough where most of the play provision is delivered by open spaces for informal recreation.

It is identified that some improvements will be needed to play spaces in the borough over the Local Plan period.

### **Flood Risk Management**

As a Lead Local Flood Authority (LLFA), the council provides a significant amount of guidance in accordance with nation planning requirements to ensure that flood risk is understood and managed effectively and sustainably in the borough. Merton's joint Strategic Flood Risk Assessment (SFRA) was produced in partnership with Wandsworth Council and key risk management organisations including the Environment Agency, Thames Water, Network Rail and Transport for London.

The Merton Sustainable Drainage Design and Evaluation Guide SPD was adopted in June 2020. This sets out how sustainable drainage systems should be fully integrated from the start of the design process along with other aspects of development design.



A number of flood risk schemes have been identified for delivery over the Local Plan period. These include:

- Delivering reservoir safety through improvements to Wimbledon Park Lake; and
- Surface water flood risk alleviation schemes in critical drainage areas including Raynes Park Town Centre and Southfields grid.

The funding and delivery of flood risk management projects will come from a number of sources and will require funding and collaboration between the council, landowners, neighbouring boroughs, Thames Water, the Environment Agency and other stakeholders.

**Priority 5 Work to make Merton a fairer, more equal borough and support those on lower income by tackling poverty and fighting for quality affordable housing.**

The new Merton Local Plan will cover the next 15 years and will allocate land for a range of uses, including housing, retail and employment. The IDP identifies the necessary infrastructure that will be required to ensure that future development is accompanied by the relevant services and facilities that are needed to sustain growth.

National and regional planning policy and guidance identifies the importance of infrastructure. As such this document has been reviewed and written in line with the National Planning Policy Framework (NPPF), National Planning Practice Guidance (NPPG) and the London Plan 2021.

The Local Plan sets out that the council will plan for 11,732 new homes over the 15 year plan period from 2021 to 2036. Delivery of this housing is required to meet the needs of the increase in population and growth; projected to be an overall increase of approximately 16,600 people.

The Infrastructure Delivery Plan identifies the anticipated strategic requirements for the provision of a range of different infrastructure types across the borough. These include transport, health, education, green and blue infrastructure, sport and leisure, community, utilities, climate change, economic development and emergency services.

The council must ensure that the necessary infrastructure required to support new residential and commercial development throughout the borough can be delivered at the right time, therefore addressing any existing shortfalls in provision.

This infrastructure report supports the Local Plan and it should also be used to inform major planning applications that come forward. It is the responsibility of site owners, promoters and developers to ensure sufficient information on infrastructure is submitted with any planning applications. For example, this can include transport assessments, strategic flood risk assessments and biodiversity assessments.

The public sector has previously been relied upon to provide and ensure the delivery of infrastructure. However, in the context of public sector funding restrictions, including the impacts from the Covid-19 pandemic, there will be an increased reliance on infrastructure and service providers and the development industry to fund infrastructure going forward.

Economic and social recovery from the effects of Covid19 will be a priority for the UK, for London and for Merton for the short to medium term. There are already a variety of predictions as to how Covid19 will change the supply and demand for businesses and jobs. It is not yet known which of these will become a longer term reality and which might fall away as we start to recover from the impacts of the pandemic. This Local Plan continues to plan for space for businesses, jobs, apprenticeships and training in order to boost wages and local employment opportunities within the borough.

Data from HMRC on the use of the furlough scheme and self-employment support schemes indicates that Merton residents were highly reliant on government financial assistance during the pandemic.

- 38,200 people were furloughed in Merton during the pandemic. In May 2020, it reached a height of 18.6% as a proportion of the age working population, reducing to 5.5% in June 2021 as the scheme comes to a close.
- Merton has consistently had the highest rate of employments furloughed during the pandemic out of the SLP boroughs and slightly higher than the London average at its height.
- In June 2021, the proportion of the working age population claiming self-employment funding support (SEISS) was 7.8% down from 9.8% in July 2020.
- Merton has had the highest rate of SEISS claims out of the SLP boroughs and higher than the London average, suggesting a higher demand for this financial support from the self-employed compared to its neighbouring boroughs.

The pandemic has highlighted areas of unmet need in the borough and the level of insecurity faced by low-income households, disproportionately in the east of the borough. Understanding the impact on households and communities most vulnerable to economic shocks in the short to long term will be important with rising pressures on household costs (such as food, energy and fuel).

- 317% increase was seen in emergency food provision during the pandemic, which was mostly provided to households in the East of the borough. Cricket Green had the greatest number of households receiving emergency provision.
- The number of school pupils eligible for free school meals rose during the pandemic – from 17.5% to 22.1% (an extra 1,220) in 2020/21.
- 5,195 (13.1%) children in Merton under 16 years live in low-income families, mostly in East Merton, with Pollards Hill, Cricket Green, Figges Marsh, and Ravensbury wards most affected.

While the level of unemployment in the borough is reducing, in common with other London boroughs, data on claimants for job seekers and Universal credit shows that the level is still high. There continues to be significant uncertainty ahead regarding the economic recovery and to what extent there will be long term ‘scarring’ effects from the pandemic on employment – such as for young people and those in lower-skilled, more precarious employment.

- Data on Universal Credit claimants during the pandemic showed that some groups were worse affected than others – in particular young people, BAME groups and those on lower incomes. Employment for those between 18-39 is recovering faster however than those aged 40-64.
- The total claimant rate as a proportion of the working age population in Merton is currently 5.8% - down from a height of 8.6% in March 2021 but still significantly higher than the pre-pandemic level of 2.7% in March 2020.
- There are significant disparities in the levels of unemployment across the wards in the borough. For example, in August 2021 the claimant rate in Pollards Hill was 10.8% (710) compared to 2.2% in Dundonald (150).

As with many London Boroughs, Merton is facing ambitious, regionally set housing targets for the Local Plan period. Infrastructure needs will be driven by the projected population growth, housing targets and economic growth.

## **Housing**

The Merton Strategic Housing Needs Assessment (SHNA) published in July 2019 identified that generally there is a need for more homes of all types and sizes throughout the borough. At the borough level, it is anticipated that new homes will be concentrated around the existing town centres and areas of the borough with good access to public transport and local services. These include Mitcham, Morden, Colliers Wood, South Wimbledon, Wimbledon and Raynes Park

Over the Local Plan period 2021/22 - 2035/36, a minimum of 11,732 homes are expected to be delivered. Sites that have been identified for housing include both major and smaller site allocations, small sites, and windfall sites.

Although Merton has a lower rate of households in temporary accommodation compared the other boroughs, the borough continues to face many challenges with affordable housing in common with the challenges facing other London boroughs. Measures put in place during the pandemic to prevent evictions and increased homelessness came to an end in August which may result in a rise in homelessness prevention and relief.

- In 2021 there were 9,125 households on the Councils Housing Register, with only 191 social housing homes that became available for letting in the same year.
- 7.2% of households in Merton are overcrowded, predominantly in the east of the borough
- MHCLG data for Merton indicates that 551 households were owed a prevention or relief between April 2020 and March 2021.

### **External and Partner Influences**

The Council's capital investment plans are influenced by a number of external parties and factors: central government and its agencies, legislation requiring capital works, partner organisations, businesses developers and by the needs and views of other interested parties, particularly those of Borough residents

Government sponsored initiatives and programmes will influence the projects which the Council will include in its capital investment plans. In particular, its Housing Investment Programme in which the Council participates with regard to Disabled Facilities Grants, this is a major area of investment where the majority of funding is provided by Government.

Transport for London works closely with all London boroughs and community groups to integrate transport planning and operations across the Capital. This results in the provision of ring-fenced funding for work to be undertaken by Merton.

The Authority is working closely with the Department of Education to develop plans to reduce and contain the increasing revenue pressure from independent sector SEN placements, this is resulting in the provision of additional SEN places within the capital programme.

Where required by legislation to carry out works of a capital nature, such as to comply with the Disablement Disability Act or Health and Safety requirements, or anti-pollution regulations, the Council will consider the most effective way to discharge its obligations and appropriate provision will be made in its Capital Programme once it has determined that it shall carry out the necessary work and that this should be capitalised.

The Council works with a wide range of partners from the public, private, voluntary and community sectors, all of which have an influence over its spending priorities. Wherever possible the Council will seek to work in partnership with others to deliver its capital investment programme in order to provide facilities which meet its own and partners' needs. When working with the private sector, the objective will be to maximise the benefits to the Council and the community from any projects, both in terms of outputs and in relation to obtaining funding for the project.

Regard will be given to the Council's obligations under Disabled Access requirements in putting forward proposals for capital investment and in the design of any facilities which are proposed. Wherever possible the principles of financial and environmental sustainability will be incorporated into any capital projects.

## **Property as a Corporate Resource**

The Asset Management Strategy provides the overarching aims and framework for managing the Council's property portfolio within the context of the council's corporate priorities.

The Council also works closely with a wide range of partners, such as the health sector, police and education services. The Property Strategy acknowledges the importance of joint working with these organisations and the need to be consistent with the Community Plan and planning framework.

The Council's aim is to maximise the contribution of property assets to the delivery of the council's objectives, with the flexibility to continually adapt to changing demands.

The Financial Aims are to:

- Maximise capital receipts.
- Maximise revenue income.
- Reduce revenue cost.
- Reduce capital expenditure.

The Service aims are to:

- Minimise the amount of office accommodation.
- Improve quality and suitability of property assets.
- Match property to approved service requirements.

It ensures that its properties are fit for purpose by making proper provision and action for maintenance and repair. The organisation makes investment and disposal decisions based on thorough option appraisal. The capital programme gives priority to potential capital projects based on a formal objective approval process.

Whole life project costing is used at the design stage for significant projects where appropriate, incorporating future periodic capital replacement costs, projected maintenance and decommissioning costs.

The Asset Management Plan/Strategy is being reviewed and will include greater emphasis on the use of the council's property assets to support the council's Transformation Programme, regeneration and increased income/revenue generation.

The Authority the CIPFA Fixed Asset IT System to manage, maintain and account for its fixed assets, Property Management, Facilities management and Capital Finance utilise the system.

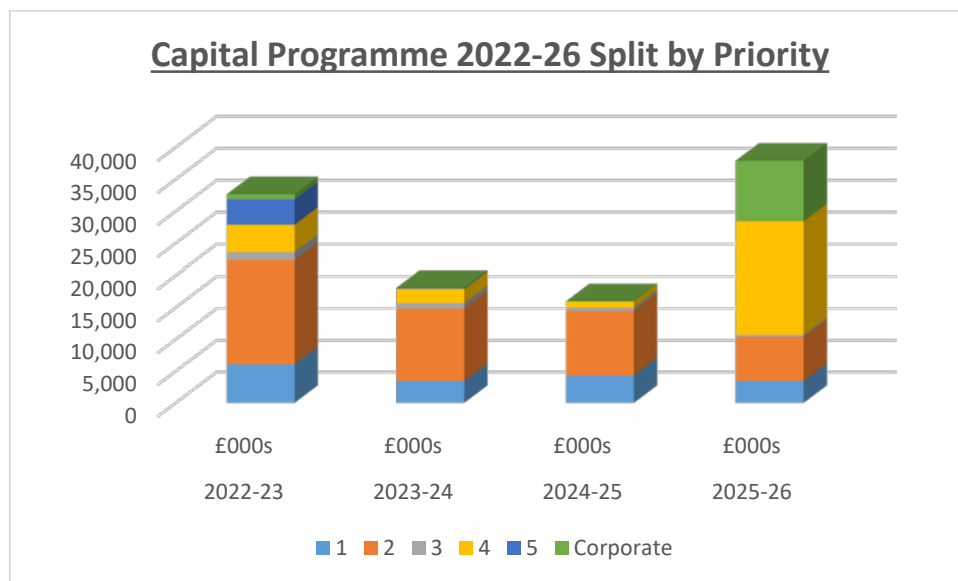
Under the requirements of the Localism Act 2011 parish councils and local voluntary and community organisations have the right to nominate local land or buildings they would like to see included in a list of assets of community value which is maintained by the Local Authority. Once listed the owner must allow community interest groups up to six months to make an offer before the property can be sold to another. It is envisaged that this may lengthen the disposal time for some properties if they are listed as assets of community value by the council.

## Capital Investment Mapping

The proposals contained in the capital strategy will result in the following capital programmes in each department (detail provided in annexes 1 and 3):

Department	Revised Budget 2022-23 £000s	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Indicative Budget 2025-26 £000s
Corporate Services	8,522	5,570	4,755	12,896
Community and Housing	2,530	972	720	690
Children, Schools and Families	6,441	3,400	4,300	3,400
Environment and Regeneration	15,118	8,108	6,174	20,883
<b>Total</b>	<b>32,611</b>	<b>18,050</b>	<b>15,949</b>	<b>37,869</b>

The chart below reflects this budget over the five strategic priorities of the organisation:



### Key

1. Maintaining excellent education and skills for all ages and needs.
2. Promote a dynamic, connected and inclusive community and economy with safe, vibrant high streets and jobs for our residents.
3. Support residents who are most in need and promote the safety and wellbeing of all our communities.
4. Ensure a clean and environmentally sustainable borough with inclusive open spaces where people can come together and enjoy a variety of natural life
5. Work to make Merton a fairer, more equal borough and support those on lower income by tackling poverty and fighting for quality affordable housing.



## **Capital Investment Planning**

### **Capital resources 2022-26**

Capital expenditure is funded from a variety of sources:-

- Grants which are not ring-fenced to be spent on a specific project or service
- Specific grants - earmarked for a specific project or purpose
- Capital receipts from the disposal of surplus and under-utilised land and property and repayment of principal
- Other contributions such as Section 106/CIL
- Council Funding – through revenue funding, use of reserves or borrowing.

### **Capital receipts**

Capital receipts generated from the disposal of surplus and under-utilised land, property and other assets are a major source of funding and the potential available capital resources are under constant review and revision. The forecast of capital receipts included in this report are based on a forecast of planned land and property disposals. In addition, after the transfer of the housing stock to Merton Priory Homes, the council continues to receive a share of the receipts from Right to Buy applications and through future sharing arrangements, receipts from the sales of void properties, sales of development land and VAT saving on expenditure on stock enhancements.

### **Projected Capital Receipts**

Due to the impact of Covid 19 and Brexit a cautious view has been taken of the potential capital receipts identified. Much of the anticipated capital receipts are as a result of the VAT shelter agreement entered into with Merton Priory Homes as part of the housing stock transfer. There are current proposals for some of the properties under this agreement to be redeveloped which could result in a reduction in receipts from the VAT shelter agreement (ends in the financial year 2024/25), however a Development and Disposals Clawback Agreement was entered into as part of the same transfer and this could result in a significant capital receipt should these development plans go ahead.

The following table represents an estimate of an anticipated cash flow and therefore these future capital receipts have been utilised to fund the capital programme:-

<b>Anticipated Capital Receipts</b>	<b><u>2022/23</u></b>	<b><u>2023/24</u></b>	<b><u>2024/25</u></b>	<b><u>2025/26</u></b>
	<b><u>£000s</u></b>	<b><u>£000s</u></b>	<b><u>£000s</u></b>	<b><u>£000s</u></b>
Sale of Assets	0	0	0	0
Right to buy/VAT Shelter*	900	900	900	500
<b>Total</b>	<b>900</b>	<b>900</b>	<b>900</b>	<b>500</b>

\* Umbrella agreement with Clarion ceases March 2025

As there is currently not a need to enter into external borrowing until 2025/26, investment balances will rise with the addition of capital receipts until utilised to fund the capital programme. Average expected interest rates on investments across the years of the capital programme are approximately 0.12%, as such an increase in receipts of £1m would be expected to generate a £1,200 increase in interest in a full year.

## Grant Funding

The Table below summarises the allocated grants being utilised to fund the budgeted proposed capital programme over the planning period:

Grants	2021/22	2022/23	2023/24	2024/25	2025/26
	£000s	£000s	£000s	£000s	£000s
Heritage Lottery Fund	1,205	0	0	0	0
Transport for London LIP (earmarked) Capital	1,861	107	TBA	TBA	TBA
<b>TOTAL: E&amp;R*</b>	<b>3,066</b>	<b>107</b>	<b>0</b>	<b>0</b>	<b>0</b>
School Condition 2020-22 (non-ringfenced)*	3,479	3,201	2,500	2,500	2,500
Special Provision Grant	2,192	TBA	†900	†1,800	†900
Devolved Formula Capital (Earmarked)	356	TBA	TBA	TBA	TBA
<b>TOTAL: CSF*</b>	<b>6,027</b>	<b>3,201</b>	<b>3,400</b>	<b>4,300</b>	<b>3,400</b>
Disabled Facilities Grant Allocation 2019-20	642				
Disabled Facilities Grant Allocation 2020-21	558	722	0		
Disabled Facilities Grant Allocation 2021-22		105	827	520	
Disabled Facilities Grant Allocation 2022-23 Onwards	N/A	TBA	TBA	TBA	TBA
<b>TOTAL: C&amp;H</b>	<b>1,200</b>	<b>827</b>	<b>827</b>	<b>520</b>	<b>0</b>
<b>TOTAL GRANT FUNDING *</b>	<b>10,293</b>	<b>4,135</b>	<b>4,227</b>	<b>4,820</b>	<b>3,400</b>

\* School Condition estimated for 2021-22 onwards

† If successful with Safety Valve funding from DfE



## Contributions

The Table below summarises the budgeted contributions being utilised to fund the proposed capital programme over the planning period:

Capital Contributions	2021/22	2022/23	2023/24	2024/25	2025/26
	£000s	£000s	£000s	£000s	£000s
Strategic Community Infrastructure Levy	6,219	8,289	2,041	450	830
Neighbourhood Community Infrastructure Levy	788	841	0	0	0
Section 106 Agreements	433	1,553	145	0	0
Clarion Contributions to fund CPOs	4,079	2,422	0	0	0
<b>Total Used to Fund the Programme</b>	<b>11,520</b>	<b>13,105</b>	<b>2,186</b>	<b>450</b>	<b>830</b>

In accordance with the Community Infrastructure Levy (CIL) Regulations the Authority is required to provide an Annual Infrastructure Funding Statement which provides analysis of income and expenditure in relation to CIL and Section 106

It is envisaged that the budgeted capital programme will slip, the table below shows the expected outturn position and the summary funding position. Balances held by the authority will generate interest until utilised to fund the capital programme (detail in Annex 2).

Capital Expenditure	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000's	2024/25 Estimate £000's	2025/26 Estimate £000's
Capital Expenditure	26,872	32,611	18,050	15,949	37,869
Slippage and Underspends	(5,118)	(2,408)	3,921	(120)	(392)
Total Capital Expenditure *	21,754	30,203	21,971	15,830	37,477
<b>Financed by:</b>					
Capital Receipts *	1,856	900	900	900	500
Capital Grants & Contributions	14,778	18,730	10,177	5,756	4,464
Revenue Provisions	3,500	167	50	56	55
<b>Net financing need for the year</b>	<b>1,621</b>	<b>10,406</b>	<b>10,844</b>	<b>9,118</b>	<b>32,458</b>

\* Includes Multi-Function Devices finance lease

The total anticipated resourcing of the capital programme after allowing for slippage is summarised in the following table:-

	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s
Grant & Contributions *	18,730	10,177	5,756	4,464
Council Funding	11,472	11,794	10,075	33,013
<b>Total</b>	<b>30,203</b>	<b>21,971</b>	<b>15,830</b>	<b>37,477</b>

\* This table shows the grants and contributions applied to fund the programme after allowing for slippage.



## Impact of the Capital Programme on Revenue

The capital strategy recognises that the prudential framework provides the council with flexibility, subject to the constraints of the council's revenue budget. This flexible ability to borrow, either from internal cash resources or by external borrowing, coupled with the revised treatment of finance leases with effect from 1 April 2010, means that prudential borrowing is used for the acquisition of equipment, where it is prudent, affordable and sustainable. Since 2006/07 it has been possible to borrow from internal cash resources rather than external borrowing and it is forecast that this will continue to be the case alongside the use of capital receipts within the current planning period up to 2024/25, from 2025/26 onwards (£25.7 million 25/26) borrowing will be required. Over the period 2022-26 the Authority is scheduled to repay £26.5 million (24.3%) of long term debt. This will be kept under review as part of general Treasury Management.

The revenue effects of the capital programme are from capital financing charges and from additional revenue costs such as annual maintenance charges. The capital financing charges are made up of interest payable on loans to finance the expenditure and of principal repayments on those loans. The principal repayments commence in the year after the expenditure is incurred and are calculated by the application of the statutory Minimum Revenue Provision. The interest commences immediately the expenditure is incurred. The revenue effects of the capital programme are fully taken account of in the MTFS, with appropriate adjustments for slippage, timing of capital payments and the use of internal investment funds.

### Annual Minimum Revenue Provision (MRP) Statement

Under guidance from the Department for Communities and Local Government, authorities are required to prepare an annual statement on their policy on making MRP. This mirrors the existing requirements to report to the council on the Prudential borrowing limit and investment policy. The statement is set out in Section 3 of the Treasury Management Strategy.

The revenue effects of the capital programme are built into the MTFS and are summarised below:

MTFS March 2021	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s
MRP	4,841	5,835	6,377	7,180	8,526	10,025	9,936
Interest on Borrowing	6,316	6,111	5,981	6,202	5,808	5,696	5,895
<b>Total Borrowing Costs</b>	<b>11,157</b>	<b>11,946</b>	<b>12,358</b>	<b>13,382</b>	<b>14,333</b>	<b>15,721</b>	<b>15,831</b>
Interest on Investments	(64)	(24)	(4)	0	0	0	0
CCLA Investment Two Loans @ £10m	(323)	(323)	(323)	(323)	(323)	(323)	(323)
<b>Total Borrowing Costs Net of Investment interest</b>	<b>10,770</b>	<b>11,599</b>	<b>12,031</b>	<b>13,059</b>	<b>14,010</b>	<b>15,398</b>	<b>15,508</b>

Proposed Programme Business Plan 2021-25	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s
MRP	4,841	4,960	5,863	6,909	7,786	11,348	12,160
Interest on Borrowing	6,171	6,106	6,041	6,020	4,949	4,838	5,355
<b>Total Borrowing Costs</b>	<b>11,012</b>	<b>11,066</b>	<b>11,903</b>	<b>12,929</b>	<b>12,736</b>	<b>16,186</b>	<b>17,515</b>
Interest on Investments	(64)	(73)	(62)	(32)	(11)	0	0
CCLA Investment Two Loans @ £10m	(323)	(323)	(323)	(323)	(323)	(323)	(323)
<b>Total Borrowing Costs Net of Investment interest</b>	<b>10,625</b>	<b>10,670</b>	<b>11,519</b>	<b>12,575</b>	<b>12,402</b>	<b>15,863</b>	<b>17,192</b>

Movement in Projected Costs	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s
MRP	0	(875)	(514)	(271)	(739)	1,323	2,223
Interest on Borrowing	(145)	(5)	60	(182)	(858)	(858)	(540)
<b>Total Borrowing Costs</b>	<b>(145)</b>	<b>(880)</b>	<b>(454)</b>	<b>(453)</b>	<b>(1,598)</b>	<b>465</b>	<b>1,683</b>
Interest on Investments	0	(49)	(57)	(32)	(11)	0	0
CCLA Investment Two Loans @ £10m	0	0	0	0	0	0	0
<b>Total Borrowing Costs Net of Investment interest</b>	<b>(145)</b>	<b>(929)</b>	<b>(512)</b>	<b>(484)</b>	<b>(1,609)</b>	<b>465</b>	<b>1,683</b>

## Debt repayment

The council has had a strategy to reduce its level of debt when opportunity arises in the market. The average interest payable on outstanding debt is 5.5%. For the period 2022-26, capital receipts may continue to be used to pay the premiums on the repayment of those authority debts which have high fixed interest charges, if the terms offered will result in appropriate revenue savings. Any decision to repay debt early will be considered alongside the funding however, this is unlikely to be the case in the short to medium term requirement of the programme.

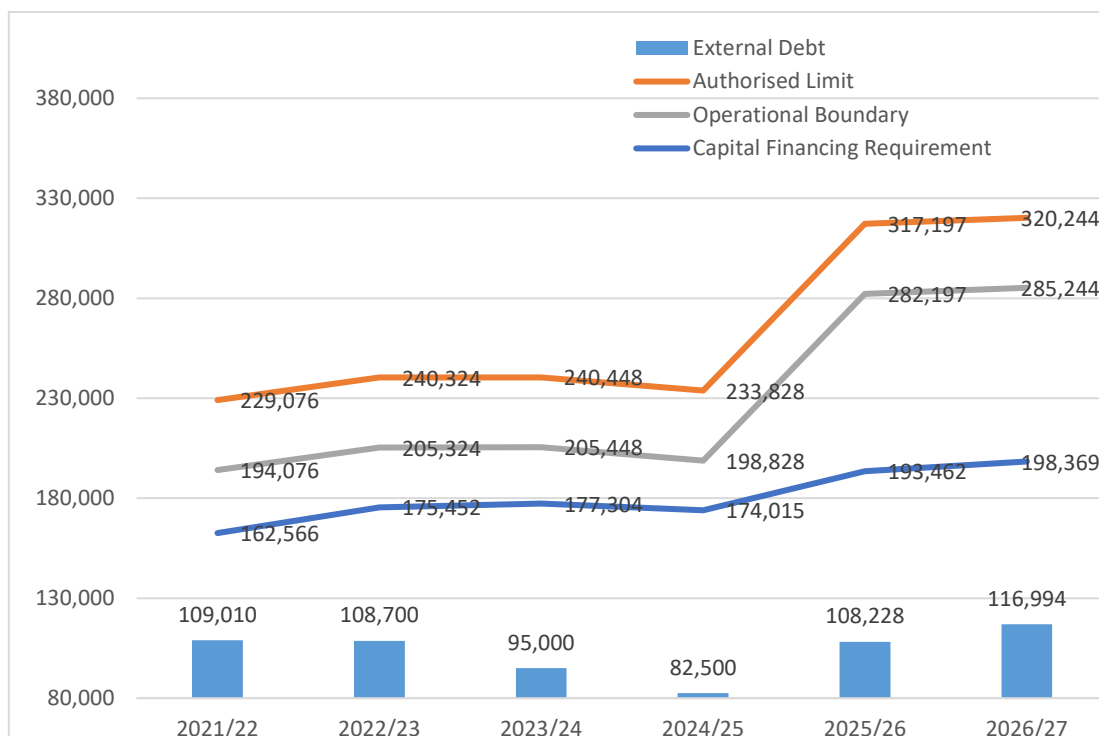
The Table below shows the maturity structure of current external debt

	Actual November 2021	Value £'000
less than 1 year	0.00%	0
1 to 2 years	0.28%	310
2 years to 5 years	24.03%	26,200
5 years to 10 years	4.13%	4,500
10 years to 20 years	11.47%	12,500
20 years to 30 years	18.81%	20,500
30 years to 40 years	22.93%	25,000
40 years to 50 years	18.35%	20,000
<b>Total</b>	<b>100.00%</b>	<b>109,010</b>

Internal borrowing to fund unsupported capital expenditure will reduce the balances available to invest under the treasury management strategy. In contrast, external borrowing will provide additional balance to invest under the Treasury Management Strategy until utilised.

The chart below shows the debt related treasury activity limits discussed in detail in 4.4 of the Treasury Management Strategy and incorporates the proposed capital programme and funding strategy contained in this document.

### Treasury Management Limits on Activity



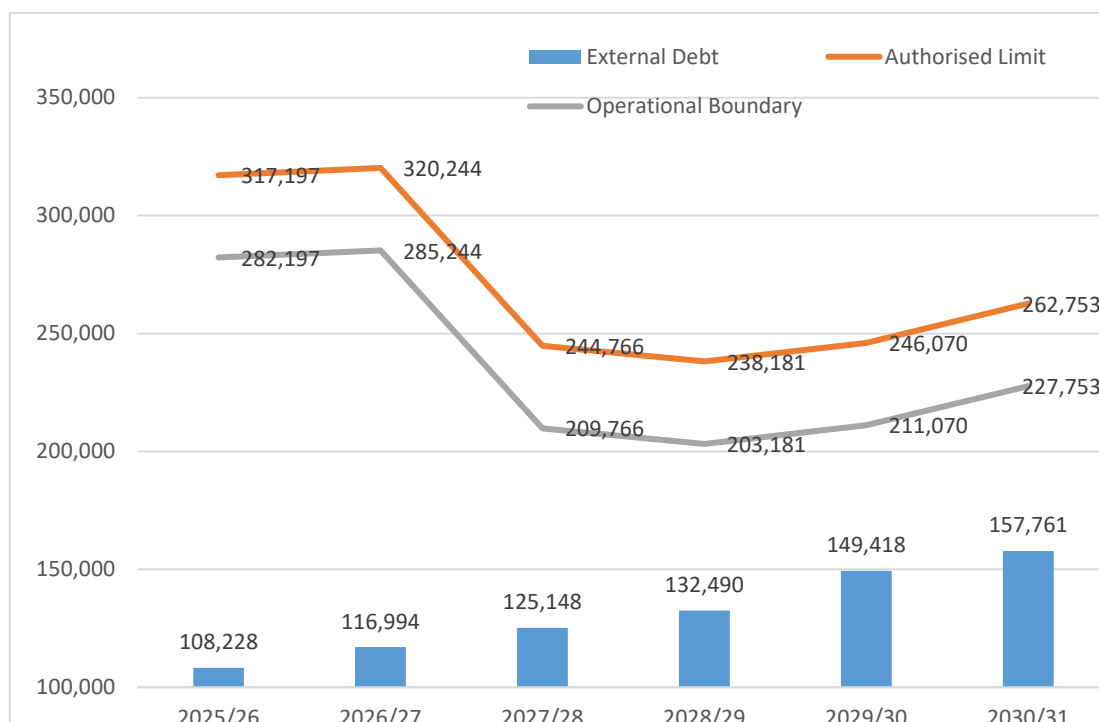
The Table below summarises the Indicative Capital Programme for 2026 to 2031. Additional detail is provided as Annex 5:

Department	Indicative Budget 2026-27	Indicative Budget 2027-28	Indicative Budget 2028-29	Indicative Budget 2029-30	Indicative Budget 2030-31
Corporate Services	9,759	3,555	7,030	5,455	3,330
Community and Housing	481	655	280	280	630
Children, Schools and Families	13,700	2,500	2,500	2,500	2,500
Environment and Regeneration	6,134	5,212	4,254	11,984	4,149
<b>Total</b>	<b>30,074</b>	<b>11,922</b>	<b>14,064</b>	<b>20,219</b>	<b>10,609</b>

\* Please note these figures do not include any allowance of grant funding or expenditure for Transport for London and Disabled Facilities.

For every £1 million capital expenditure that is funded by external borrowing it is estimated that there will be annual revenue debt charges of between £212k for assets with a life of 5 years to £32k for an asset life of 50 years.

The Table below shows the impact of the indicative programme 2025-31 on the Authority's debt:



### Capital Investment Strategy for non-core Activity

This section of the strategy details the approach adopted in non-core investment activity and sets out how this will help the Authority to deliver its core functions. The definition of Investment covers all financial assets of a local authority as well as non-financial assets that the organisation holds primarily to generate financial returns, such as investment property portfolios.

During the 2022-23 financial year the Authority is planning the following investment activity:

- i) Section 5 of the Treasury Management Strategy sets out the Authority's short to medium term Investment Strategy. This strategy focusses on short to medium term low risk investments.
- ii) The Authority has also undertaken a long term investment in CHAS 2013 via the purchase of a £1 share, which generates considerable returns via dividend payments.

From 1 April 2018 (financial year 2018/19) the International Financial Reporting Standard 9 (Financial Instruments) came into force. Its purpose was to make accounting for financial instruments more transparent.

**Security** - The activity in relation to non-core investment will result in:

- i) Short to Medium Term investment of available cash resources in low risk low return investment.
- ii) The £1 investment in CHAS 2013 provides continued secure returns to the authority from this wholly owned organisation.

### Liquidity

- i) Short to medium term cash investments can be liquidated easily.

- ii) Investments are held in CHAS 2013 Limited. It is not currently envisaged that these investments need to be redeemed in the short to medium term. If such a need did arise the following example demonstrates the flexibility available to the council:

The authority has a loan-with MSJCB and should the Authority need to liquidate this loan it could be sold.

**Yield** - Expected yield:

- i) Section 5 of the Treasury Management Strategy details the yield expected from short to medium term cash investments
- ii) Revenue returns from dividends and use of intellectual property from CHAS 213 are built into the Medium Term Financial Strategy.

In assessing whether investment assets retain sufficient value to provide security of investment officers will be mindful of the fair value model in the International Accounting Standard 40: Investment Property.

### **Borrowing in Advance of Need**

Section 4.2 of the Treasury Management Strategy details the current and future level of under borrowing by the Authority and sets out the Authority's borrowing strategy linked to this and internal borrowing. Investment in the wholly owned housing company should not only provide a financial return but will increase the Authority's housing provision and investment currently in the east of the borough.

Current indications are that interest rates are likely to rise making it more expensive to borrow. Consideration will be given to the timing of required borrowing to minimise the cost to the Authority and with regard to the current debt portfolio (detailed in Section 4.5 of the Treasury Management Strategy)

**Capacity, Skills and Culture** - The Authority will where appropriate, buy in expertise to progress loan and investment activity. It is also appropriate in some cases to develop expertise internally.

### **Capital Planning Process**

#### **Capital Bids and Prioritisation Criteria**

The authority has an annual bidding process for capital resources, in keeping with corporate priorities and identified service priorities. Submitted bids are reviewed and challenged as part of the process. Proposed capital bids are subject to scrutiny in the autumn and January. The table below summarises the movement in the capital programme from this year's process (detail in Annex 4):

Department	Proposed Budget 2022-23	Proposed Budget 2023-24	Proposed Budget 2024-25	Proposed Budget 2025-26
Corporate Services	(550)	325	(8,316)	8,710
Community and Housing	0	0	0	60
Children, Schools and Families	812	1,500	2,400	1,500
Environment and Regeneration	761	190	(1,150)	11,621
<b>Total</b>	<b>1,023</b>	<b>2,015</b>	<b>(7,066)</b>	<b>21,891</b>

Given the scarcity of financial resources the Authority has dovetailed the CIL annual bidding processes with the capital bidding process.

## **Governance**

### **Accounting Definitions and Practices**

The council's approach to Capital Accounting follows the Code of Practice on Local Authority Accounting, which itself is based on the International Financial Reporting Standards (IFRS) and guidance issued by CIPFA and professional accounting networks.

As in previous years, there has been continual review of the Capital Programme to ensure that expenditure meets the strict definition and to identify any items which would be more appropriate to be charged to revenue. This has not resulted in any major changes to the future programme.

The de-minimis of capital expenditure for the authority is set at £10,000 per project. This applies to all schemes within our capital programme, however in exceptional circumstances thresholds below this may be considered where specific items of expenditure are below this de-minimis level but meet proper accounting definitions of capital expenditure.

Individual schools may choose to adopt the above de-minimis limit or use the limit of £2,000 as mentioned in some Department for Education and HMRC guidance for various types of school.

IFRS 9 requires that investment in risk capital will need to be valued annually at fair value with any loss or gain being written through the profit and loss account in the year it occurs.

IFRS 16 will require all but short-term de-minimis leasing rental/leasing arrangements appear on the Authority's balance sheet from the financial year 2022/23.

### **Capital Programme Board**

Merton's Capital Strategy is coordinated by the Capital Programme Board. The board, is effectively a sub-group of the Corporate Management Team (CMT). It comprises the Directors of Corporate and Environment and Regeneration Services with selected key managers from each service department.

The Terms of Reference of the Board are:

- Lead on the development and maintenance of the capital investment strategy and ensure it is consistent with the council's strategic objectives, TOMs and service plans.
- Ensure that the capital investment strategy informs and is informed by the asset management plan.
- Ensure there is a transparent and clearly communicated process for allocation of capital funds with clear and well documented criteria and decision making process.
- Monitor progress of capital funded schemes and any other critical schemes as determined by CMT. Receive joint reports from Finance/departmental staff on progress against deliverables, milestones and budget forecasts.
- In conjunction with other governing bodies, consider/approve business cases that involve capital investment.
- Monitor issues arising as a result of changes in accounting treatment of capital expenditure and ensure the organisation responds accordingly.
- Assess capital schemes in the context of the Medium Term Financial Strategy to ensure they are affordable in revenue terms.
- Receive reports from the Property Management and Review Manager relating to capital funds coming from the disposal of property, in collaboration with the Property and Asset Management Board.

- Receive benefits reports from Programme/Project Managers when capital projects/programmes are closed. Monitor key benefits to ensure they are realised for large capital schemes.

The role of the Board is to:

- Set framework and guidelines for capital bids;
- Draft the capital programme for consideration by CMT and Cabinet;
- Review capital bids and prioritise in accordance with the council's strategic objectives;
- Identify and allocate capital funds;
- Monitor progress of capital programmes/projects and key variances between plans and performance;
- Monitor budgets of capital programmes/projects against forecasts;
- Monitor benefits and ensure they are realised. Monitor capital receipts
- Develop and share good practice

The Board will be accountable to the Corporate Management Team who will receive reports and escalated matters from the Board on a regular basis. CMT will set the strategy and direction, the Capital Programme Board will operationalise this and escalate concerns and ideas. The Board will refer to, and take advice from, the Procurement Board on any proposals and/or decisions that have a procurement dimension. The Board will work closely with the Property and Asset Management Board on any property/asset related proposals.

The Board will make agendas and minutes available to the other Governance Boards within 5 working days of the meeting.

During the budget process the Director of Corporate Services recommends to Cabinet an initial view as to how the Capital Programme should be funded. However, this recommendation will be informed by the Capital Programme Board's consideration of the capital receipts available and the forecast of future property disposals and the final funding during the closure of accounts will depend on the precise financial position. At this stage it is intended to utilise internal borrowing, capital grant, direct revenue financing, capital receipts and earmarked reserves. Any capital loans given out by the authority, dependent on the size, will normally be funded from capital receipts as the repayments will be received as capital receipts. It will be reported to Members in advance when it is proposed to use external borrowing.

The council has had a robust policy for many years of reviewing its property holding and disposing of surplus property, this is detailed in the Asset Management Plan/Strategy (AMP/S) which also includes policy and procedures for land and property acquisition. All capital receipts are pooled, unless earmarked by Cabinet, and are used either to finance further capital investment or for the payment of premiums on repayment of higher interest loans.

### **Capital Programme Approval and Amendment**

The Capital Programme is approved by Council each year. Any change which substantially alters the programme (and therefore the Prudential Indicators) requires full Council approval. Rules for changes to the Capital Programme are detailed in the council's Constitution within Financial Regulations and Financial Procedures and the key points are summarised here.

For virements which do not substantially alter the programme the below approval limits apply:

- Virements up to £5k can be signed off by the budget manager and the Chief Financial Officer (CFO) is informed of these changes as part of the monthly financial monitoring

- Virements £5k up to £100k must be approved by the Chief Officer of the area or areas affected along with the Chief Financial Officer, typically this will be as part of the monthly financial monitoring report to CMT however approval can be sought from these officers at any time if necessary
- Virements £100k and upwards go to Cabinet for approval
- Any virement which diverts resources from a scheme not started, resulting in a delay to that scheme, will be reported to Cabinet  
(Please note virement rules are cumulative i.e. two virements of £5,000 from one code; the latter would require the approval of Chief Officers)

For increases to the programme for existing schemes up to £100,000 must be approved by the Director of Corporate Services. Increases above this threshold must be approved by Cabinet. In accordance with the Prudential Code if the increase in the Capital Programme will substantially change prudential indicators it must be approved by Council.

For new schemes, the source of funding and any other financial or non-financial impacts must be reported and the limits below apply:

- Budgets of up to £50k can be approved by the Chief Financial Officer in consultation with the relevant Chief Officer
- Budgets of £50k up £500k will be submitted to Cabinet for approval
- Budgets over £500k will be submitted to full Council for approval

Approval thresholds are kept under review.

### **Capital Monitoring**

The Council approves the four year Capital Programme in March each financial year. Amendments to the programme are approved appropriately by CMT, Cabinet and Council. Budget managers are required to monitor their budget monthly, key reviews are undertaken in September and November. November monitoring provides the final opportunity for budget managers to re-profile budgets into future financial years and January monitoring provides the final opportunity for budget managers to vire their budgets within the current financial year.

December monitoring information feeds into the Authority's Medium Term Financial Strategy (MTFS) and is used to assess the revenue impact over the period of the strategy with minor amendments in the later months. November monitoring is also used to measure the accuracy of year-end projections.

Councillors receive regular monitoring reports on the overall position of capital expenditure in relation to the budget. They also receive separate progress reports on key spend areas.

### **Capacity, Skills and Culture**

Team planning and staff appraisals highlight staff developmental requirements and monitor their progression. Qualified financial staff meet the continual professional development requirements of their relevant CCAB organisation.

Member induction and development is led corporately by the Authority's Human Resources division, this is supplemented, where appropriate, with additional financial briefings.



## **Risk Management and Assessment**

The management of risk is strategically driven by the Corporate Risk Management group. The group collates on a quarterly basis the headline departmental risks and planned mitigation activity from each department, project and partnership. From this information a Key Strategic Risk Register is compiled and presented to CMT quarterly for discussion and onto Cabinet and Standards and General Purposes Committee annually. The Authority's Risk Management Strategy is reviewed and updated annually and presented to CMT, Cabinet and Council.

Risk Appetite - The council recognises that its risk appetite to achieve the corporate priorities identified within its business plan could be described in general as an "informed and cautious" approach. Where significant risk arises, we will take effective control action to reduce these risks to an acceptable level.

It is also recognised that a higher level of risk may need to be accepted, for example, to generate higher returns from loans and investment. To offset this there are areas where the council will maintain a very cautious approach for example in matters of compliance with the law, and public confidence in the council, supporting the overall "informed and cautious" position on risk.

Within its portfolio of risk Merton has:

- i) Short to medium term low return, low risk cash investment
- ii) Medium to long term investment in CHAS 2013 which is providing sizeable dividends and returns for use of intellectual property, and

## Capital Investment Programme - Schemes for Approval 2022-26    Annex 1

Department	Revised Budget 2022-23 £000s	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Indicative Budget 2025-26 £000s
Corporate Services	8,522	5,570	4,755	12,896
Community and Housing	2,530	972	720	690
Children, Schools and Families	6,441	3,400	4,300	3,400
Environment and Regeneration	15,118	8,108	6,174	20,883
<b>Total</b>	<b>32,611</b>	<b>18,050</b>	<b>15,949</b>	<b>37,869</b>

Department	Revised Budget 2022-23 £000s	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Indicative Budget 2025-26 £000s
<b>Corporate Services</b>				
Facilities Management	1,952	1,675	950	950
Information Technology & Business Systems	3,346	3,195	3,205	2,480
Finance	0	700	0	0
Corporate Items	3,224	0	600	9,466
<b>Total Corporate Services</b>	<b>8,522</b>	<b>5,570</b>	<b>4,755</b>	<b>12,896</b>
<b>Community and Housing</b>				
Adult Social Care	30	0	0	0
Housing	2,360	972	520	280
Libraries	140	0	200	410
<b>Total Community and Housing</b>	<b>2,530</b>	<b>972</b>	<b>720</b>	<b>690</b>
<b>Children, Schools and Families</b>				
Primary School	3,178	2,500	2,500	2,500
Secondary Schools	198	0	0	0
SEN Schools and ARPs	2,658	900	1,800	900
Other	407	0	0	0
<b>Total Children, Schools and Families</b>	<b>6,441</b>	<b>3,400</b>	<b>4,300</b>	<b>3,400</b>
<b>Environmental and Regeneration</b>				
Public Protection and Development	1857	1024	480	465
Street Scene and Waste	993	324	24	16,278
Sustainable Communities	12,267	6,760	5,670	4,140
<b>Total Environmental and Regeneration</b>	<b>15,118</b>	<b>8,108</b>	<b>6,174</b>	<b>20,883</b>
<b>Total Capital</b>	<b>32,611</b>	<b>18,050</b>	<b>15,949</b>	<b>37,869</b>

**Please Note:**

1. Excludes budget relating to future year announcements of Better Care Fund
2. Excludes indicative budgets relating to future year announcements for Transport for London  
and Schools Condition 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
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<b>2021/22 Current Budget</b>	<b>31,815</b>	<b>9,547</b>	<b>22,268</b>
Potential Slippage c/f	(8,529)	(1,159)	(7,370)
Potential Underspend not slipped into next year	(1,531)	(1,412)	(120)
<b>Total Spend 2021/22</b>	<b>21,754</b>	<b>6,977</b>	<b>14,778</b>

<b>2022/23 Current Budget</b>	<b>32,611</b>	<b>15,167</b>	<b>17,444</b>
Potential Slippage b/f	8,529	1,159	7,370
<b>2022/23 Revised Budget</b>	<b>41,141</b>	<b>16,327</b>	<b>24,814</b>
Potential Slippage c/f	(8,304)	(2,834)	(5,468)
Potential Underspend not slipped into next year	(2,633)	(2,018)	(615)
<b>Total Spend 2022/23</b>	<b>30,203</b>	<b>11,472</b>	<b>18,730</b>

<b>2023/24 Current Budget</b>	<b>18,050</b>	<b>11,639</b>	<b>6,413</b>
Potential Slippage b/f	8,304	2,834	5,468
<b>2023/24 Revised Budget</b>	<b>26,354</b>	<b>14,473</b>	<b>11,881</b>
Potential Slippage c/f	(2,911)	(1,621)	(1,289)
Potential Underspend not slipped into next year	(1,472)	(1,057)	(415)
<b>Total Spend 2023/24</b>	<b>21,971</b>	<b>11,794</b>	<b>10,177</b>

<b>2024/25 Current Budget</b>	<b>15,949</b>	<b>10,679</b>	<b>5,270</b>
Potential Slippage b/f	2,911	1,621	1,289
<b>2024/25 Revised Budget</b>	<b>18,860</b>	<b>12,301</b>	<b>6,560</b>
Potential Slippage c/f	(1,584)	(1,134)	(450)
Potential Underspend not slipped into next year	(1,446)	(1,092)	(354)
<b>Total Spend 2024/25</b>	<b>15,830</b>	<b>10,075</b>	<b>5,756</b>

<b>2025/26 Current Budget</b>	<b>37,869</b>	<b>33,639</b>	<b>4,230</b>
Potential Slippage b/f	1,584	1,134	450
<b>2025/26 Revised Budget</b>	<b>39,453</b>	<b>34,773</b>	<b>4,680</b>
Potential Slippage c/f	(1,490)	(1,398)	(91)
Potential Underspend not slipped into next year	(486)	(361)	(125)
<b>Total Spend 2025/26</b>	<b>37,477</b>	<b>33,013</b>	<b>4,464</b>

## Detailed Capital Programme 2022-26 Annex 3

Department	Priority	Scrutiny	Revised Budget 2022-23	Indicative Budget 2023-24	Indicative Budget 2024-25	Indicative Budget 2025-26
<b>Corporate Services</b>						
<u>Facilities Management</u>						
Other Buildings - Capital Building Works	2	OSC	650	650	650	650
Replacement Boilers	4	OSC	379	0	0	0
Civic Centre Lightning Upgrade	4	OSC	300	0	0	0
Combined Heat and Power (CHP) System Replacement	4	OSC	0	450	0	0
Absorption Chiller Replacement	4	OSC	0	275	0	0
Invest to Save schemes	2	OSC	574	300	300	300
Photovoltaics & Energy Conserv	4	OSC	50	0	0	0
<u>Information Technology &amp; Business Systems</u>						
Customer Contact Programme	2	OSC	1,081	1,000	0	1,000
Robotics Process Automation	2	OSC	55	0	0	0
Web Content Management	2	OSC	90	0	100	0
Environmental Asset Management	2	OSC	240	0	0	0
Revenue and Benefits	2	OSC	700	0	0	0
Capita Housing	2	OSC	0	0	0	120
ePayments Project	2	OSC	0	0	150	0
Children's Safeguarding	2	OSC	125	0	0	0
Planning&Public Protection Sys	2	OSC	0	0	550	0
Kofax Scanning	2	OSC	0	150	0	0
Spectrum Spatial Analyst Repla	2	OSC	0	0	0	200
Parking System	2	OSC	0	175	0	0
Youth Justice IT Systems	2	OSC	0	0	0	100
Transport Management System	2	OSC	150	0	0	0
Replacement SC System	2	OSC	0	1,100	1,000	0
Project General	2	OSC	705	770	1,405	1,060
Network Switch Upgrade	2	OSC	200	0	0	0
<u>Finance</u>						
Financial Systems - e5.5 Project	2	OSC	0	700	0	0
<u>Corporate Items</u>						
Acquisitions Budget	Corporate	OSC	0	0	0	6,785
Capital Bidding Fund	Corporate	OSC	0	0	0	1,000
Multi-Functioning Device (MFC)	2	OSC	0	0	600	0
Westminster Coroners Court	Corporate	OSC	802	0	0	0
Corporate Capital Contingency	Corporate	OSC	0	0	0	1,681
CPO Clarion	5	OSC	2,422	0	0	0
<b>Total Corporate Services</b>			<b>8,522</b>	<b>5,570</b>	<b>4,755</b>	<b>12,896</b>

### **Please Note:**

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

### **Priority**

1. Maintaining excellent education and skills for all ages and needs.
2. Promote a dynamic, connected and inclusive community and economy with safe, vibrant high streets and jobs for our residents.
3. Support residents who are most in need and promote the safety and wellbeing of all our communities.
4. Ensure a clean and environmentally sustainable borough with inclusive open spaces where people can come together and enjoy a variety of natural life
5. Work to make Merton a fairer, more equal borough and support those on lower income by tackling poverty and fighting for quality affordable housing.

**Detailed Capital Programme 2022-26 Continued...    Annex 3**

Department	Priority	Scrutiny	Revised Budget 2022-23 £000s	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Budget 2025-26 £000s
<b>Community and Housing</b>						
<u>Adult Social Care</u>						
Telehealth	3	HCOP	30	0	0	0
<u>Housing</u>						
Disabled Facilities Grant	3	SC/HCOP	827	827	520	280
Learning Disability Aff Housing	5	SC/HCOP	1,533	145	0	0
<u>Libraries</u>						
West Barnes Library Re-Fit	2	SC	0	0	200	0
Library Capital Refurbishment	2	SC	0	0	0	60
Library Self Service	2	SC	0	0	0	350
Library Management System	2	SC	140	0	0	0
<b>Total Community and Housing</b>			<b>2,530</b>	<b>972</b>	<b>720</b>	<b>690</b>

Department	Priority	Scrutiny	Revised Budget 2022-23 £000s	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Budget 2025-26 £000s
<b>Children, Schools and Families</b>						
<u>Primary School</u>						
West Wimb. - Schools Capital maintenance	1	CYP	65	0	0	0
Hillcross - Schools Capital maintenance	1	CYP	63	0	0	0
Joseph Hood - Schools Capital maintenance	1	CYP	45	0	0	0
Dundonald School Expansion	1	CYP	20	0	0	0
Pelham - Schools Capital maintenance	1	CYP	30	0	0	0
Wimb. Chase - Schools Capital maintenance	1	CYP	35	0	0	0
Bond - Schools Capital maintenance	1	CYP	30	0	0	0
Cranmer - Schools Capital maintenance	1	CYP	45	0	0	0
Haslemere - Schools Capital maintenance	1	CYP	160	0	0	0
Links - Schools Capital maintenance	1	CYP	20	0	0	0
St Marks - Schools Capital maintenance	1	CYP	55	0	0	0
St Marks - Immersive Learning Centre	1	CYP	80	0	0	0
Lonesome - Schools Capital maintenance	1	CYP	30	0	0	0
Unallocated - Schools Capital maintenance	1	CYP	2,500	2,500	2,500	2,500
<u>Secondary Schools</u>						
Harris Academy Morden - Morden Multi Sport Community Pitch	1	CYP	135	0	0	0
Raynes Park - Schools Capital maintenance	1	CYP	21	0	0	0
Ricards Lodge - Schools Capital maintenance	1	CYP	22	0	0	0
Rutlish - Schools Capital maintenance	1	CYP	20	0	0	0
<u>SEN Schools and ARPs</u>						
Perseid - Schools Capital maintenance	1	CYP	40	0	0	0
Secondary Autism Unit	1	CYP	1,108	0	0	0
Further SEN Provision	1	CYP	180	0	0	0
Primary ASD base 1-20 places	1	CYP	30	0	0	0
Medical PRU Expansion	1	CYP	400	0	0	0
Whately Avenue New ASD Provision	1	CYP	900	0	0	0
Safety Valve - New SEN Bases	1	CYP	0	900	1,800	900
<u>Other</u>						
Care Leavers Living Accommodation	3	CYP	132	0	0	0
Care Leavers Drop In Accommodation	3	CYP	20	0	0	0
Bond Road Family Centre Pmay Equip	1	CYP	35	0	0	0
Pollards Hill Digital Divide	3	CYP	220	0	0	0
<b>Total Children, Schools and Families</b>			<b>6,441</b>	<b>3,400</b>	<b>4,300</b>	<b>3,400</b>

**Detailed Capital Programme 2022-26 Continued... Annex 3**

Department	Priority	Scrutiny	Revised Budget 2022-23 £000s	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Budget 2025-26 £000s
<b>Environmental and Regeneration</b>						
<b>Public Protection and Development</b>						
P&D machines for emission-based charging	4	SC	303	0	0	0
Replacement ANPR cameras with air quality / traffic	4	SC	86	300	300	300
Pay and Display Machines	2	SC	0	0	60	0
Car Park Upgrades	2	SC	526	0	0	0
Rapid Response Cameras	4	SC	41	0	0	45
CCTV cameras and infrastructure upgrade	2	SC	588	554	0	0
Schools ANPR Project		SC	0	0	0	0
CCTV Business Continuity and Resilience	2	SC	173	0	0	0
5 new permanent cameras per year, and enhanced ne	2	SC	0	135	100	100
Brangwyn Crescent / Commonside Easte Improvement	4	SC	52	0	0	0
Willow Lane Bridge BID - Improvement Project 202	4	SC	39	0	0	0
Public Protection and Developm		SC	0	0	0	0
Designing Out Crime	2	SC	50	35	20	20
<b>Street Scene and Waste</b>						
Replacement of Fleet Vehicles	4	SC	551	300	0	1,212
Environmental Improvements - Mechanical Street Washer		SC	0	0	0	0
Alley Gating Scheme	4	SC	46	24	24	24
Waste SLWP IT & Premises	2	SC	8	0	0	42
Waste Bins	2	SC	13	0	0	0
Replacement of Fleet Vehicles	4	SC	340	0	0	15,000
Street Cleansing Sub Depot	2	SC	35	0	0	0
<b>Sustainable Communities</b>						
Street Tree Programme	4	SC	60	60	60	60
Street Lighting Replacement Pr	4	SC	290	290	290	290
Traffic Schemes	2	SC	150	150	150	150
Surface Water Drainage	2	SC	100	100	100	60
Repairs to Footways	2	SC	1,000	1,000	1,000	1,000
Maintain AntiSkid and Coloured Surface	2	SC	60	60	60	60
Borough Roads Maintenance	2	SC	1,200	1,200	1,200	1,200
Highways bridges & structures	2	SC	944	260	260	260
Culverts Upgrade	2	SC	488	0	0	0
Street Lighting Wimbledon	4	SC	262	0	0	0
S Wimb Bus Area Wayfinding	2	SC	135	0	0	0
Milner Road Improvements	2	SC	140	0	0	0
Motsur Park Station - Acces for All	2	SC	190	500	0	0
Haydons Rd - Access for All	2	SC	0	100	0	0
Cycle access/parking	2	SC	5	40	0	0
Cycle Improve Residential Stre		SC	0	0	0	0
Cycle Lane Works Plough Lane	2	SC	210	0	0	0
Morden Park Cycle Path	2	SC	107	0	0	0
Unallocated TfL	2	SC	0	0	0	0
Elmwood Centre Hub	2	SC	65	0	0	0
New Horizon Centre	4	SC	69	0	0	0
Pollards Hill Bus Shelter	2	SC	150	100	0	0
Sandy Lane Public Realm	2	SC	235	0	0	0
Crowded Places-Hostile Vehicl	2	SC	180	0	0	0
Wimbledon Public Realm Implementation	2	SC	901	0	0	0
Haydons Road Public Realm Improvements	2	SC	380	0	0	0
Wimbledon Village Heritage Led Public Realm	2	SC	770	0	0	0
Morden TC Regeneration Match Funding	2	SC	2,000	2,000	2,000	0

**Detailed Capital Programme 2022-26 Continued....    Annex 3**

Department	Priority	Scrutiny	Revised Budget 2022-23 £000s	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Budget 2025-26 £000s
<b>Environmental and Regeneration</b>						
Crown Creative Knowledge Exchange	2	SC	75	0	0	0
Morden Town Centre Improvements	2	SC	200	0	0	0
Lost Rivers Repairs	2	SC	175	100	0	0
42 Graham Road	2	SC	50	0	0	0
Vacant Premises Upgrade	2	SC	18	0	0	0
Community Centres Energy Saving Lighting	4	SC	35	0	0	0
Wimbledon Park Lake Reservoir Safety	4	SC	204	0	0	0
Watersports Fleet	4	SC	0	0	0	10
New Wimbledon Park lakeview building - including Watersport Centre	4	SC	0	0	0	500
Leisure Centre Plant & Machine	2	SC	250	250	250	250
Parks Investment	4	SC	300	300	300	300
Resurface Tennis Courts (Wimb Pk)	4	SC	150	0	0	0
New interactive water play feature at Wimbledon Park	4	SC	226	0	0	0
Paddling Pools (borough wide) OPTION 1	4	SC	135	0	0	0
Sports Drainage	4	SC	75	75	0	0
Multi Use Sports Area	4	SC	175	175	0	0
Abbey Recreation Ground	4	SC	40	0	0	0
Colliers Wood Rec Ground	4	SC	67	0	0	0
<b>Total Environmental and Regeneration</b>			<b>15,118</b>	<b>8,108</b>	<b>6,174</b>	<b>20,883</b>
<b>Total Capital</b>			<b>32,611</b>	<b>18,050</b>	<b>15,949</b>	<b>37,869</b>

**Please Note:**

1. Excludes budget relating to future year announcements of Better Care Fund
2. Excludes indicative budgets relating to future year announcements for Transport for London  
and Schools Condition Grant

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

**Growth/(Reductions) proposed Programme 2022-26    Annex 4**

Department	Revised Budget 2022-23 £000s	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Indicative Budget 2025-26 £000s
Corporate Services	(550)	325	(8,316)	8,710
Community and Housing	0	0	0	60
Children, Schools and Families	812	1,500	2,400	1,500
Environment and Regeneration	761	190	(1,150)	11,621
<b>Total</b>	<b>1,023</b>	<b>2,015</b>	<b>(7,066)</b>	<b>21,891</b>

Department	Revised Budget 2022-23 £000s	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Indicative Budget 2025-26 £000s
<b>Corporate Services</b>				
Facilities Management	0	0	0	0
Information Technology & Business Systems	(550)	325	1,150	(756)
Finance	0	0	0	0
Corporate Items	0	0	(9,466)	9,466
<b>Total Corporate Services</b>	<b>(550)</b>	<b>325</b>	<b>(8,316)</b>	<b>8,710</b>
<b>Community and Housing</b>				
Adult Social Care	0	0	0	0
Housing	0	0	0	0
Libraries	0	0	0	60
<b>Total Community and Housing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60</b>
<b>Children, Schools and Families</b>				
Primary School	600	600	600	600
Secondary Schools	0	0	0	0
SEN Schools and ARPs	0	900	1,800	900
Other	212	0	0	0
<b>Total Children, Schools and Families</b>	<b>812</b>	<b>1,500</b>	<b>2,400</b>	<b>1,500</b>
<b>Environmental and Regeneration</b>				
Public Protection and Development	441	470	420	465
Street Scene and Waste	0	0	(300)	11,956
Sustainable Communities	320	(280)	(1,270)	(800)
<b>Total Environmental and Regeneration</b>	<b>761</b>	<b>190</b>	<b>(1,150)</b>	<b>11,621</b>
<b>Total Capital</b>	<b>1,023</b>	<b>2,015</b>	<b>(7,066)</b>	<b>21,891</b>



## Indicative Capital Programme 2026-31 Annex 5

Department	Priority	Scrutiny	Indicative Budget 2026-27	Indicative Budget 2027-28	Indicative Budget 2028-29	Indicative Budget 2029-30	Indicative Budget 2030-31
<b>Corporate Services</b>							
<u>Facilities Management</u>							
Other Buildings - Capital Building Works	2	OSC	650	650	650	650	650
Invest to Save schemes	4	OSC	300	300	300	300	300
<u>Information Technology &amp; Business Systems</u>							
Customer Contact Programme	2	OSC	1,000	1,000	0	0	1,000
Aligned Assets	2	OSC	90	0	0	0	0
Environmental Asset Management	2	OSC	250	0	0	0	0
Revenue and Benefits	2	OSC	0	0	0	750	0
Capita Housing	2	OSC	0	0	0	0	120
ePayments Project	2	OSC	0	0	150	0	0
Children's Safeguarding	2	OSC	0	125	0	0	0
Planning & Public Protection Sys	2	OSC	0	0	0	550	0
Kofax Scanning	2	OSC	0	150	0	0	0
Spectrum Spatial Analyst Replacement	2	OSC	0	0	0	0	200
Parking System	2	OSC	0	175	0	0	0
Ancillary IT Systems	2	OSC	50	0	0	0	0
Youth Justice IT Systems	2	OSC	0	0	0	100	0
Payroll System	2	OSC	160	0	0	0	0
Transport Management System	2	OSC	0	150	0	0	0
Replacement SC System	2	OSC	0	0	1,100	1,000	0
SEN Case Management System	2	OSC	170	0	0	0	0
Project General	2	OSC	970	1,005	770	1,405	1,060
<u>Finance</u>							
Financial Systems - e5.5 Project	2	OSC	0	0	0	700	0
<u>Corporate Items</u>							
Multi-Functioning Device (MFC)	Corporate	OSC	0	0	600	0	0
CPO Clarion	5	OSC	6,119	0	3,460	0	0
<b>Total Corporate Services</b>			<b>9,759</b>	<b>3,555</b>	<b>7,030</b>	<b>5,455</b>	<b>3,330</b>
Department	Priority	Scrutiny	Indicative Budget 2026-27	Indicative Budget 2027-28	Indicative Budget 2028-29	Indicative Budget 2029-30	Indicative Budget 2030-31
<b>Community and Housing</b>							
<u>Housing</u>							
Disabled Facilities Grant	3	SC?HCOP	280	280	280	280	280
<u>Libraries</u>							
Library Capital Refurbishment	2	SC	201	235	0	0	0
Library Self Service	2	SC	0	0	0	0	350
Library Management System	2	SC	0	140	0	0	0
<b>Total Community and Housing</b>			<b>481</b>	<b>655</b>	<b>280</b>	<b>280</b>	<b>630</b>
Department	Priority	Scrutiny	Indicative Budget 2026-27	Indicative Budget 2027-28	Indicative Budget 2028-29	Indicative Budget 2029-30	Indicative Budget 2030-31
<b>Children, Schools and Families</b>							
Unallocated - Schools Capital maintenance	1	CYP	2,500	2,500	2,500	2,500	2,500
<u>SEN Schools and ARPs</u>							
Safety Valve - New SEN School	1	CYP	10,300	0	0	0	0
Safety Valve - New SEN Bases	1	CYP	900	0	0	0	0
<b>Total Children, Schools and Families</b>			<b>13,700</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>

## Indicative Capital Programme 2026-31 continued .... Annex 5

Department	Priority	Scrutiny	Indicative Budget 2026-27	Indicative Budget 2027-28	Indicative Budget 2028-29	Indicative Budget 2029-30	Indicative Budget 2030-31
<b>Environmental and Regeneration</b>							
<b>Public Protection and Development</b>							
Replacement ANPR cameras with air quality / traffic sensor enhancements	4	SC	300	300	0	345	345
Pay and Display Machines	2	SC	0	0	0	60	0
Rapid Response Cameras	4	SC	45	0	0	50	50
CCTV Business Continuity and Resilience	2	SC	0	73	0	0	0
5 new permanent cameras per year, and enhanced network connections	2	SC	100	100	100	100	100
Public Protection and Development	2	SC	35	0	0	0	0
<b>Street Scene and Waste</b>							
Replacement of Fleet Vehicles	4	SC	0	575	0	6,475	0
Alley Gating Scheme	2	SC	24	24	24	24	24
Replacement of Fleet Vehicles	4	SC	0	0	0	1,290	0
<b>Sustainable Communities</b>							
Street Tree Programme	4	SC	60	60	60	60	60
Street Lighting Replacement Programme	2	SC	290	290	290	290	290
Traffic Schemes	2	SC	150	150	150	150	150
Surface Water Drainage	2	SC	60	60	60	60	60
Repairs to Footways	2	SC	1,000	1,000	1,000	1,000	1,000
Maintain Anti-Skid and Coloured Surface	2	SC	60	60	60	60	60
Borough Roads Maintenance	2	SC	1,200	1,200	1,200	1,200	1,200
Highways bridges & structures	2	SC	260	260	260	260	260
Water sports Fleet		SC	0	10	0	10	0
New Wimbledon Park lake view building - including Water sport Centre	4	SC	2,000	500	500	0	0
Leisure Centre Plant & Machine	2	SC	250	250	250	250	250
Parks Investment	4	SC	300	300	300	300	300
<b>Total Environmental and Regeneration</b>			<b>6,134</b>	<b>5,212</b>	<b>4,254</b>	<b>11,984</b>	<b>4,149</b>
<b>Total Capital</b>			<b>30,074</b>	<b>11,922</b>	<b>14,064</b>	<b>20,219</b>	<b>10,609</b>



# LONDON BOROUGH OF MERTON

## TREASURY MANAGEMENT STRATEGY STATEMENT- 2022-23

### 1. INTRODUCTION

#### 1.1 Background

The Council is required to update and approve its policy framework and strategy for treasury management, annually, to reflect the changing market environment, regulation, and the Council's financial position.

The key issues and decisions are:

- a) To set the Council's Prudential Indicators for 2022/23 to 2025/26
- b) Approve the Minimum Revenue Provision (MRP) policy for 2022/23; and
- c) To agree the Treasury Management Strategy for 2022/23

CIPFA are consulting on the Treasury Management Code of Practice and Prudential Code. While closed, the outcome of the consultation has yet to be published and CIPFA have suggested a soft launch in 2022-23 with full adoption in 2023-24.

The DLUHC are also currently consulting on MRP – consultation to close 8<sup>th</sup> Feb.

- o <https://www.gov.uk/government/consultations/changes-to-the-capital-framework-minimum-revenue-provision/consultation-on-changes-to-the-capital-framework-minimum-revenue-provision>

In addition to the TMSS Merton's treasury function also reports on mid-year and end of year treasury activities and performance.

The Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) definition of Treasury Management, which is:

“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

This will include the annual investment strategy, containing the parameters of how the investments are to be managed.

#### 1.2 Statutory Requirement

The Local Government Act 2003 (the Act) as amended and supporting regulations, require the Council to 'have regard to'

1. CIPFA Prudential Code
2. MHCLG now the DLUHC, MRP and investment guidance
3. CIPFA TM Code

The Guidance requires the Council to set out its Treasury strategy for borrowing and to prepare an Annual Investment Strategy.

### **CIPFA Prudential Code-**

On the 20 December 2021 CIPFA has published the new *Prudential Code for Capital Finance in Local Authorities* (Prudential Code) and *Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes* (the Treasury Management Code).

These two statutory and professional codes are important regulatory elements of the capital finance framework in which local authorities operate. Local authorities are required by regulation to 'have regard to' their provisions.

The new Codes will have a 'soft' launch of provisions for the 2022-23 financial year, ie, where possible local authorities should make their best endeavours to adhere to their provisions and not undertake any new investments that would not be consistent with the changes and will be fully implemented in the 2023/24 financial year.

### **1.3 Balanced Budget Requirement**

Section 33 of the Local Government Finance Act 1992 requires the Council to set a balanced budget. This means that cash raised during the year will meet cash expenditure. Part of the treasury management function is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Cash yet to be used are invested in low risk and good credit quality counterparties or instruments with the consideration first for security and liquidity ahead of yield.

The other main function of treasury management is the funding of the Council's capital plans. These capital plans provide a guide to the long or short-term borrowing need of the Council, essentially the longer term cashflow planning, to ensure that the Council can meet its capital spending obligations. The management of longer term cash may involve arranging long or short dated loans, or using longer term cashflow surpluses. Subject to S151 Officer's approval, any debt previously drawn may be restructured or repaid to meet the Council's risk or cost objectives.

### **1.4 Treasury Management Strategy for 2022/23**

The strategy for 2022/23 covers two main areas:

#### **1. Capital Programme**

- To determine the Council's capital plans and prudential indicators for 2022/23 to 2025/26;
- To approve the Minimum Revenue Provision (MRP) policy.

#### **2. Treasury Management Programme**

- To agree the Council's treasury management strategy for 2022/23
- current treasury position as at December 2021;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling and early repayment of debt review;
- Annual Investment Strategy and alternative investment instruments (Policy on new lending and borrowing instruments);
- creditworthiness policy;
- Treasury Management Practices (**Appendix 4**);and
- cash flow policy
- the policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Communities and Local Government (CLG) MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

## 2. CAPITAL PRUDENTIAL INDICATORS 2022/23 – 2025/26

The Council is required to calculate various indicators for the next three years. The aim of prudential indicators is to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The prudential indicators are calculated for the Medium Term Financial Strategy (MTFS) period and are linked to the CIPFA Prudential Code and TM Code of Practice. The indicators relate to capital expenditure, external debt and treasury management.

The Council will monitor performance against the indicators and prepare indicators based on the Statement of Accounts (SoA) at year end. Actuals are calculated from the SoAs with estimates based on the Capital programme.

### 2.1 Capital Expenditure

The Council's capital expenditure plans are fundamental to its treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to provide Council members an overview and confirm the impact of capital expenditure plans.

This indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle as reported in the MTFS. Environment and Regeneration figures include projects relating to Public Health programmes however these are fully funded and have no impact on the council's net financing need for the year or borrowing requirement

Please find below the capital expenditure forecast. <b>Capital Forecast</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Corporate Services	2,565	9,152	7,816	4,995	12,753
Community & Housing	1,271	2,041	1,054	655	712
Children Schools & Families	6,360	6,061	3,852	4,030	3,418
Environment & Regeneration	11,559	12,950	9,249	6,150	20,594
<b>Total</b>	<b>21,754</b>	<b>30,203</b>	<b>21,971</b>	<b>15,830</b>	<b>37,477</b>

The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.

The table below shows how the capital expenditure plans are being financed by revenue or capital resources. A shortfall of resources means a borrowing need. The capital programme expenditure figures used in calculating the financing costs have been adjusted for slippage in the programme as at December 2021

<b>Capital Expenditure</b>	<b>2021/22 Estimate £'000</b>	<b>2022/23 Estimate £'000</b>	<b>2023/24 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>
Capital Budget	26,872	32,611	18,050	15,949	37,869
Slippage*	(5,118)	(2,408)	3,921	(120)	(392)
Leasing Budgets	0	0	0	(600)	0
Total Capital Expenditure	21,754	30,203	21,971	15,230	37,477
<b>Financed by:</b>					
Capital Receipts	1,856	900	900	900	500
Capital Grants & Contributions	14,778	18,730	10,177	5,756	4,464
Capital Reserves	0	0	0	0	0
Revenue Provisions	3,500	167	50	56	55
Other Financing Sources	0	0	0	0	0
<b>Net financing need for the year (a)</b>	<b>1,621</b>	<b>10,406</b>	<b>10,844</b>	<b>8,518</b>	<b>32,458</b>

\* Includes finance lease expenditure table in Treasury Management Strategy which excludes this expenditure.

## 2.2 The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator, Capital Financing Requirement (CFR), is the total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. In other words, a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR includes any other long-term liabilities like PFI schemes and finance leases which have been brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, it should be noted that these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

The 2021/22 forecast movement in CFR shows a decrease of £4.26 million because MRP is greater than the net financing need for the year (cap ex table v CFR table).

The 2022/23 forecast capital outturn of £30.2m, 2023/24 of £22.0m, 2024/25 of £15.2m and 2025/26 of £37.5m are based on best estimates which may slip due to unforeseen circumstances and the nature of large projects and the level of grant income. Also, fees and charges for the Council may change.

Based on current forecasts the earliest the Council may borrow is in 2024/25 in anticipation for 2025/26. However, the Council can borrow in advance of need if rates are likely to rise and borrowing becomes a lot more advantageous than it would be.

The Council is asked to approve the CFR projections in the following table:

	2020/21 Actual £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
<b>Capital Financing Requirement</b>						
CFR b/f	173,583	167,459	162,566	175,452	177,304	174,015
<b>Total CFR c/f</b>	<b>167,459</b>	<b>162,566</b>	<b>175,452</b>	<b>177,304</b>	<b>174,015</b>	<b>193,462</b>
<b>Movement in CFR</b>	<b>(6,123)</b>	<b>(4,893)</b>	<b>12,886</b>	<b>1,852</b>	<b>(3,289)</b>	<b>19,447</b>
<b>Movement in CFR represented by</b>						
Net financing need for the year (above)	451	1,621	10,406	10,844	8,518	32,458
Less Capital MRP/VRP	(4,855)	(4,841)	(4,960)	(5,863)	(6,909)	(7,786)
Less Other MRP/VRP - leasing and PFI	(817)	(695)	(682)	(697)	(2,223)	(2,486)
Less Other MRP/VRP - PFI - Termination	(844)	(905)	(970)	(1,040)	(1,114)	(1,194)
Less Other financing movements						
Adjustment of PFI Liability						
Adjustment of Leasing Liability*	(59)	(73)	9,092	(1,392)	(1,560)	(1,544)
Adjustment of MRP						
<b>Movement in CFR</b>	<b>(6,123)</b>	<b>(4,893)</b>	<b>12,886</b>	<b>1,852</b>	<b>(3,289)</b>	<b>19,447</b>

\* Figures include the estimated impact of IFRS 16 as CIPFA is still releasing guidance on lease treatment

#### Actual and estimates of the ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream. The indicator shows the proportion of the income received from Council tax, Revenue Support Grant (RSG) and National Non-Domestic Rate (NNDR) and some specific grants that is spent on paying the borrowing associated with delivery of capital investment (interest charges of long-term borrowing).

The table below shows the monetary values, ratio and includes leasing costs

	2020/21 Actual £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Net Revenue Financing Costs	1,145	1,006	10,303	(1,388)	(5,491)	(5,462)
Net Revenue Stream	174,300	164,363	167,305	164,568	169,187	172,414
Ratio of Financing Costs to Net Revenue Stream (Non HRA)	0.66%	0.61%	6.16%	(0.84)%	(3.25)%	(3.17)%



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

The table below shows the incremental impact of changes in the capital programme (incorporating the effects of changes in treasury forecasts and investment decisions) on the Band D council tax.

	2020/21 Actual £	2021/22 Estimate £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £
Incremental Change in Net Revenue Financing Costs (£000)	1,266	(139)	9,297	(11,691)	(4,103)	29
Council Tax Base	75,990	74,220	75,755	76,716	77,100	77,485
<b>Incremental Impact on Council Tax - Band D (£)</b>	<b>16.66</b>	<b>(1.88)</b>	<b>122.72</b>	<b>(152.39)</b>	<b>(53.22)</b>	<b>0.38</b>
Council Tax - Band D (£)	1,276.92	1,340.72	1,380.87	1,408.48	1,436.64	1,465.37

### 3. MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP). The Council has not made any provision for VRP in its capital expenditure.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be based on the asset life Method – CLG regulations (option 3).

This option will be applied for any expenditure capitalised under a capitalisation direction. It should be noted that this option provides for a reduction in the borrowing need over the approximate life of the asset.

The Council is required to have regard for the Local Government Involvement in Health Act 2007. This amended the Local Government Act 2003 enabling the Secretary of State to issue guidance on accounting practices and thus on MRP. Also, the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) specifies that “A local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent”. Any MRP implications on how the Council will pay for unfinanced capital assets through revenue will be included in the MRP policy.

The table below details the basis of the MRP calculation for all unfinanced capital expenditure incurred on or after 1 April 2008.

	(Years)
<b>Assets valued over £1m</b>	
Buildings	50
Mechanical & Electrical and External	20
<b>Assets valued under £1m</b>	
Buildings	40
Infrastructure (roads etc)	25
15 Year Asset	15
10 Year Asset	10
Computer software	4 and 5
Computer hardware	4 and 5
Large vehicles – e.g. buses, RCVs	7
Small vehicles – e.g. cars, vans	5
Other equipment e.g. CCTV	4 and 5
<b>MRP years where there is no depreciation equivalent</b>	
Land	50
Equity	20
Revenue Expenditure Funded by capital Under Statute e.g. Redundancy costs	20

#### 4. TREASURY MANAGEMENT STRATEGY

##### 4.1 The Prospects for Interest Rates and Economic Forecasts

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 8 <sup>November</sup> 2021. These are forecasts for PWLB certainty rates, gilt yields plus 80 bps.

No change to the LINK forecast following the base rate increase on the 16 December 2021

Link Group Interest Rate View 20.12.21														
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

Our forecast for Bank Rate includes four increases, one in quarter 2 of 2022 to 0.50%, then quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%.

- Medium and long-dated gilt yields and, therefore, PWLB rates, have fallen sharply over the last two months, particularly at the very long end where differentials between 50 and 25 years have widened out during December to 35bps. This is thought to probably be due to demand by pension funds seeking to finalise their portfolio positions at the 31 December year end, as well as a reflection of bond purchase activity in other developed economy markets. We have assumed this is a temporary anomaly which will work its way out of the system during the first quarter of 2022 and restore the average differential of around 20 bps between 25 and 50-year rates: the latter rising back up to more normal levels.
- Our forecasts for medium and long rates have edged down by 20-30bp; this reflects the shock that Omicron has sent through financial markets at a time when confidence had been rising that the threat from Covid was passing. In addition, there has been a fall in inflation expectations now that the Fed has finally woken up as to how strongly inflationary pressures have risen in the US and the need to counter these by several interest rate increases in 2022 and beyond. The Bank of England has also started to take action to counter the threat of inflation by implementing a Bank Rate increase last week
- LIBOR and LIBID rates will cease from the end of 2021. In the October edition of CityWatch, we outlined how these rates are expected to be replaced. In the meantime, our forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

### Significant risks to the forecasts

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity.
- **Mutations** of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed, resulting in further national lockdowns or severe regional restrictions.

- **The Monetary Policy Committee** acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **The Monetary Policy Committee** tightens monetary policy too late to ward off building inflationary pressures.
- **The Government** acts too quickly to cut expenditure to balance the national budget.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **German general election** in September 2021. Germany faces months of uncertainty while a new coalition government is cobbled together after the indecisive result of the election. Once that coalition is formed, Angela Merkel's tenure as Chancellor will end and will leave a hole in overall EU leadership.
- **Longer term US treasury yields** rise strongly and pull gilt yields up higher than forecast.
- **Major stock markets** e.g., in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the "moral hazard" risks of having to buy shares and corporate bonds to reduce the impact of major financial market selloffs on the general economy.
- **Geopolitical risks**, for example in Iran, North Korea, but also in Europe and Middle Eastern countries; on-going global power influence struggles between Russia/China/US. These could lead to increasing safe-haven flows.
- **The balance of risks to the UK economy: -**
- The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

## A SUMMARY OVERVIEW OF THE FUTURE PATH OF BANK RATE

- Last month the Bank of England became the first major western central bank to put interest rates up in this upswing in the current business cycle in western economies as recovery progresses from the Covid recession of 2020.
- The next increase in Bank Rate could be in February or May, dependent on how severe an impact there is from Omicron.
- If there are lockdowns in January, this could pose a barrier for the MPC to putting Bank Rate up again as early as 3rd February.
- With inflation expected to peak at around 6% in April, the MPC may want to be seen to be active in taking action to counter inflation on 5th May, the release date for its Quarterly Monetary Policy Report.
- The December 2021 MPC meeting was more concerned with combating inflation over the medium term than supporting economic growth in the short term.

- Bank Rate increases beyond May are difficult to forecast as inflation is likely to drop sharply in the second half of 2022.
- However, the MPC will want to normalise Bank Rate over the next three years so that it has its main monetary policy tool ready to use in time for the next down-turn; all rates under 2% are providing stimulus to economic growth.
- We have put year end 0.25% increases into Q1 of each financial year from 2023 to recognise this upward bias in Bank Rate - but the actual timing in each year is difficult to predict.
- Covid remains a major potential downside threat in all three years as we ARE likely to get further mutations.
- How quickly can science come up with a mutation proof vaccine, or other treatment, – and for them to be widely administered around the world?
- Purchases of gilts under QE ended in December. Note that when Bank Rate reaches 0.50%, the MPC has said it will start running down its stock of QE

### Forecasts for PWLB rates and gilt and treasury yields

As the interest forecast table for PWLB certainty rates above shows, there is likely to be a steady rise over the forecast period, with some degree of uplift due to rising treasury yields in the US.

There is likely to be **exceptional volatility and unpredictability in respect of gilt yields and PWLB rates** due to the following factors: -

- How strongly will changes in gilt yields be correlated to changes in US treasury yields (see below). Over 10 years since 2011 there has been an average 75% correlation between movements in US treasury yields and gilt yields. However, from time to time these two yields can diverge. Lack of spare economic capacity and rising inflationary pressures are viewed as being much greater dangers in the US than in the UK. This could mean that central bank rates will end up rising earlier and higher in the US than in the UK if inflationary pressures were to escalate; the consequent increases in treasury yields could well spill over to cause (lesser) increases in gilt yields. There is, therefore, an upside risk to forecasts for gilt yields due to this correlation. The Link Group forecasts have included a risk of a 75% correlation between the two yields.
- Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
- Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
- How strong will inflationary pressures actually turn out to be in both the US and the UK and so put upward pressure on treasury and gilt yields?
- How will central banks implement their new average or sustainable level inflation monetary policies?
- How well will central banks manage the withdrawal of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the “taper tantrums” in the US in 2013?
- Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within the forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

### **Gilt and treasury yields**

Since the start of 2021, there has been a lot of volatility in gilt yields, and hence PWLB rates. During the first part of the year, US President Biden's, and the Democratic party's, determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020. This was then followed by additional Democratic ambition to spend \$1trn on infrastructure, which has just been passed by both houses, and an even larger sum on an American families plan over the next decade; this is still caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus was happening at a time when: -

1. A fast vaccination programme has enabled a rapid opening up of the economy.
2. The economy has been growing strongly during 2021.
3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries.
4. And the Fed was still providing stimulus through monthly QE purchases.

These factors could cause an excess of demand in the economy which could then unleash strong inflationary pressures. This could then force the Fed to take much earlier action to start increasing the Fed rate from near zero, despite their stated policy being to target average inflation.

**At its 3<sup>rd</sup> November Fed meeting**, the Fed decided to make a start on tapering QE purchases with the current \$80bn per month of Treasury securities to be trimmed by \$10bn in November and a further \$10bn in December. The \$40bn of MBS purchases per month will be trimmed by \$5bn in each month. If the run-down continued at that pace, the purchases would cease entirely next June but the Fed has reserved the ability to adjust purchases up or down. This met market expectations. These purchases are currently acting as downward pressure on treasury yields and so it would be expected that Treasury yields would rise as a consequence over the taper period, all other things being equal.

However, on the inflation front it was still insisting that the surge in inflation was "largely" transitory. In his post-meeting press conference, Chair Jerome Powell claimed that "the drivers of higher inflation have been predominantly connected to the dislocations caused by the pandemic" and argued that the Fed's tools cannot address supply constraints. However, with the Fed now placing major emphasis on its mandate for ensuring full employment, (besides containing inflation), at a time when employment has fallen by 5 million and 3 million have left the work force, resignations have surged due to the ease of getting better paid jobs and so wage pressures have built rapidly. With wage growth at its strongest since the early 1980s, inflation expectations rising and signs of a breakout in cyclical price inflation, particularly rents, the FOMC's insistence that this is still just a temporary shock "related to the pandemic and the reopening of the economy", does raise doubts which could undermine market confidence in the Fed and lead to higher treasury yields.

As the US financial markets are, by far, the biggest financial markets in the world, any upward trend in treasury yields will invariably impact and influence financial markets in other countries. Inflationary pressures and erosion of surplus economic capacity look much stronger in the US compared to those in the UK, which would suggest that Fed rate increases eventually needed to suppress inflation, are likely to be faster and stronger than Bank Rate increases in the UK. This is likely to put upward pressure on treasury yields which could then spill over into putting upward pressure on UK gilt yields.

### **The balance of risks to medium to long term PWLB rates: -**

- There is a balance of upside risks to forecasts for medium to long term PWLB rates.

- **A new era – a fundamental shift in central bank monetary policy**
- One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on ‘achieving broad and inclusive “maximum” employment in its entirety’ in the US, before consideration would be given to increasing rates.
- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
- The Bank of England has also amended its target for monetary policy so that inflation should be ‘sustainably over 2%’ before starting on raising Bank Rate and the ECB now has a similar policy.
- For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt.

### Investment and borrowing rates

- **Investment returns** are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.
- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.
- On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates which had been increased by 100 bps in October 2019. The standard and certainty margins were reduced by 100 bps but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The current margins over gilt yields are as follows: -.
  - **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
  - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
  - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
  - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
  - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

- **Borrowing for capital expenditure.** Our long-term (beyond 10 years), forecast for Bank Rate is 2.00%. As some PWLB certainty rates are currently below 2.00%, there remains value in considering long-term borrowing from the PWLB where appropriate. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive as part of a balanced debt portfolio. In addition, there are also some cheap alternative sources of long-term borrowing if an authority is seeking to avoid a “cost of carry” but also wishes to mitigate future re-financing risk. (*Amend as appropriate*).
- While this authority will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, (*amend as appropriate*), there will be a *cost of carry*, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances.

## 4.2 Borrowing Strategy

### Current Borrowing Portfolio Position

The following table shows the CFR as at December 2021 against the gross debt position of the Council. The gross debt includes other long-term liabilities like PFI and finance lease obligations. Gross debt should not exceed CFR in the medium to long-term.

Narrative	2021/22 Estimate £000s	2022/23 Estimate £000s	2023/24 Estimate £000s	2024/25 Estimate £000s	2025/2026 Estimate £000s
External Debt at 1 April	111,010	109,010	108,700	95,000	82,500
Expected change in Debt (repayment and new debt)	(2,000)	(310)	(13,700)	(12,500)	25,728
Closing External Debt	109,010	108,700	95,000	82,500	108,228
Closing Balance PFI	16,010	15,328	14,630	12,407	9,921
Closing Partial termination Balance PFI	10,015	9,045	8,005	6,891	5,697
Total PFI	26,025	24,373	22,635	19,298	15,618
Closing Balance Finance Leases	1,110	10,202	8,810	7,250	5,706
Actual Gross Debt at 31 March	136,145	143,275	126,445	109,048	129,551
Capital Financing Requirement (CFR)	162,566	175,452	177,304	174,015	193,462
(Under)/over Borrowing	(26,421)	(32,177)	(50,859)	(64,967)	(63,911)

\* Figures include the estimated impact of IFRS 16 - please note some of the guidance in relation to IFRS 16 is still being finalised contingencies have been added to figures to provide the best estimate possible at the time of compilation

The table contained in section 4.2 shows the CFR forecast for 2021/22 to 2025/26. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council’s reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Director of Corporate Services will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:



PFI and finance lease portion of the CFR will not be funded by additional loan. Capital forecasts relating to 2022/23, 2023/24, 2024/25 and 2025/26 are very much subject to change at this stage.

The Council's decision to use internal borrowing is prudent as it eliminates the revenue cost of carry as investment returns remain low, there is sometimes slippage on capital programme budgets and counterparty risks remain to a degree. The Council can fund its entire borrowing requirement now if this is affordable. In which case, borrowing will be up to CFR.

The borrowing strategy to temporarily finance its capital programme, led the Council to consider setting a minimum amount of projected liquid cash of £30m. This means that cash outflows for capital purposes would primarily be met from cash investments until £10m was reached, and only at that point, would external borrowing be undertaken. However if interest rates are advantageous for long-term loans, then the Council will borrow in advance of need or where interest rates are expected to rise significantly and quickly.

The Council will continue to review, throughout the year, its options around higher and lower levels of cash-backed balances.

### 4.3 Treasury Indicators: Limits to Borrowing Activity

**Operational Boundary** - this is the limit beyond which external borrowing is not normally expected to exceed. (The most likely prudent view, not the worst case scenario. Maximum level of external debt projected – Cipfa)

Operational Boundary	2021/22 Estimate £000s	2022/23 Estimate £000s	2023/24 Estimate £000s	2024/25 Estimate £000s	2025/2026 Estimate £000s
Capital Financing Requirement	162,566	175,452	177,304	174,015	193,462
Other Long Term Liabilities	31,510	29,872	28,144	24,813	88,735
Operational Boundary (Borrowing)	194,076	205,324	205,448	198,828	282,197

### Authorised Limit for External Borrowing

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. It represents a limit beyond which external borrowing must not go over in the 3 years, and this limit when set is to be revised annually by Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short-term, but is not sustainable in the longer term. (The operational boundary, plus headroom for unusual cash movements – CIPFA)

The Council is asked to approve the following authorised limit:

	2021/22 Estimate £000s	2022/23 Estimate £000s	2023/24 Estimate £000s	2024/25 Estimate £000s	2025/26 Estimate £000s
Borrowing	192,566	205,452	207,304	204,015	223,462
Other Long Term Liabilities	36,510	34,872	33,144	29,813	93,735
Authorised Limit	229,076	240,324	240,448	233,828	317,197

Members are required to note that these authorised limits show the gross maximum borrowing for the year and, in year regulatory accounting changes which may affect the level of debt in the balance sheet as well as allow for any potential overdraft position and short-term borrowing for cashflow purposes. All of which will be counted against the overall borrowing. The authorised limit also provides headroom for any debt rescheduling which may occur during the year and any borrowing in advance of need.

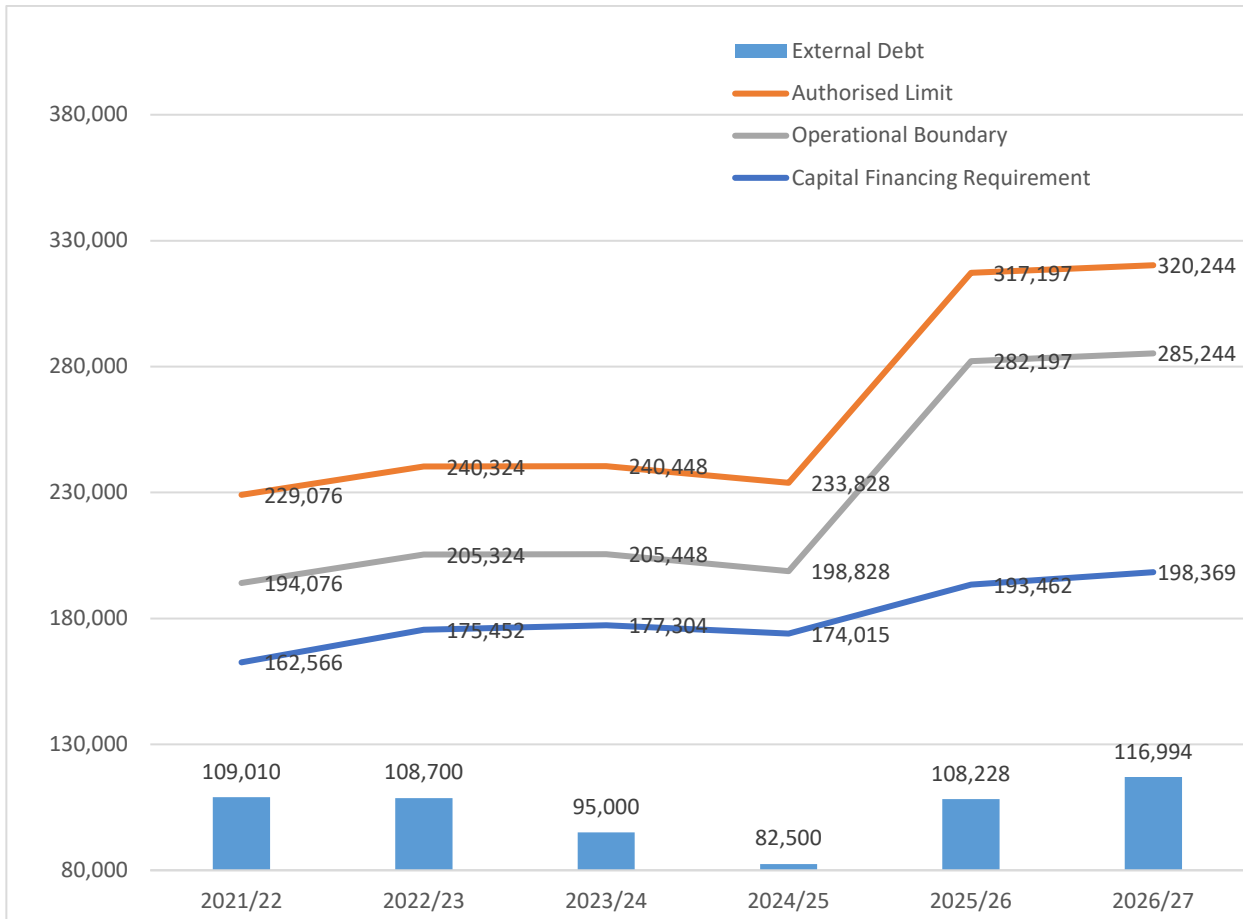
#### 4.4 Treasury Management Limits on Activity

The table below shows the debt related treasury activity limits.

Members are asked to note that the maturity structure guidance changed in The Prudential Code 2017 guidance notes for Lenders Option Borrowers Option (LOBO) Loans, the maturity dates is now deemed to be the next call date. The maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment.

	Maturity Structure of borrowing 2021/22			
	Actual November 2021	Lower	Upper	Value £'000
less than 1 year	0.00%	0%	60%	0
1 to 2 years	0.28%	0%	60%	310
2 years to 5 years	24.03%	0%	60%	26,200
5 years to 10 years	4.13%	0%	80%	4,500
10 years to 20 years	11.47%	0%	100%	12,500
20 years to 30 years	18.81%	0%	100%	20,500
30 years to 40 years	22.93%	0%	100%	25,000
40 years to 50 years	18.35%	0%	100%	20,000
<b>Total</b>	<b>100.00%</b>			<b>109,010</b>

As interest rates begin to rise, it may be beneficial for the Council to go into some variable rate investments to avoid being locked into long-term investments at low rates in a period of rising interest rates or shorter duration borrowing to gain advantage of low rates.



**4.5** Interest rate exposure is mitigated as much as possible by keeping up with publications and notifications the Local Authority receives on a regular basis.

**Local Indicators**

In setting the indicators below, the Council has taken into consideration investment risks and returns.

The table below shows target borrowing and investment rates

	2021/22 Estimate %	2022/23 Estimate %	2023/24 Estimate %	2024/25 Estimate %	2025/26 Estimate %
<b>Average Investment Target Return</b>	0.20%	0.20%	0.25%	0.30%	0.40%
<b>Average Investment Target – Property Fund</b>	4.0%	4.0%	4.0%	3.40%	3.50%
<b>Long Term Borrowing Target</b>					
• Current Portfolio	5.50%	5.50%	5.50%	5.50%	5.50%

The average investment target return above is based on the expected target return for the stated periods.

#### **4.6 Policy on Borrowing in Advance of Need**

London Borough of Merton will not borrow more than, or in advance of its need, purely in order to profit from the investment of the extra sums borrowed.

Any decision to borrow in advance will be within forward approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

#### **4.7 Debt Rescheduling**

On any restructuring of debt, the savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

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

The likely method of restructuring the debt portfolio will be by new loans from PWLB.

#### **4.8 Borrowing Options**

The Council will use a number of borrowing sources. These include the Public Works Loans Board, Market loans, Municipal Bond Agency (MBA), Retail Bonds, Loans from other Local Authorities and temporary loans.

#### **4.9 Changes Which May Affect Treasury Management**

- **Future Regulatory Changes to Money Market Fund Valuation**
- ***Proposed Changes to Leasing***

Future changes to accounting for leasing will increase CFR and therefore MRP but there will be compensating adjustments to the cost of services so the overall impact is presentational with no effect on the General Fund. It is anticipated that there may be some impact on both capital and revenue expenditure and the changes will require all leases to be included on the balance sheet and be measured on PV of future lease payments. The new lease standard (IFRS 16) is scheduled to be adopted in 2022-23.

#### ***Environmental, Social and Governance (ESG)***

Merton Council declared the Climate emergency policy in July 2019 and aims to become carbon neutral on Council's buildings and services by 2030. When it comes to Treasury management Merton will take ESG issues into consideration when investing cash in the money markets, speaking to potential counterparties about what they offer within the parameters of the Authority's counterparty criteria and the requirement of the MHCLG Investment Guidance to prioritise security, liquidity before yield in that order of importance.

In terms of typical local authority investments there isn't a wide range of products in this area at the moment, although we expect to see more banks and funds providing specific products over the coming years. As this area continues to develop and become more prominent the council will continue to monitor it and make best use of ESG opportunities when they become available.

## **5. ANNUAL INVESTMENT STRATEGY**

## 5.1 Investment Policy

London Borough of Merton's investment policy has regard to the MHCLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

## 5.2 Investment Strategy

**In-house funds:** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

### Investment returns expectations

Bank Rate forecasts for financial year ends (March) are:

Average earnings in each year	Now
2021/22	0.25%
2022/23	0.50%
2023/24	0.75%
2024/25	1.00%
2025/26	1.50%
Long term later years	2.00%

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

Average earnings in each year	Now	Previously
2022/23	0.50%	0.25%
2023/24	0.75%	0.50%
2024/25	1.00%	0.50%
2025/26	1.25%	1.00%
Long term later years	2.00%	2.00%

**5.3 Investment Treasury Indicator and Limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and are based on the availability of funds after each year-end.

	31 Dec 2021 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Estimated Principal sums invested	£10m	£40m	£30m	£30m	£30m	£30m

greater than 365 days						
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In addition to fixed deposits, a number of other financial instruments like Property funds will fall under the category of investments with duration exceeding 365 days. In addition to using money market funds, call accounts and notice accounts, the Council will seek to utilise other liquid and transferable instruments like certificate of deposits and gilts for its cashflow balances.

**5.4 Use of Specified and Non-Specified Investments**

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

**Specified Investments**

These are sterling investments of not more than one-year maturity, or those which could be for a longer period where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146 as amended with:

- The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling;
- The investment is not a long-term investment;
- The making of the investment is not defined as capital expenditure]; and
- The investment is made with a body or in an investment scheme of high credit quality or with one of the following public-sector bodies:
- The United Kingdom Government;
- A local authority in England or Wales (as defined under section 23 of the 2003 Act).

Along with the fixed deposits, Money Market Funds and funds being placed with the CCLA the council is considering depositing money into an Ultra short dated bond Fund in April 2022 for a period of 6-9 months.. The fund is classed as Volatile Net Asset Value (VNAV). The fund is on our treasury advisor’s recommended list and has a AAA rating.

**Non-Specified Investments**

Non-Specified investments are defined as those not meeting the above criteria and exceeding 365 days in duration. The council currently have no fixed deposits in this category. Authority do have an investment in a Property Fund which has a 5/10 year recommended time horizon.

A local authority may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth even though those loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity ahead of yield.

Local authorities can make such loans whilst continuing to have regard to this guidance if they can demonstrate in their Strategy that: • Total financial exposure to these type of loans is proportionate;

- They have used an allowed “expected credit loss” model for loans and receivables as set out in International Financial Reporting Standard (IFRS) 9 *Financial Instruments* as adopted by proper practices to measure the credit risk of their loan portfolio;
- They have appropriate credit control arrangements to recover overdue repayments in place; and
- The local authority has formally agreed the total level of loans by type that it is willing to make and their total loan book is within their self-assessed limit.

## 5.5 Investment Risk Benchmarking

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

1. **Security** - The Council’s maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:
  - 5% historic risk of default when compared to the whole portfolio.
- 2 **Liquidity** – in respect of this area the Council seeks to maintain:
  - Bank overdraft - £1m
  - Liquid short term deposits of at least £65m available with a week’s notice.
3. **Yield** – meet or exceed the annual budgeted interest income figure in any given year.

## 5.6 Risk Management and Creditworthiness Policy

This Council applies the creditworthiness service provided by Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody’s and Standard and Poor’s. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long term rating where applicable)	Money Limit	Time Limit
Banks	yellow	£25m	5yrs
Banks	purple	£25m	2 yrs
Banks	orange	£25m	1 yr
Banks – part nationalised	blue	£25m	1 yr

Banks	red	£10m	6 mths
Banks	green	£5m	100 days
Banks	No colour	Not to be used	
Other institutions limit	-	£5m	1yrs
Government (DMADF)		unlimited	6 months
Local authorities	Yellow	£35m	5yrs
	Fund rating	Money Limit	Time Limit
Money market funds (maximum 5 Funds, £20m per Fund)	AAA	£100m	Instant
Ultra-Short Dated Bond funds with a credit score of 1.25	Dark pink / AAA	£25m	Instant
Ultra-Short Dated Bond funds with a credit score of 1.5	Light pink / AAA	£10m	Instant

The Link Group creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored regularly. The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council uses other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
- Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, as well as information on any external support for banks to help support its decision making process.

## 5.7 Country and Sector Limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in **Appendix 2**. This list will be added to, or deducted from by officers should ratings change in accordance with this policy.

## 5.8 Banking Arrangements

The Council's bankers are Lloyds bank. The Council's bank accounts include some school accounts and client bank accounts managed as part of its Appointeeship role for residents that require this support. All schools are responsible for the management of their bank accounts.

From time to time the Council may open bank accounts with other banks for specific reasons, subject to approval by the Director of Corporate Services.



## **5.9 Lending to Community Organisations, Other Third Parties and RSLs –**

Any loans to or investments in third parties will be made under the Well Being powers of the Council conferred by section 2 of the Local Government Act 2000 or Localism Act of 2011.

The Well Being power can be exercised for the benefit of some or all of the residents or visitors to a local authority's area. The power may also be used to benefit organisations, schools, local enterprises, local companies or even individuals. Loans of this nature will be under exceptional circumstances and must be approved by Cabinet or the Director of Corporate Services as applicable. Authorisation from the Financial Conduct Authority (FCA) will also be sought where applicable.

Where it is deemed necessary, additional guarantees will be sought. This will be via security against assets and/or through guarantees from a parent company. The Council will also consider other factors like the statutory powers in place, reasonableness of the investment, FCA, objective and revenue earnings for the Council, MRP requirements, accounting issues and categorisation of the expenditure as capital or revenue.

In other instances, the Council may receive soft loans from government agencies.

### **5.10 Non-Treasury Investment Lending**

The Council may be required to make policy investments for the good of its community by lending to local organisations and in some cases schools. Legal agreements are drawn which stipulate the terms of the loan which includes the ability of the organisation to make repayments. The Council may also lend to its wholly owned companies.

## **6. Cashflow Management**

**6.1** CIPFA requires all monies to be under the control of the responsible officer and for cashflow projections to be prepared on a regular and timely basis. Cashflow provides outline of operations. Actuals and forecast are recorded using Logotech systems. At the end of each day the net receipts and payments is either invested or borrowed to ensure that the Council's bank account is kept at a minimum.

Forecasts are based on best estimates which may slip due to unforeseen circumstances and the nature of large projects. Please see Appendix 6 for the cash flow forecast.

### **6.2 Purchase and Corporate Credit Cards**

The use of corporate credit cards like other accounts payable methods carries significant risks. The Director of Corporate Services is responsible for ensuring that the Council has appropriate controls in place to protect the Council's funds.

## **7. Policy on the use of External Service Providers**

The Council uses Link Group, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

## 8. Training

A key outcome of the recent investigations into Local Authority investments is the need to ensure that all relevant Treasury Management staff and members that are associated with treasury matters receive appropriate training and knowledge in relation to these activities. Training is provided in-house on the job, via CIPFA seminars and training courses, treasury adviser seminars and training courses and sometimes counterparties conduct training. In addition, members of the team attend national forums and practitioner user groups.

## 9. Treasury Management Practices

9.1 The 2017 Treasury Management Code reinforces a framework of 12 Treasury Management practices (TMPs), which define the manner in which authorities seek to achieve the policies and objectives outlined in their Treasury Management policy statement. The Council's detailed Treasury Management practices approved in March 2020/21 can be found on the Council's intranet. An updated version is included as **Appendix 4**

## 10. Appendices

- Appendix 1 – Policy Investments (Non-Treasury Management Investments)
- Appendix 2 – Approved Countries for Investment
- Appendix 3 – The Treasury Management Role of the S151 Officer
- Appendix 4 – Treasury Management Practices 2022/23
- Appendix 5– Glossary
- Appendix 6 – Cashflow Forecast

## 11. Background Papers

- CIPFA Prudential Code for Capital Finance in Local Authorities 2017 Edition
- CIPFA Treasury Management in the Public Sector 2018 Edition
- 2018/19 Treasury Management Strategy report
- The Guide to Local Government Finance (2018 Edition) Module 4: Treasury Management
- CIPFA Practical Considerations in Using Financial Instruments to Manage Risk in the Public Sector
- London Borough of Merton Capital Strategy 2020/24
- TM Code of Practice
- MHCLG Investment Guidance
- MHCLG MRP Guidance
- External auditor opinion on MRP provision
- Prudential Property Investment – Draft CIPFA Guidance on the Application of the Prudential Framework June 2019

**APPENDIX 1 – Policy Investments (Non-Treasury Management Investments)**

<b>Type</b>	<b>Duration</b>	
Joint Development Companies	One month to 10 years	Subject to specific terms
Loans to Registered Landlords	One month to 5 years	Subject to specific terms
Loans to wholly owned companies	One month to 30 years	Subject to specific terms
Loan to any other type of organisation	One month to 10 years	Subject to specific terms

**APPENDIX 2 - APPROVED COUNTRIES FOR INVESTMENTS (as at 10/11/2021)**

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody’s and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link Asset Services credit worthiness service.

***Based on lowest available rating***

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- **U.K.**

## **APPENDIX 3**

### **(i) Full Council**

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.
- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- Receiving and reviewing regular monitoring and acting on recommendation

### **(ii) The S151 Officer (Director of Corporate Services)**

- recommending clauses, Treasury Management policy / practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular Treasury Management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the Treasury Management function;
- ensuring the adequacy of Treasury Management resources and skills, and the effective division of responsibilities within the Treasury Management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of Treasury Management external service providers.
- Approval of appropriate money market funds for the Council to invest in.

## APPENDIX 4

# **LONDON BOROUGH OF MERTON** **TREASURY MANAGEMENT PRACTICES 2021/22**

### **TMP 1: RISK MANAGEMENT**

The Director of Corporate Services – the responsible officer will implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy / suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

#### **1.1 Credit and Counterparty Risk Management**

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments Methods and Techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing or derivative arrangements.

Policy on the use of credit risk analysis techniques

- The Council will use credit criteria in order to select creditworthy counterparties for placing investments with.
- Credit ratings will be used as supplied from all three rating agencies - Fitch, Moody's and Standard & Poor's.
- Treasury management consultants will provide regular updates of changes to all ratings relevant to the Council.
- The treasury manager will formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties and shall construct a lending list comprising maturity periods, type, group, sector, country and counterparty limits.

#### **1.2 Liquidity Risk Management**

The Council will ensure it has adequate, though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it, at all times, to have the level of funds available to it which are necessary for the achievement of its business/service objectives. The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

The treasury management team shall seek to minimise the balance held in the Council's main bank accounts at the close of each working day. Borrowing or lending shall be arranged in order to achieve this aim. At the end of each financial day any unexpected surplus funds are transferred to the main bank account.

Bank overdraft arrangements – A £1 million net overdraft at 2% over base rate on debit balances has been agreed as part of the banking services contract. The overdraft is assessed on a group basis for the Council's accounts. Separate facilities are available for the Pension Fund bank account.

a. Short-term borrowing facilities

The Council accesses temporary loans through approved brokers on the London money market.

b. Special payments

Where an urgent clearing house automated payment system (CHAPS) payment is required, a CHAPS payment request form must be completed and forwarded to the Head of Transactional Services who then checks for correct required signatures and supporting paperwork. Further guidance can be found on the Council's intranet.

c. Inter account transfer

From time to time, transactions occur between the Pension Fund and the Council. Reimbursement where necessary is by inter-account transfers between both bank accounts.

### **1.3 Interest Rate Risk Management and use of Derivatives**

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements. It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

The Council does not use derivatives, the Council's S151 Officer will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs and that the policy for the use of derivatives when used will be clearly stated to members. The treasury management strategy has full details of interest rate exposure limits.

Policies concerning the use of instruments for interest rate management.

- **Forward Dealing**  
Consideration will be given to dealing for forward periods depending on market conditions. When forward dealing is more than a 365 days period forward, the approval of the Director of Corporate Services is required.
- **Callable Deposits**  
The Council may use callable deposits as part as of its Annual Investment Strategy (AIS). The credit criteria and maximum periods are set out in the Schedule of Specified and Non Specified Investments appended to the AIS.

## **Policy on Use of Lender's Option Borrower's Option (LOBO) Loans**

LOBOs give the lender the option to propose an increase in the interest rate at pre-determined dates, and the borrower, the option to accept the new rate **or** redeem the loan without penalty.

Use of LOBOs is considered as part of the Council's annual borrowing strategy. All long-term borrowing must be approved by the S151 Officer.

### **1.4 Exchange Rate Risk Management**

Occasionally, the Council has to make foreign exchange payments, the Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure.

### **1.5 Refinancing Risk Management**

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies raised are managed, with a view to obtaining offer terms at renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

The Council will actively manage the relationships with counterparties in such a manner as to secure the above objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

The Council will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year. Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for rescheduling include:

- a) to generate cash savings at minimum risk;
- b) to reduce the average interest rate; and
- c) to amend the maturity profile and/or the balance of volatility of the debt portfolio

Any rescheduling will be reported to the Council at the meeting immediately following the action.

### **1.6 Legal and Regulatory Risk Management**

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1 1.1 Credit and Counterparty Risk Management, it will ensure that there is evidence of counterparties powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

The Council will ensure that its treasury management activities comply fully with legal statute, guidance, Codes of Practice and the regulations of the Council.

The Council's powers to borrow and invest are contained in the Local Government Act 2003, section 12 and Local Government Act 2003, section 1. The treasury management scheme of delegation is contained in the Corporate Services Scheme of Delegation. This document contains the officers who are authorised signatories. The Council's monitoring officer is the Assistant Director Corporate Governance while the S151 Officer is the Director of Corporate Services.

### **1.7 Fraud, Error and Corruption, and Contingency Management**

Treasury tasks are segregated and adequate internal checks have been implemented to minimise risks and fraud. Procedures are documented and staff will not be allowed to take up treasury management activities until they have had proper training and are subject to an adequate and appropriate level of supervision.

Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out. Periodic backups will be made to ensure contingency of systems is available.

#### **Details of Systems and Procedures to be Followed, Including Internet Services**

The Council uses Logotech Treasury systems as its treasury management recording tool.

- The Corporate Services Scheme of Delegation sets out the delegation of duties to officers and the Council's constitution details delegated authority of treasury management to the Section 151 Officer.
- All loans and investments are negotiated by the Treasury Manager or other authorised persons.
- All long-term loans must be authorised by the Section 151 Officer.

### **1.8 Market Risk Management**

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect it from the effects of such fluctuations. This is controlled mainly by setting limits on investment instruments where the principal value can fluctuate. The limits are detailed in the Treasury Management Strategy

## **TMP 2: PERFORMANCE MEASUREMENT**

### **2.1 Evaluation and Review of Treasury Management Decisions**

#### **Periodic Review During the Financial Year**

Monthly and quarterly meetings take place (quarterly with the Treasury consultant) to review the treasury activities, economic factors and discuss the investment options. In addition to this the Director of Corporate Services will hold treasury management review meetings with the Treasury team, periodically or as required to review actual activity against the Treasury Management Strategy Statement (TMSS) and cash flow forecasts.



## **Annual Review After the end of the Financial Year**

Annual Treasury Report will be submitted to the Full Council each year after the close of the financial year.

## **Comparative Review**

Each year or on a quarterly basis, comparative review is undertaken to see how the Council's performance on debt and investments compares to other authorities with similar size portfolios (but allowing for the fact that Prudential and Treasury Indicators are set locally). Such reviews are: -

- CIPFA Treasury Management statistics published each year for the last complete financial year
- CIPFA Benchmarking Club
- Other

## **2.2 Benchmarks and Calculation Methodology**

### **2.2.1 Debt management**

- Average rate on all external debt
- Average rate on external debt borrowed in previous financial year
- Average period to maturity of external debt
- Average period to maturity of new loans in previous year

### **2.2.2 Investment**

The performance of investment earnings will be measured against any of the following benchmarks: In-house benchmark and when necessary other benchmarks such as Bank of England base rate, 7-day LIBID uncompounded, 7-day LIBID compounded weekly, 1-month LIBID and 3-month LIBID compounded quarterly

Performance will also be measured against other local authority funds with similar benchmark and parameters managed by other fund managers using the CIPFA treasury management benchmark service.

## **2.3 Policy Concerning Methods for Testing Value-for-money in Treasury Management**

The process for advertising and awarding contracts will be in-line with the Council's Contract Standing Orders and procurement guidelines.

### **2.3.1 Money-broking Services**

From time to time, the Council will use money-broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them. An approved list of firm of brokers is maintained by the Treasury Manager. The list takes account of both prices and quality of service. No firm of brokers will be given undue preference.

### **2.3.2 Consultants / Advisers Services**

The Council's treasury management adviser is Link Asset Services.

## **TMP 3: DECISION-MAKING AND ANALYSIS**

### **3.1 Funding, Borrowing, Lending, and New Instruments/Techniques**

#### **3.1.1 Records to be kept**

The following records will be retained:

- Daily cash balance forecasts for the day and previous day
- Money market deal booking and deal approval confirmation emails
- Dealing slips for all investment and borrowing transactions
- Brokers' confirmations for all investment and temporary borrowing transactions made through brokers
- Confirmations from borrowing / lending institutions including money market fund portals
- PWLB loan confirmations
- PWLB interest due schedule
- Certificates for market loans, local bonds and other loans
- Deal confirmation letters for deals over one month
- Treasury Management contracts ( Investment consultant and Logotech)

#### **3.1.2 Processes to be pursued**

- Cashflow analysis
- Debt and investment maturity analysis
- Ledger/Logotech/Bank reconciliations
- Review of counterparty limits in addition to monitoring of counterparties
- Review of opportunities for debt restructuring
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer value for money)
- Performance information (e.g. monitoring of actuals against budget for debt charges, interest earned, debt management; also monitoring of average pool rate, investment returns, etc)
- Treasury contracts management

#### **3.1.3 Issues to be addressed**

##### **3.1.3.1 In respect of all treasury management decisions made the Council will:**

- a) Above all be clear about the nature and extent of the risks to which the Council may become exposed
- b) Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
- c) Be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interests, and to deliver good housekeeping
- d) Ensure that third parties are judged satisfactory in the context of the council's creditworthiness policies, and that limits have not been exceeded
- e) Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive; and
- f) Ensure that adequate investigation on security of the Council's funds has been conducted

### **3.1.3.2 In respect of borrowing and other funding decisions, the Council will:**

- a) Consider the ongoing revenue liabilities created, and the implications for the organisation's future plans and budgets
- b) Evaluate the economic and market factors that might influence the manner and timing of any decision to fund
- c) Consider the merits and demerits of alternative forms of funding, including funding from revenue, use of reserves, leasing and private partnerships; and
- d) Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

### **3.1.3.3 In respect of investment decisions, the Council will:**

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions; and
- b) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital

## **TMP 4: APPROVED INSTRUMENTS, METHODS AND TECHNIQUES**

### **4.1 Approved Activities of the Treasury Management Operation**

- Borrowing;
- Lending;
- Debt repayment and rescheduling;
- Consideration, approval and use of new financial instruments and treasury management techniques;
- Managing the underlying risk associated with the Council's capital financing and surplus funds activities;
- Managing cash flow;
- Banking activities;
- Use of external fund managers (other than Pension Fund)
- Leasing;
- Undertake treasury management activities for the Pension Fund

### **4.2 Approved Techniques**

- Forward dealing
- LOBOs – Lender's Option, Borrower's Option borrowing instrument
- Structured products such as callable deposits

### **4.3 Approved Methods and Sources of Raising Capital Finance**

Finance will only be raised in accordance with the Local Government Act 2003 and within this limit the Council has a number of approved methods and sources of raising capital finance. These are:

<b>On Balance Sheet</b>	<b>Fixed</b>	<b>Variable</b>
PWLB	●	●
European Investment Bank(EIB)	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Bonds administered by the Municipal Bond Agency	●	●
Stock issues	●	●
Local (temporary)	●	●
Local Bonds	●	
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Leasing (not operating leases)	●	●
Deferred Purchase	●	●

#### **Other Methods of Financing**

- Government and EC Capital Grants
- Lottery monies
- PFI/PPP
  - Operating and Finance leases
  - Revenue Contributions

Borrowing will only be done in British Pound Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Director of Corporate Services has delegated powers in accordance with Financial Regulations, Standing Orders and Scheme of Delegation to Officers to take the most appropriate form of borrowing from the approved sources.

#### **4.4 Investment Limits**

The Annual Investment Strategy sets out the limits and the guidelines for use of each type of investment instrument.

#### **4.5 Borrowing Limits**

The Treasury Management Strategy Statement and Prudential and Treasury Indicators state all appropriate limits.

### **TMP 5: ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS**

#### **5.1 Allocation of Responsibilities**

##### **(i) Council (Budget)**

- Receiving and reviewing reports on treasury management policy, practice and activity; and
- Approval of annual strategy.

## **(ii) Cabinet**

- Approval of/amendments to the Council's adopted clauses, treasury management policy statement and treasury management practice;
- Budget consideration and approval;
- Approval of the division of responsibilities; and
- Receiving and reviewing regular monitoring reports and acting on recommendations.

## **(iii) Overview and Scrutiny Commission (Financial Monitoring Task Group)**

- Reviewing all treasury management reports and making recommendations to the Cabinet

## **5.2 Statement of the Treasury Management Duties/Responsibilities of Each Treasury Post**

### **5.2.1 Responsible Officer**

The Responsible Officer is the person charged with professional responsibility for the treasury management function and in this Council it is the Director of Corporate Services and is also the S151 Officer. This person or delegated persons will carry out the following duties: -

- a) Recommending clauses, treasury management policy / practices for approval, reviewing the same regularly, and monitoring compliance
  - b) Submitting regular treasury management policy reports
  - c) Submitting budgets and budget variations
  - d) Receiving and reviewing management information reports
  - e) Reviewing the performance of the treasury management function
  - f) Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
  - g) Ensuring the adequacy of internal audit, and liaising with external audit
  - h) Recommending the appointment of external service providers.
  - i) The Responsible Officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.
- 
- a) The Responsible Officer may delegate her power to borrow and invest to members of her staff, The Treasury Manager and the fund officer. Treasury management team staff must conduct all dealing transactions, or staff authorised by the responsible officer to act as temporary cover for leave / sickness.
  - b) The Responsible Officer will ensure that Treasury Management Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.
  - c) Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations.
  - d) It is also the responsibility of the responsible officer to ensure that the Council complies with the requirements of The Non-Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

### **5.2.2 Treasury Manager**

The responsibilities of this post will be: -

- a) Drafting the treasury management strategy and annual report
- b) Adherence to agreed policies and practices on a day-to-day basis
- c) Maintaining relationships with counterparties and external service providers
- d) Supervising treasury management staff
- e) Monitoring performance on a day-to-day basis
- f) Submitting management information reports to the Responsible Officer; and
- g) Identifying and recommending opportunities for improved practices

### **5.2.3 Head of the Paid Service – the Chief Executive**

The responsibilities of this post will be: -

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

### **5.2.4 Monitoring Officer**

The responsibilities of this post will be: -

- a) Ensuring compliance by the Responsible Officer with the treasury management policy statement and treasury management practice and that they comply with the law
- b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice; and
- c) Giving advice to the Responsible Officer when advice is sought

### **5.2.5 Internal Audit**

The responsibilities of Internal Audit will be: -

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

## **5.3 Absence Cover Arrangements**

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

## **5.4 List of Approved Brokers**

A list of approved brokers is maintained by the Treasury team and a record of all transactions conducted with them can be obtained from Logotech.

### **Policy on Brokers' Services**

It is the Council's policy to rotate business between brokers.

## **5.5 Policy on Taping of Conversations**

The Council currently does not tape conversations with brokers **but** ensures that confirmations are received from counterparties.

## **5.6 Direct Dealing Practices**

The Council will deal direct with counterparties if it is appropriate and the Council believes that better terms will be available. There are certain types of accounts and facilities, however, where direct dealing is required, as follows;

- Business Reserve Accounts
- Call Accounts
- Money Market Funds
- Gilt/CD purchase via custodian; and
- Fixed period account e.g. 15-day fixed period account

## **5.7 Settlement Transmission Procedures**

A confirmation letter signed by an authorised signatory per the Council's bank mandate must be sent to the counterparty if the deal period exceeds one month.

For payments, any transfer to be made via Lloyds link CHAPS system must be completed by 2.00 p.m. on the same day to ensure it is authorised. Money market funds may have earlier cut-off time/deadlines.

## **5.8 Documentation Requirements**

For each deal undertaken, a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), broker and confirmation fax, email or letter.

## **5.9 Arrangements Concerning the Management of Third-Party Funds.**

The Council holds a number of trust funds, appointeeship and custody bank accounts. The cash in respect of these funds is held in the Council's bank account but transactions are separately coded.

## **TMP 6: REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS**

### **6.1 Annual Treasury Management Strategy Statement**

1. The Treasury Management Strategy Statement sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the cabinet and then to the Council (budget) for approval before the commencement of each financial year.
2. The formulation of the annual Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, this Council may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.
3. The Treasury Management Strategy Statement is concerned with the following elements:
  - a) Prudential and Treasury Indicators
  - b) Current Treasury portfolio position
  - c) Borrowing requirement
  - d) Prospects for interest rates
  - e) Borrowing strategy
  - f) Policy on borrowing in advance of need
  - g) Debt rescheduling
  - h) Investment strategy
  - i) Creditworthiness policy
  - j) Policy on the use of external service providers

- k) Any extraordinary treasury issue
- l) MRP strategy

4. The Treasury Management Strategy Statement will establish the expected move in interest rates against alternatives.

5. There is also a requirement for the Council to carry out a mid-year report. The purpose of this report is to provide a mid-year review on progress/performance throughout the year against targets set.

## **6.2 Annual Investment Strategy Statement**

At the same time as the Council receives the Treasury Management Strategy Statement it will also receive a report on the Annual Investment Strategy which will set out the following: -

- a) The Council's risk appetite in respect of security, liquidity and optimum performance
- b) Which specified and non specified instruments the Council will use
- c) The Council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list
- d) Which credit rating agencies the Council will use
- e) How the Council will deal with changes in ratings, rating watches and rating outlooks
- f) Limits for individual counterparties and group limits
- g) Country limits
- h) Levels of cash balances
- i) Interest rate outlook
- j) Budget for investment earnings
- k) Policy on the use of external service providers

## **6.3 Annual Minimum Revenue Provision Statement**

This statement sets out how the Council will make revenue provision for repayment of its borrowing using the four options for so doing and will be submitted at the same time as the Annual Treasury Management Strategy Statement.

## **6.4 Policy on Prudential and Treasury Indicators**

- a) The Council approves before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.
- b) The Responsible Officer is responsible for incorporating these limits into the Annual Treasury Management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the Responsible Officer shall submit the changes for approval to the full Council.

## **6.5 Other Reporting**

- Annual report on treasury management activity
- Other management information reports



## **TMP 7: BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

### **7.1 Statutory / Regulatory Requirements**

The accounts are drawn up in accordance with IFRS. The Council has adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to the Council's treasury management activity.

## **TMP 8: CASH AND CASHFLOW MANAGEMENT**

### **8.1 Arrangements for Preparing Cashflow**

Cashflow projections are prepared annually, monthly and daily. The annual and monthly cash flow projections are prepared from the previous year's cashflow records, adjusted for known changes in levels of income and expenditure, new grant allocations and changes in payments and receipts dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known. Logotech is used to record cashflow.

## **TMP 9: MONEY LAUNDERING**

### **9.1 Proceeds of Crime Act 2002 and Amendments**

See Council's website and intranet for money laundering process and associated policies  
[http://intranet/anti\\_money\\_laundering\\_policy.pdf](http://intranet/anti_money_laundering_policy.pdf)

### **9.2 The Terrorism Act 2000 and Amendment order**

See Council's website and staff intranet on policy. Staff should note that all individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment.

### **9.3 The Money Laundering Regulations 2007 and Updates**

The Council's money laundering officer is the Head of Audit. See Council's website  
[https://mertonhub.merton.gov.uk/\\_layouts/15/WopiFrame.aspx?sourcedoc=/Merton%20Hub%20Documents/anti\\_money\\_laundering\\_policy.pdf&action=default&DefaultItemOpen=1](https://mertonhub.merton.gov.uk/_layouts/15/WopiFrame.aspx?sourcedoc=/Merton%20Hub%20Documents/anti_money_laundering_policy.pdf&action=default&DefaultItemOpen=1)

Treasury management and banking staff are required to familiarise themselves with all money laundering regulations.

### **9.4 Procedures for Establishing Identity / Authenticity of Lenders**

It is not a requirement under Proceeds of Crime Act (POCA) for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, the Council does not accept loans from individuals except during a bond issue.

All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FCA website on [www.fca.gov.uk](http://www.fca.gov.uk).

## **9.5 Methodologies for identifying Deposit Takers**

Other than those organisations mentioned in para section 6.10 and Appendix 2 of the treasury strategy, in the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The FCA Register can be accessed through their website on [www.fca.gov.uk](http://www.fca.gov.uk).

All transactions will be carried out by CHAPS, faster payments or BACS for making deposits or repaying loans.

### **TMP 10: TRAINING AND QUALIFICATIONS**

The Council recognises that relevant individuals will need appropriate levels of training in treasury management due to its increasing complexity.

All treasury management staff and members tasked with financial scrutiny should receive appropriate training relevant to the requirements of their duties at the appropriate time.

In addition, training may be provided on-the-job, and it is the treasury manager's responsibility to ensure that treasury management staff and members receive appropriate training.

Treasury management staff and members will go on courses provided by the Council's treasury management consultants, CIPFA, money brokers etc

### **TMP 11: USE OF EXTERNAL SERVICE PROVIDERS**

#### **11.1.1 Details of Contracts with Service Providers, Including Bankers, Brokers, Custodian Banks, Consultants, Advisers**

This Council may employ the services of other organisations to assist it in the field of treasury management. However, it will ensure that it fully understands what services are being provided and that they meet the needs of the Council, especially in terms of being objective and free from conflicts of interest.

#### **11.1.2 Banking Services**

- a) The Council's supplier of banking services is Lloyds Bank. The bank is an authorised banking institution authorised to undertake banking activities in the UK by the FCA
- b) The branch address is:
  - i. Lloyds Banking Group
  - ii. 25 Gresham Street, London
  - iii. EC2V 7HN

#### **11.1.3 Money-Broking Services**

The Council will use money brokers for temporary borrowing and investment and long-term borrowing. It will seek to give an even spread of business amongst the approved brokers.

#### **11.1.4 Consultants'/Advisers' Services**

##### **Treasury Consultancy Services**

The Council receives mail shots on credit ratings, economic market data and borrowing data. In addition, interest rate forecasts, annual treasury management strategy templates, and from time to time, the Council may receive advice on the timing of borrowing, lending and debt rescheduling. The performance of consultants will be reviewed by the treasury manager to check whether performance has met expectations.

##### **11.1.4 Custodian Banks**

The Council will use the services of custodian banks when trading in most transferable instruments like treasury bills. Due procurement process will be followed in the procurement of this service. It should be noted that it is the borrower that pays in most cases and not the lender. Property fund on the other hand do not require custody services, the investor pays all fee.

##### **11.1.5 Credit Rating Information**

The Council receives notifications of credit ratings from Link Asset Services.

#### **11.2 Procedures and Frequency for Tendering Services**

See TMP2

### **TMP 12: CORPORATE GOVERNANCE**

#### **12.1 List of Documents to be Made Available for Public Inspection**

- a) The Council is committed to the principle of openness and transparency in its treasury management function and in all of its functions.
- b) The Council has adopted the CIPFA Code of Practice on Treasury Management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.

## APPENDIX 5

### GLOSSARY OF TREASURY MANAGEMENT TERMS

#### Accrued Interest

Any interest that has accrued since the initial purchase or since the last coupon payment date, up to the date of sale/purchase

#### Basis Point

One hundredth of 1% e.g. 0.01%

#### Certificate of Deposit (CD)

A Tradable form of fixed deposit. They can be sold before maturity via the secondary market at a rate that is negotiable. Often issued by banks and Building Societies in any period from 1 month to 5 years.

#### Coupon

The total amount of interest a security will pay on a yearly basis. The coupon payment period depends on the security.

#### Covered Bond

Covered bonds are conventional bonds (fixed or floating) issued by financial institutions that are backed by a separate group of loans, usually prime residential mortgages or public sector loans.

#### Credit Rating

A measure of credit worthiness of a borrower. A credit rating can be assigned to a country, organisation or specific debt issue/ financial obligation. There are a number of credit ratings agencies but the main 3 are Standard & Poor's, Fitch and Moody's.

#### Credit risk

This is the risk that the issuer of a security becomes temporarily or permanently insolvent, resulting in its inability to repay the interest or to redeem the bond. The solvency of the issuer may change over time due to various factors.

#### Debt Management Office (DMO)

Debt Management Office is an executive agency of HM Treasury. They are responsible for debt management in the UK, in the form of issuing Treasury Bills and Gilts.

#### Financial Strength Rating

Rating criteria used by Moody's ratings agency to measure a bank's intrinsic safety and soundness.

#### Floating Rate Note (FRN)

An instrument issued by Banks, Building Societies and Supranational organisations which has a coupon that re-sets usually every 3 months. The refix will often be set at a premium to 3 month LIBOR.

#### Gilt

A UK Government Bond, sterling denominated, issued by HM Treasury

#### Index Linked Gilts

A government bond issued by the DMO whose coupon and final redemption payment are related to movement in the RPI (Retail Price Index)

### Interest Rate Risk

The risk that an investment's value will change due to a change in the absolute level of interest rate. Interest rate risk affects the value of bonds more directly than stocks, and it's a major risk to all bond holders. As interest rates rise, bond prices fall and vice versa. The rationale is that as interest rates increase, the opportunity cost of holding a bond decreases since investors are able to realise greater yields by switching to other investments that reflect the higher interest rate

### LIBOR

London Interbank Offered Rate: set on a daily basis. The rate at which banks lend to each other for different periods

### Net Asset Value (NAV)

Often used when funds or investment assets are valued. This term generally means the total assets less total liabilities.

### Premium

The sale/purchase of an asset at a level that is above the par value or original price. If a security is trading at a premium, current market interest rates are likely to be below the coupon rate of the security.

### Treasury Bill (T-Bills)

A Treasury Bills is a short dated instrument issued by HM Treasury. They are issued at a discount, therefore they are not coupon bearing.

### Viability Ratings

Assessment of a bank's intrinsic creditworthiness applied by Fitch Ratings Agency. Its aim was to enhance visibility on benefits of support. This replaced the individual ratings.

### Yield Curve

The yield curve represents the relationship between yield and maturity. The conventional shape being that as the maturity lengthens, the yield will increase. Each security will have its own yield curve, depending on the yield in every time period available.

London Borough of Merton Balance Sheet Projections- Cash Flow						
2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)
<b>CAPITAL FINANCING REQUIREMENT</b>						
167,459 CFR	162,566	175,452	177,304	174,015	193,462	198,369
(27,625) PFI Liabilities	(26,025)	(24,373)	(22,635)	(19,298)	(15,618)	(12,099)
(1,183) Finance Lease Liabilities	(1,110)	(10,202)	(8,810)	(7,250)	(5,706)	(16,713)
138,106 Underlying Borrowing Requirement	135,431	140,877	145,859	147,467	172,138	169,557
(111,010) External Borrowing c/f w d	(111,010)	(109,010)	(108,700)	(95,000)	(82,500)	(108,228)
- Loan Maturities	2,000	310	13,700	12,500	0	0
- New Loans	0	0	0	0	(25,728)	(8,767)
(111,010) External Borrowing	(109,010)	(108,700)	(95,000)	(82,500)	(108,228)	(116,994)
27,096 Under / (Over) Borrowing	26,421	32,177	50,859	64,967	63,911	52,563
20% <i>Underborrowing as a % of Underlying Borrowing Requirement</i>	20%	23%	35%	44%	37%	31%
<b>RESERVES / BALANCES, INVESTMENTS &amp; WC</b>						
14,000 General Fund Balance	14,000	14,000	14,000	14,000	14,000	14,000
(16,383) Collection Fund Adjustment Account	(16,383)	(16,383)	(16,383)	(16,383)	(16,383)	(16,383)
98,356 Earmarked reserves (excl. Schools)	80,935	72,071	77,009	88,434	88,095	88,095
11,728 Schools (excl. DSG)	11,728	11,728	11,728	11,728	11,728	11,728
(24,981) Schools - DSG (future yrs drawn early)	(104)	(104)	(104)	(104)	(104)	(104)
451 Capital Receipts Reserve	0	0	0	0	0	0
9,958 Provisions (exc. any accumulating absences)	9,958	9,958	9,958	9,958	9,958	9,958
23,875 Capital Grants Unapplied	27,574	22,419	27,039	32,795	38,166	38,166
13,783 Capital Grants Receipts In Advance	6,767	6,726	6,954	7,182	7,410	7,638
130,787 Amount Available for Investment	134,475	120,416	130,201	147,610	152,871	153,099
(70,743) Debtors	(70,743)	(70,743)	(70,743)	(70,743)	(70,743)	(70,743)
107,319 Creditors	107,319	107,319	107,319	107,319	107,319	107,319
(1) Stock / WIP	(1)	(1)	(1)	(1)	(1)	(1)
(7,067) Balance LT Debtors	(7,067)	(7,067)	(7,067)	(7,067)	(7,067)	(7,067)
- Balance of LT Liabilities	0	0	0	0	0	0
5,390 Deferred credits / receipts (non-capital)	5,390	5,390	5,390	5,390	5,390	5,390
34,898 Working Capital (Deficit) / Surplus	34,898	34,898	34,898	34,898	34,898	34,898
(27,096) (Under) / Over Borrowing	(26,421)	(32,177)	(50,859)	(64,967)	(63,911)	(52,563)
138,589 External Investments/(Borrowing Requirement)	142,952	123,137	114,240	117,541	123,858	135,434
(10,000) Strategic LT Investments (eg Property Funds)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
128,589 Adjusted External Investments/(Borrowing Requ	132,952	113,137	104,240	107,541	113,858	125,434

## Workforce Strategy Action Plan

The shape of the workforce in Merton is developing to reflect new service delivery models and to support the organisation to achieve its business objectives and outcomes. We will still deliver similar services, but through a number of new ways for example through our partners, shared services and efficient delivery models. This plan is being reviewed in response to the priorities and principles outlined in Merton 2030 and will come forward for agreement in 2022/23.

Overall what we want to achieve is:

Correct alignment of workforce size, skills base

- An agile workforce, which is responsive to changing needs
- A workforce which is representative of and sensitive to the community which it serves
- HR policies which are clear and consistent, and which are focussed on a manager-led approach to managing staff issues.

The composition of Merton's current workforce requires changes to ensure our continued success, meet future requirements and to better reflect our communities. We need to be able to accurately predict the shape of the workforce we will need to deliver our strategic plans and our services.

Each Directorate will:

- Design the future shape of the workforce to best match its service delivery plans and financial context
- Determine organisational structures which support future delivery models and determine the desired combination of directly employed staff, shared services, externalised work, agency workers and volunteers as well as appropriate spans of control for each service area
- Review and action requirements to reflect legislative and regulatory changes as they emerge (e.g. Care Bill, BSF and Children and Families Act)
- Collaborate with strategic partners to develop a mobile and agile workforce serving the residents of Merton, develop new models such as inter-organisational working, partnerships and volunteering
- Develop first class customer service behaviours to meet our resident's needs through new service channels where appropriate
- Ensure that all statutory CPD requirements are met
- Ensure that effective change management practices are applied to support employees through any transformation
- Put in place accurate workforce plans
- Promote a healthy workplace, including initiatives on mental health and wellbeing
- Manage their resources effectively

All of the above actions will be monitored through CMT.

The HR function will support the Directorates by a range of actions that will enhance and simplify the processes that managers use in order to provide them with a toolbox of tools, techniques policies, processes and frameworks that are fit for a modern agile workforce. The rapid move to home and remote working and the ongoing need to social distance means that our workforce are now much more reliant on digital solutions and this has caused us to rapidly re-think our learning and development delivery model and fast track our digital offering.

The Action Plan is addressed under the following headings:

- Employee Engagement
- Health & Wellbeing
- Diversity and Equality
- Leadership
- Management Development
- Raising our Performance
- SMARTER Working
- Attraction & Selection
- Apprenticeships/Schools/Graduates
- Essential Training
- Member Development
- Contract Management

*The far right column highlights were future decisions will be made on each action.*

Area of Activity	Specific Action	Outcome required	Responsibility of	Delivery date	Progress	RAG/Decision Making
<b>Employee Engagement</b>						
Communication and Engagement	Work with the communications team to put in place an employee engagement strategy	Continued high levels of employee engagement	Head of Comms/Head of HR & Head of OD	Done	Overall communications strategy is has been developed. Communications strategy for Remote Working has been developed. Staff engagement surveys and regular pulse surveys are taking place.	CMT



Regular pulse surveys	To undertake short rapid pulse surveys on key identified topics in order to gauge employee opinion	Continued high levels of employee engagement. Further action to be taken as identified through survey	Head of Comms/Head of HR & Head of OD	Ongoing	Feedback from the first and second pulse survey was very positive and engagement high. Communication during a period of crisis was very well received. Directors are now continuing their 6-8 weekly live broadcasts with their teams, also well received	CMT
Bi-Annual Employee Engagement Staff Survey	To roll out the bi annual survey, benchmarking against previous results and supporting directorate response to issues raised	Continued high levels of employee engagement. Further action to be taken as identified through survey	Head of OD	Sept/Oct 20	Survey has taken place and Directorates are working on action plans, which will also feed into the new Workforce Strategy	CMT
Employee Benefits	To continue to review and monitor our employee benefits offering	To provide staff with a range of cost saving benefits	Head of HR & Head of OD	Ongoing	Currently reviewing E-Car salary sacrifice / another supplier for Cycle to Work / general Employee Benefit provisions	CH / CMT
Unions (Not DCC's)	Keep Unions engaged and informed through weekly meetings	Ensure a healthy relationship between Unions and HR	Head of HR	Ongoing	Unions and HR have weekly meetings. Unions are engaged and encouraged to provide feedback on HR initiatives. They feel engaged and informed	HR
<b>Health and Wellbeing</b>						
Promote a healthy workplace	Work with Public Health to develop a Business Case/Programme of training initiatives	Develop a plan of deliverables and RFQ's over 18 months to support positive Workplace	Head of OD	Oct/November20	The London Healthy Workplace Charter is looking to be replaced, so the implications of achieving this are being reviewed. Regular support provided for staff via the Merton HUB on all aspects of	HR

		Mental Health (incl. Mental Health First Aiders and Mental Health Champions)			health and wellbeing with a particular focus on mental health and resilience	
Develop Programme of Mental Health First Aid Champions	Work with Public Health to roll out a programme of Mental Health First Aid	To enable capability within Merton to support Mental Health issues	Head of OD	Sept/Oct 20	Currently 23 Mental First Aiders on the Hub, trained and available to support staff	HR
Promote external support for Mental Health	Leadership Group session for senior managers Promote wider to all employees	To provide staff with sources of advice and support for mental health issues	Head of OD	Ongoing	A range of ongoing training programmes have been commissioned / delivered by our Training providers / EAP provider and through partnering with Able Futures  HUB pages have been refreshed and updated to include a range of free tools and information for staff	HR
Employee Assistance Programme Training	Provide training for staff on the EAP	To maximise the benefit that staff can achieve from Merton's EAP	Head of OD	Ongoing	See above ...	HR
London Healthy Workplace Charter	To obtain accreditation against the Charter	By meeting the charter standards Merton will improve staff knowledge on how to improve their wellbeing	Head of HR	Oct 21	CMT have committed to Merton gaining accreditation of the London Health Workplace Charter however, the Mayor is replacing this so preparation is underway by Merton to review against the Commitment level of the programme during 2022	CMT

<b>Equality and Diversity &amp; Anti-Discrimination</b>						
To support Staff Forums	To enable staff forums to be set up, provide support to the relevant Chairs and Executive Director	Enable diverse groups to have a voice. Progress actions identified where possible	Head of HR & Head of OD	Ongoing	Equality and diversity steering group now to support a plan of action. An Annual Equalities and Employment report is being produced each April and will be a public document. Merton have signed up for and been accepted as a pilot for the WRES. All 9 areas of the WRES standard can and will be reported against for all equality strands across the whole Council	<b>HR/BAME /Staff Forum (Consultation &amp; Engagement)/ Equality &amp; Diversity/ CMT final decision</b>
Race at Work Charter	Provide support to the actions identified as part of the Charter requirements	Enable Merton to achieve charter accreditation and progress actions identified	Head of HR		CMT are awaiting a paper from the BAME Staff Forum on the benefits of becoming a Member of the Race at Work Charter for their consideration.	<b>HR/BAME /Staff Forum (Consultation &amp; Engagement)/ Equality &amp; Diversity/ CMT final decision</b>
Diversity monitoring	Improve the diversity reporting on training events, organisational make up, recruitment and employee relations	Enable Merton to make informed decisions based on accurate and timely data	Head of HR & Head of OD	Ongoing	Reporting will be improved through the Annual Equalities in Employment Report which will be produced in April each year, will be a public document. Results will be reported to CMT and to the Equality Steering Group who will monitor progress against any actions. An action plan has been drawn up	HR
Diversity training	Unconscious Bias training	To enable all Merton staff to understand cultural	Head of OD	Ongoing	Ongoing courses have been commissioned and delivered Work with BAME Forum to assess content and adapt training if required	HR

	Diversity & Inclusion – (E-learning/Webinar)	differences and how they may be perceived	Head of OD	Ongoing	A new E-learning training course is in place. Reporting on completion is reported to CMT monthly.  Ongoing Diversity and Inclusion webinars have been delivered with BAME Forum supporting the assessment of content and training adapted as required	HR
Inclusive employer	Ensure that recruitment campaigns promote Merton as an inclusive employer	Increase applications from diverse communities	Head of HR		This has been done and is ongoing. Senior appointment panels are now all supported by a BAME panel member. We regularly report on the number of BAME candidates applied, shortlisted and appointed.	HR
Remove any barriers to internal career progression	Identify and address barriers preventing internal applications from diverse groups	Increase the number of internal promotions from diverse groups	Head of OD		Training to include <ul style="list-style-type: none"> <li>• Diversity &amp; Inclusion</li> <li>• Selection &amp; Assessment</li> <li>• Unconscious Bias</li> </ul> BAME Forum to be engaged	<b>HR / BAME Forum</b>
Ensure fairness of opportunity at Merton learning events	Encourage and promote all Merton learning and development to diverse groups. Report and monitor on take up	Ensure fairness of opportunity for diverse groups	Head of OD		Training courses and initiatives delivered through a blended approach i.e. classroom based and online to meet diverse needs of the workforce. Due to CV-19 a more online approach to be taken which will with accessibility with staff not having to travel between sites to access training. All training advertised in regular Staff/manager bulletins, L&D Hub Page & iTrent.	HR

					Latest HR Metrics report on the L&D Equality Analysis showed an equal representational attendance across all training.	
<b>Leadership</b>						
London Leadership Programme	Manage nomination process annually and enrolment on scheme	Develop and build up Merton's leadership capability	Head of OD	In Progress	1 x nominees –We are waiting to hear whether the course will be repeated this year given the pandemic	CEO
Develop a course for Merton's Senior Managers (c.70)	Complete Pearl Catchers programme and proposals for next steps	Enable managers to perform as fully effective complaint managers	Head of OD		Leading Change - 4:4 Delivered Authentic Leadership - 4:4 Delivered Systems Thinking - 3:4 Delivered Talent Management 1:4 Delivered Outstanding programmes now all commissioned	HR
Put in place Leadership Apprenticeships		Supporting leadership talent	Head of OD	In Progress / Ongoing	Review of Strategy and support for apprentices and managers in the organisation agreed	HR
<b>Management Training</b>						
Induction	Develop new on-line "Being a Manager in Merton" induction programme	To enable managers on Merton's management processes	Head of OD	Ongoing	On line induction programme has been designed and has been delivered	<b>DMT /CMT arbitration if required</b>
Management Development	Develop a suite of on-line training modules for new and aspiring managers	To support and increase management capability	Head of OD	Ongoing	Training and Development continue to be delivered via webinars	HR

Leading Remote Teams	Webinar learning on “How to Lead Remote Teams”	To support and increase management capability	Head of OD	Ongoing	New Training and Development programmes are being delivered via webinars	HR
<b>Raising our Performance</b>						
Performance Management	“Managing Performance and Difficult Conversations Remotely”	To support and increase management capability	Head of OD	Ongoing	New Training and Development programmes are being delivered via webinars	HR
Appraisals	Business case and implementation for new on line appraisal process/software	To provide a customer friendly, cost effective process with excellent reporting capability	Head of OD	March 23	Revision to the paper appraisal process have been put in place. Work on an on line appraisal process has been had to be deferred during the pandemic but will be a high priority focus during 2022 and as part of the refresh of the Strategy	CMT
Talent Management	Develop & embed a talent management programme	To encourage development and retention of talent	Head of OD	April 21	Predicated on Appraisal conversations and employee self-nominations	CMT
Succession Planning	Develop & embed succession planning programme	To increase organisational resilience and retention of talent	Head of OD	April 21	Being refreshed as part of the new Workforce Strategy	CMT
Leadership	Develop HIPO Leadership Training Programme	To encourage development and retention of talent	Head of OD	June 21	Being refreshed as part of the new Workforce Strategy	CMT
Review remuneration for	Analyse market trends and develop	Core professional and	Head of HR		Children’s social care recruitment micro site has been developed with	CMT

hard to recruit roles	cost effective solutions	business critical skills are attracted and retained			improved design and hopefully engagement with candidates.	
<b>SMARTER Working</b>						
Policy	Put in place Policy, Procedure and Guidance	Providing a framework for SMARTER Working compliance	Head of HR	August 20	Completed	<b>CMT</b>
Support Travel policy roll out	Ensure that policies and processes support the second phase of accommodation and travel strategies	Ensure that all staff understand travel options in the Morden area	Head of HR	April	Provide appropriate guidance and support the removal of parking permits as per the review dictates. Removal of car loan to also be consulted on through the consultation process for staff on other parking proposals. This work stalled during the pandemic during which time parking ceased to be an issue with so many staff working from home. A further paper will be taken by CMT in the new financial year.	<b>CMT</b>
Merton HUB	Maintain and update the Merton HUB with any SMARTER Working advice, guidance, videos	Enable organisational understanding of SMARTER Working options	Head of HR	Ongoing	Completed	<b>HR</b>
HR Operating Model	Advise CMT on the most efficient and cost effective,	Enable Merton to receive appropriate HR	Head of HR & Head of OD	Sept 2020	Options paper currently with the CEO for his consideration before being submitted to CMT	<b>CMT</b>

	value for money HR operating model	Advice and support				
<b>Attraction and Selection</b>						
Making the most of our ATS System	Comprehensive management reporting on all the stages of recruitment Working with the supplier to understand full system functionality and what that could bring to Merton	Best value from the system	Head of HR	Ongoing	ATS working well and well liked by Merton managers. Further functionality has been rolled out.	HR
Develop our employer brand	Identify an employer brand for Merton Ensure excellent recruitment web pages are available including videos (Snr Mgt & staff) Access to on-boarding e-learning before arrival	Merton Council perceived to be an employer of choice attracting high quality candidates	Head of HR	April 20	Apprenticeship and Graduate pages have been updated. Job page updated. Our branding on Guardian on-line matches our branding on our job pages. Social worker pages have been updated and well as our social media channels	HR
Reduction of agency and interims	Reduce number and convert to perm or remove	Reduction in number and cost of off payroll workforce	Head of HR	April 21	Further reduction requires CMT support to progress and will be picked up in the refresh of the Workforce Strategy	CMT



Reduce cost of agency and interim workforce	Mandatory 2 weeks annual leave at Xmas roll out of year 2 of this initiative	Health and wellbeing of off payroll workforce and saving for Council	Head of HR	Dec 20	Costs have been escalating but this is due to the increased requirement for resource due to the pandemic which is unavoidable and necessary	HR
Recruitment and Selection Training	RFQ for on-line Recruitment and Selection E-Learning	Provide appropriate skills training for all Managers who are required to recruit	Head of OD	Aug / September 20	Now live	HR/ <i>BAME</i>
<b>Apprenticeships, Schools and Graduates</b>						
Apprenticeships Training Tender	Re-tender Apprentice training providers as a framework	Ensure best value for Merton and streamline process and increasing efficiency of resources	Head of OD	Dec 2020	Provider contracts in place	PB/OP/CMT/ Cabinet
Information for Apprentices	Refresh Merton Intranet (HUB) L&D pages/Apprentice Guidance		Head of OD	Aug 20	Refreshed to reflect new strategy and approach	HR
	Develop Apprentice Videos for website		Head of OD	Sept 20		HR
Management apprentices	Launch of new Level 5 Management Apprentice cohort		Head of OD	October 20	Roadshows held	<i>HR/ DMT</i>
Schools Apprentices	Launch of schools L3 Apprentice cohort		Head of OD	October 20	Promotional material developed for schools return	<i>HR /CSF DMT</i>

	Develop Schools specific intranet material		Head of OD	Aug /Sept 20	Developed Apprentice Engagement Checklist	<b>HR/CSF DMT</b>
Increase the number of apprenticeships	Increase the number of apprenticeship places	More apprentices	Head of OD	Ongoing	New strategy in place	HR
Increase apprenticeships through our contracting	Put in place a formal process which ensures contractors are making best use of apprenticeships	More commitments to apprenticeships within specifications and contracts	Head of OD	April 20	<p>The Council's Social Value policy, toolkit and guidance is in place which contains guidelines for apprenticeships.</p> <p>Working with Procurement and Future Merton we now have identified all contracts let across the Council and have commenced engaging with Conway and contractors of high value spend to identify apprentices engaged (as a result of the award) to count towards our Apprentice/Contractor figures.</p> <p>Additionally, we will seek to apply the appointment of local Apprentices within the award criteria of all new contracts let in excess of £100,000 (as part of the Social Values Toolkit)</p>	<b>CMT / HR to deliver</b>
Develop a menu of higher level apprenticeships	Two cohorts supported through 19/20	Ensure take up of higher level apprentices	Head of OD	Sept 20	The council is able to support higher level apprenticeships. Developed a dedicated page within Merton website and reviewed our	HR

		across the organisation			Intranet pages to provide details of current Apprenticeship courses available.	
Working closely with CSF to ensure provisions are made for apprenticeships for vulnerable people to include looked after children and care leavers	Enable Looked After individuals to participate in apprenticeships at Merton Council	Well-supported young people progressing well through apprentice training	Head of OD	April 20 / Ongoing	No. of Apprentices who are Merton residents.  Non Schools - 101:23 Residents Schools – 30 of which 8 Residents  Working with CSF (Elaine Smith and Melissa Stewart) to discuss ways to be more inclusive of looked after children. The new Apprentice processes will support this initiative with Towards Merton now engaged at outset of Apprentice recruitment process and added to Redeployees database to receive job alerts as roles are advertised internally	HR
Aim to replace longstanding agency assignments with apprentices	HR to work with Snr Mgt. to encourage them to convert to apprenticeships where possible	Less agency staff and more apprentices	Head of OD	Ongoing	To be incorporated into DMT Apprenticeship Roadshows – Need to promote opportunities for engaging Apprentices over Agency at the RAF stage. Comensura report from now identifies roles with live recruitment campaigns	HR/DMT
Graduate Development Programme 2020/21 Cohort	Graduate programme for 20/21	AD Proposals	Head of OD	Completed but will work towards the 21/22 cohort	New Graduate programme “Cohort 22” agreed	<b>CS DMT / CMT</b>

<b>Essential training</b>						
Induction	Develop new on-line Induction programme	To support on-boarding of new staff	Head of OD	September / October 2020	Completed	<b>DMT /CMT arbitration if required</b>
Template of training needs	Complete Training Induction pathways	To ensure that all staff are clear what training they need to complete to achieve their career aspirations	Head of OD	July 20	Completed Learning Pathways live on the HUB	<b>HR/DMT</b>
Re-tender and move to on-line learning	Re-tender Essential Skills training providers as a Framework (Recomissioning to Webinar modules)	Ensure essential skills training is available for all staff through digital delivery	Head of OD	Jan 21	In progress and will also be addressed through new Workforce Strategy	<b>PB/OP/CMT/Cabinet</b>
Essential skills	Re-tender essential skills training to E-learning modules where appropriate		Head of OD	Nov/Dec 20	Completed	<b>HR</b>
Safeguarding	RFQ for On-line L1 Safeguarding Training		Head of OD	Aug/Sept 20	New Training has been launched	<b>HR</b>
Information Governance	Purplefish training Implementation	Introduce Cyber security training across the Council	Head of OD	Aug 20	New training due in April	<b>HR/ CS DMT</b>
<b>Member Training</b>						
	Management of Residents Event for 2022		Head of OD	Nov 20	Delayed due to Covid	<b>SGPC</b>

	Develop 2022 Members Training Programme (& material)		Head of OD	June 21	Papers being taken to S&GP Committee in March 2022	<i>HR /CS DMT</i>
<b>Contract Management</b>						
	Retender Occupational Health		Head of OD	June 21	Contract agreed	OPG/PG Cabinet
	Retender Comensura Contract		Head of OD	Sept 21	Cotract agreed	OPG/PG Cabinet
	Retender Employee Benefits/EAP		Head of OD	April 21	Agreed	OPG?

## PROCUREMENT STRATEGY \_ DECEMBER 2021

### INTRODUCTION

The National Procurement Strategy defines Procurement as:

*“The process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process spans the whole cycle from identification of need, through to the end of a service contract or the end of the useful life cycle of an asset. It involves options appraisal and the critical ‘make or buy’ decision which may result in the provision of services in house in appropriate circumstances”*

Although the definition is primarily about procurement, it also about the need to secure sustainable services, products and outcomes that meet the needs of the community we serve. Strategic procurement also encompasses collaboration, including the need to develop partnerships, consider delivery options and ensure value for money for every pound spent.

Merton has taken the approach of investing in and using its procurement team more effectively. Procurement and commissioning should be at the heart of the authority’s thinking because procurement is not solely about compliance, although it is required. More importantly, procurement is necessary to help deliver benefits to our communities through specifying additional social value and engaging with local companies and voluntary sector groups.

This document sets out the Council’s strategic approach to procurement for the next four years. It is not intended to be a procurement manual; however, the principles should be applied to all procurement and commissioning, recognising that procurement must work closely with our health and social care colleagues to deliver value for money from all commissioning and procurement.

Consideration of this strategy is not optional - it is to be read in conjunction with the Council’s Contract Standing Orders (CSO’s).

The Procurement Strategy emphasises the continuing importance of sustainable procurement being used to support wider social, economic and environmental objectives in ways that offer real long-term benefits to the residents of this borough.

Cost reduction and efficiency targets will not be achieved if the Council fails to approach competition positively, taking full account of the opportunities for innovation and genuine partnerships, which are available from working with others in the public, private and Voluntary, Community and Faith Sectors (“VCFS”).

This strategy provides a corporate focus for procurement. It embraces the Council’s commitment to strategic procurement and sets out the Council’s aspirations. More detail on procurement processes and procedures will be found within the Contract Standing Orders, the Procurement Toolkit, and the Social Value Toolkit all of which can be found on the procurement and Commercial Services team pages of the intranet.

The strategy will contribute to delivering the long-term goals of:

- The Business Plan 2022-26
- The MTFS
- Divisional Service Plans
- Community Plan

The principal means of disseminating detailed procurement guidance are Commercial Services (including the running of various monthly training sessions), quarterly procurement forums, the departmental Operational Procurement Groups (OPGs), the corporate Procurement Board (PrB) and the intranet.

## **OBJECTIVES AND BENEFITS**

The overarching objectives of this strategy are:

- To evaluate and improve current procurement practices to achieve better value for money and to ensure customer/client needs are met
- To ensure best practice examples are identified and applied consistently across the organisation
- To align procurement activities with other strategies adopted and to ensure that corporate objectives are addressed
- To ensure that current and future procurement activities are planned, monitored, and reviewed effectively including identifying opportunities for collaboration with both private and public sector bodies as well as the VCFS
- To ensure the delivery of a category management approach to commissioning and procurement, across the entire organisation
- To strengthen the knowledge and skills of all officers involved in procurement and commercial activities

In taking this strategy forward, the Council expects to realise the following benefits:

- Demonstrate continuous improvement and achieve value for money through the efficient procurement of goods and services
- More efficient procurement processes
- Better risk management
- Strategic procurement planning
- Effective spend analysis and measurable cash savings
- Proactive contract management
- Greater use of standard processes and templates
- Compliance with appropriate legislation
- Compliance with the Council's Contract Standing Orders
- Collaboration, including with other authorities, local businesses and the VCFS
- Use of the e-Tendering system, exceptions agreed in advance
- Reductions in challenges to our procurements
- Encourage communication and interaction with local and national suppliers to

understand their views

- Develop relationships between the Council, the business community and the broader voluntary sector which create mutually advantageous, flexible and long term relations

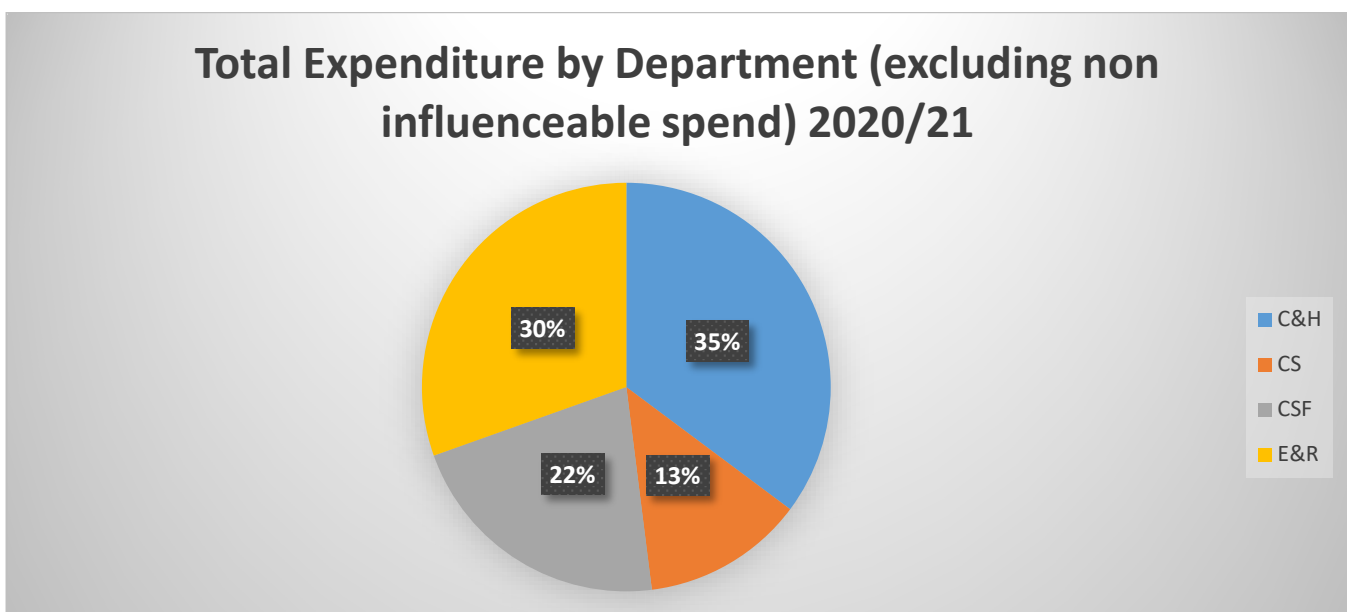
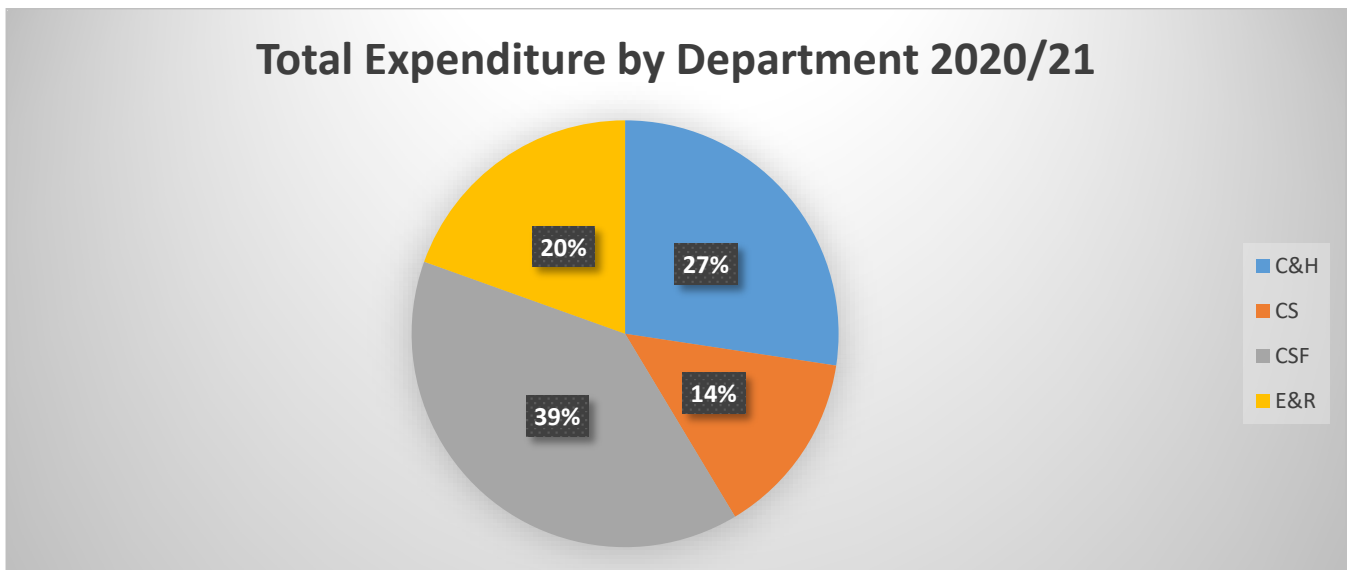
Our vision for procurement is to provide a first class service for our residents whilst we build on best practice to ensure value for money in all our procurement exercises.

## OVERVIEW OF PROCUREMENT AND COMMERCIAL SERVICES

The London Borough of Merton spends approximately £200m each year on goods and services on behalf of Merton’s residents. Of that £200m, the Council was able to influence approximately £120m for financial year 2020/21.

The range of goods and services is varied but includes services for schools; waste collection; care services for children and adults; maintaining the highways, parks and services; encouraging business growth; and major construction works.

### Updated expenditure 1 April 2020 – 31 March 2021





Commercial Services is part of the Infrastructure & Technology division of the Corporate Services department. It was set up specifically to provide professional procurement and commercial advice, guidance and support to the departments and responsible officers. Procurement in the Council takes place across all departments and is undertaken in what is called a 'devolved' model. This means that responsible officers in the departments undertake day-to-day operational procurement.

Following a review in 2017, it was agreed to pursue a centre-led approach.

The consolidated category management approach for high value, high risk expenditure with devolved responsibility for low risk, low value expenditure ensures a common strategic approach to sourcing and supplier management, driving much needed Value for Money and savings.

The revised approach provides Departments with a level of local control and influence with respect to commissioning, brokerage and contract management, whilst providing specialist support through a professional central resource able to assist in the development and implementation of sourcing strategies.

Commercial Services underwent a restructure in late 2017 to better support the agreed delivery model for procurement. A review of this operating model is scheduled for completion in 2021/2022.

The main objectives of Commercial Services are to:

- provide professional procurement resources to support and advise internal and external partners such that all Merton's procurement decisions deliver:
  - Council objectives by demonstrating value for money
  - Synergies with the Council's MTFs
  - The effective use of resources
  - Expenditure that is managed strategically to achieve social and community benefits
  - Continuous improvement in service delivery
  - Deliver efficiency savings over a three-year period through the implementation of category management
- lead the implementation of the Council's Category Management approach and its Make or Buy agenda by providing a professional procurement service to all clients across the Council.
- be responsible for the development and delivery of robust, overarching Category Management plans, working alongside clients to profile and deliver the service areas procurement and commissioning strategies.
- provide strategic commercial advice as and when required
- provide specific advice on EU Regulations, UK Public Contracts Regulations, and associated areas, including latest case law
- drive best practice in procurement
- provide spend data and analysis and to assist in the Identification of potential

savings opportunities, fraud, areas of collusion and areas of collaboration

- ensure the Council's contracts register is kept up to date by working closely with colleagues via departmental OPGs. Responsibility for entering information onto the contracts register and ensuring that the information is up to date and accurate, rests with the departments
- engage with partners and potential partners with the objective of streamlining the procurement process, i.e. making the Council an easier organisation with which to deal
- ensure that officers involved in procurement hold the correct level of knowledge, and to provide skills training where appropriate
- provide up to date support via the intranet, toolkits, procurement guidance and advice.

Procurement is not simply about lowest price; rather it is a strategic tool to ensure that we receive best value whilst putting the needs of Merton's residents first.

Effective procurement and commissioning is about managing the whole life cycle of the goods and services we procure, and ensuring that specifications are right and fit for purpose with clear outcomes and purposes.

The Council adopted a Procurement Governance and Gateway process that comprises four key elements: the Procurement Board; the Procurement Gateways; Departmental Operational Procurement Groups (OPGs); and the Risk Assessment Tool. These four elements are designed to work together to enable the Procurement Board to exercise effective oversight, control and to provide direction to procurement activity Council wide.

The Council is currently in the process of rolling out its Social Value Measurement Charter.

Social Value is about leveraging external spend and relationships to maximise the additional benefit that can be created by procuring or commissioning goods, works and services above and beyond the benefit of the goods and services themselves.

Built as an Excel spreadsheet, the Social Value Measurement Charter is a way in which bidders can identify areas that they can add further value to throughout the life of the contract. The submission of the charter constitutes a firm commitment which forms part of their contractual obligations should the bidder be successful in winning the tender. Proxy values mean that the completed SVMC achieves a 'score' which can then be evaluated objectively and compared against other bids.

Since 2017/18:

- the Council's Contract Standing Orders (CSOs) have been revised and updated twice;
- the use of the Council's e-tendering portal for all procurements, has been reinforced;
- departmental OPGs have been revived;
- the implementation of category management commenced;
- the procurement toolkit refreshed alongside a new contract management toolkit; and
- Procurement Forums have been re-introduced.

2020/21 saw the continued implementation of category management across the entire organisation (somewhat delayed due to the ongoing Covid-19 pandemic and its impact on business as usual for both Merton and its supply chain), the roll out of a more robust approach to contract management as well as the deployment of a new spend analysis tool. Processes and procedures were also amended to take into account the UK's exit from the EU.

2021/22 will see a review of the current operating model. This is to ensure that the Council has a holistic view of its procurement and commercial capabilities and to ensure that it can meet the requirements as set out in PPN 05/21: Procurement Policy Note – National Procurement Policy Statement (June 2021), as well as deliver against the new procurement regulations (once published).

## KEY THEMES

### a. Value for Money (VFM)

As ever, the Council will need to make substantial year on year savings for the ongoing future. Every pound spent must deliver true value to the community, whether that is by better management of our existing contracts, proactive spend analysis, being more commercially astute, or through reviewing current services and potential delivery models.

Knowing how, where and on what our money is spent is being used to drive a supplier review to maximise savings. During 2021, the Council invested in additional functionality of its e-financial system - with the specific aim of providing more robust spend data and analytics.

2022 will see the deployment of this tool as historic data is uploaded to provide as full a picture as possible of Merton's spend, as well as enabling the Council to review its supply base. Complementing this will be the Council re-let P-Card contract. Access to greater management information will enable the Council to further reduce its off contract spend.

Additional efficiencies can be realised by reducing the overall number of suppliers. This exercise will also help us to develop and shape supply markets, define the skills to develop the market and to negotiate better outcomes for the Council and service users.

#### ***Principal Objectives***

- Undertake regular spend analysis of the Council's full non-pay spend with recommendations in how to identify and capture efficiencies
- Supply base review and rationalisation
- Make / buy reviews of services
- Challenge specifications and assumptions around strategic contracts

## b. Category Management

By grouping together products and services according to their function (e.g. care, construction, transport, professional services etc.) the Council can better manage the overall spend, whilst maximising our buying power and achieving economies of scale.

A 'Category' is an area of spend determined by known market boundaries separating different products or services. Category Management recognises that suppliers within a certain market are likely to have similarities that enable a tailored approach to procurement.

We continue to develop our capacity and capability in Category Management to support the major commercial decisions the Council is facing. We will add value to projects we support, bringing commercial insight and support throughout the commissioning lifecycle. Recognising this challenge, we will also develop our staff through a revised professional training programme. It will also enhance their relationship and partnership building skills. This means they will spend less time involved in the administrative task of running tenders and spend more time with customers, commissioners and our major suppliers.

### *Principal Objectives*

- Develop a suite of category strategies to drive further savings and efficiencies
- Embed a category management approach across the Council
- Category management specific training programme

## c. Contract Management

We will manage our major contracts more actively to drive continuous improvement in performance and efficiency and further develop contract management across the Council. We will provide greater visibility of the performance of our top contracts to help to improve the management of major suppliers and ensure they are delivering against the agreed performance standards.

By reviewing strategic contracts and adopting a more commercial approach to the management of our key contracts, we will ensure that improvements and efficiencies are delivered.

We will also work with operational contract managers in departments to build on best practice and provide training in contract management techniques.

The outcome of this change will be measured by the monitoring of contract performance and by the identification of improvements in performance levels and additional efficiencies during the life of a contract. Furthermore, as we develop stronger relationships with our key suppliers, we will be recognised as their 'customer of choice' that may lead to increased market intelligence and therefore improve our opportunities for innovation in the marketplace.

Through a clear commercially led approach to contract management, we will ensure a greater focus is directed towards obtaining the required outcomes. This will include increased monitoring, management of supplier performance through robust SLA's and KPI's (including the delivery of community benefits), and where performance is not being achieved, an action and improvement

plan will be implemented.

**Principal Objectives**

- Reduce non-contracted spend
- Embed contract management principles across the Council
- Hold regular performance meetings with suppliers
- Set clear and proportionate KPI and SLA targets for suppliers
- Link payment to performance (where appropriate)

**d. Partnering and Collaboration**

Partnering means the creation of sustainable, collaborative relationships with suppliers in the public, private, social enterprise and voluntary sectors to deliver services; carry out major projects; or acquire supplies and equipment.

Partnerships can be beneficial and integrated in service delivery, but it needs to be recognised that this is not necessarily an easier contract style - indeed, partnering agreements are likely to be more challenging than traditional contracts. A partnership agreement will therefore require careful preparation and procurement. Partnering should be considered when engaging in best value reviews of services as a potential alternative to established methods of service delivery.

When formulating our procurement strategies, we will ensure that we take account of potential opportunities afforded by partnering and collaborating. We will also look at existing framework agreements when considering any future options for procurement and where appropriate the use of any national, regional or pan London procurement arrangements that fit with the Council's strategy.

Collaboration describes the various ways in which councils and other public bodies come together to combine their buying power, to procure or commission goods, works or services jointly or to create shared services.

Collaboration is a form of public partnership; its major benefits are economies of scale and accelerated learning.

We will ensure that contractors and partners have priorities that align with those of the Council. We will also ensure that they understand how these contribute to the Council's performance.

The Council will actively participate with other authorities and organisations where appropriate and feasible, to seek economies through joint procurement, joint commissioning, framework agreements and shared services.

**Principal Objectives**

- Work with other public bodies to seek joint partnering and collaboration opportunities
- Investigate the greater use of collaborative contracts
- Look to use existing framework agreements where appropriate

### e. Market Management

The Council will continue to work with a more diverse group of providers. In some areas there are strong markets but in others, they are either small or not yet developed. The Council will make full use of all the different methods of delivery available, including joint ventures, public, private and VCFS options. Through procurement, we will support the growth of local businesses and other organisations by encouraging the use of local suppliers. Whilst staying within the legal constraints of public sector procurement, the Council will encourage local suppliers to work with us, recognising and exploiting the ability to create a positive climate for firms based in Merton. The Council will endeavour to support a thriving local business sector, providing opportunities for suppliers to develop the capacity to win future contracts from the Council and other public sector partners.

This approach recognises that by encouraging sustainable high quality local employment, the Council is reducing the demand and thus cost of other public services. The Council will seek to encourage innovation, improve skill levels in Merton, create jobs and retain money in the local economy.

#### **Principal Objectives**

- Identify where market capacity may be weak and where new markets may need to be developed
- Encourage suppliers to develop innovative approaches
- Foster a collaborative approach to procurement
- Work to increase the proportion of spend with SME's and VCFS
- Take steps to promote and encourage local economic growth e.g. reducing the barriers to SME and VCFS participation
- Hold regular supplier engagement events

### f. Supplier Relationship Management

The Council will build strong, long term, positive relationships with suppliers across all sectors, not just when actively procuring goods and services but also when considering alternative delivery models e.g. social enterprises.

The Council will establish strategic relationships with suppliers to ensure that both parties are delivering against the commitments within the contract and build upon mutual experience and knowledge to embed continuous improvement practices throughout the contracted period. Effective engagement with suppliers will also inform future specifications. This will ensure that the Council is approaching the market place with requirements that meet clearly defined needs and are commercially attractive to potential bidders.

The Council commits to making all procurement activity fair and transparent as well as encouraging a diverse range of potential bidders to participate.

A suite of standardised documents and contracts will be developed for use across the Council to ensure consistency and to make the procurement process more accessible to suppliers.

**Principal Objectives**

- Engage with key suppliers in all sectors
- Robust contract management
- Explore new models of service delivery and welcome dialogue with communities and suppliers to establish new and innovative procurement practices
- Encourage a diverse range of suppliers to work with the Council

**g. Developing People and Improving Skills**

Procurement is a key activity in sourcing the skills, services and supplies required by the Council to deliver community outcomes. The officers who undertake procurement and contract management activity are vital to the successful delivery of the Councils strategic procurement objectives. The required capacity and skills will continue to be developed in departments with support and guidance from Commercial Services.

Commercial Services will develop other ideas to encourage officer participation. These will include the offering of regular ‘drop-in’ sessions, which will allow any topic of interest to be discussed informally. In addition, specific targeted training will be developed and made available to officers/teams and divisions as required.

Regular procurement forums for all Merton responsible officers will continue to be offered. Active participation will be encouraged by the use of focus and working groups on specific topics of interest such as: toolkits, market engagement and benchmarking.

The forums will:

- Bring together all professionals across the Council working on procurement activity into a single forum
- Provide a platform for evidence sharing and best practice (both internal and external)
- Introduce and embed a co-ordinated and consistent Merton approach to procurement
- Identify savings and efficiencies opportunities

The forum is a reference group, accountable to the Procurement Board, with recommendations and updates to be fed bilaterally.

**Principal Objectives**

- Provide a career path for practitioners of procurement with clear roles and responsibilities
- Provide skills and training and learning & development opportunities for officers
- Ensure that procurement best practice advice is available via the Procurement Toolkit

## h. Systems and Processes

Continued use of the e-Tendering system has improved compliance and at the same time, it has streamlined the tendering processes.

The contracts register is part of the e-Tendering suite that is in the public domain so that any interested parties may view it. This has led to greater visibility of Council spend which will be fed into procurement and resource planning and should lead to greater opportunities for efficiency savings. It will also make it easier for members of the public to have their requests under the Freedom of Information Act 2000 (Fol's) answered quickly and efficiently.

### **Principal Objectives**

- Maintain an up to date contracts register
- Increased use of the e-Tendering system
- Investigating the strategic use of e-Auctions
- Training in the use of the procurement toolkit
- Develop a comprehensive rolling 1-3-year procurement plan

## i. Sustainable and Ethical Procurement

Sustainability is an important consideration when making procurement decisions. It ensures that we consider impact of environmental, economic and social factors of procurement decisions along with price and quality.

Merton is committed to making its spending decisions in a way that delivers both value for money on a whole life cycle basis, and achieving wider economic, social and environmental benefits. It is important to be aware of, and look for signs of unacceptable practices, such as modern slavery, fraud and corruption, in the supply chain

The Council has set targets, for its operations, of aiming to become carbon neutral by 2030, including procured services. Merton will actively consider how services are provided that are in keeping with the targets we have committed to, working with companies who are willing to take an active role in reducing the carbon footprint of their activities in Merton and for their company as a whole.

### **Principle Objectives**

- Ensure all Commercial Services staff undertake the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply
- Require suppliers and contractors to reduce the negative environmental impact of goods, works and services by considering whole life costs; ending our use of single use plastics; and reducing the carbon impacts associated with goods works and services.
- Require information from potential suppliers on how they will help us to progress our environmental objectives as part of the delivery of a contract.
- Require contractors to comply fully with the Modern Slavery Charter 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.
- Challenge any abnormally low-cost tenders to ensure they do not rely upon any potential contractor practising modern slavery.



## GOVERNANCE FRAMEWORK

Merton's procurement is governed both by UK Law and by Merton's Contract Standing Orders. These are mandatory for officers of Merton to follow.

### a. The Corporate Management Team

The Corporate Management Team (CMT) will continue to initiate and lead all procurement activity and endorse and support adherence to the procurement strategy across the Council. CMT will set the strategic direction of the Council, empower officers and hold officers to account in the delivery of the strategy.

### b. Contract Standing Orders

The Council will comply with the wide range of legislation, regulation and guidance, which governs procurement. The Council's Contract Standing Orders were recently updated to take into account the impact of the UK leaving the EU, lessons learnt over the past years as well as emerging best practice principles. The revisions to the Council's CSOs were reviewed by Full Council in July 2021, after which they became effective immediately.

Adherence to the Contract Standing Orders will be enforced to ensure the highest standards of probity and compliance, one of Merton's principles underpinning procurement activity.

### c. The Procurement Board

The Procurement Board is the primary strategic agent through which procurement activity is governed. The Procurement Board is made up of senior management officers and procurement professionals and is chaired by a Director.

The main functions of the Procurement Board are:

- Oversee the production and management of the procurement strategy
- Assure that procurement is managed competently and legally
- Ensure changes in legislation e.g. The Social Value Act (2012) and best practice are embedded in the Council's procurement practices
- Assessing whether procurement is achieving best value for the Council
- Ensuring that staff engaged in procurement have the required skills
- To be responsible for the Operational Procurement Groups (OPG)

### d. Departmental Management Teams

Departmental Management Teams will receive regular reports from their Operational Procurement Group representatives and ensure that the Procurement Strategy is being delivered effectively within their respective departments.

### e. Operational Procurement Group

The OPG's are the operational arm of the Procurement Board, and are the means through which departmental procurement activity is planned and coordinated. One OPG exists for each department and the Groups co-ordinate, risk assess and manage the flow of all procurement activity. Each group is championed by a departmental procurement lead who also attends the Procurement Board.

## **f. Procurement Gateway process**

A risk-based approach uses a series of minimum criteria and risk triggers to determine which procurement activities will come to the Procurement Board.

Currently projects need to be brought to the Procurement Board for review where:

- the total value is over £2m (or annual value over £750k)
- or the decision to award the contract is to be made by Cabinet or
- three or more risk triggers are assessed at amber level or greater. These include: political or reputational risk; impact of failure on service user; and maturity or volatility of the market.
- The contract is for a concession

## **g. Financial Regulations and Procedures**

The Financial Regulations and Procedures are the internal rules applicable to Merton's financial processes and these have also been reviewed to take account of current and recent changes in procurement practice e.g. use of Framework Agreements. Within the options appraisal carried out for each procurement project there will be included due consideration to the methods of financing the project available i.e. capital borrowing, leasing, and other alternatives.

## **h. Procurement Plans**

These plans identify the required strategic procurement activities for a period extending 1-3 years into the future. The departmental procurement plans inform the Corporate Procurement Plan, which will encompass all major procurements due in the following 1-3 years. This will allow for enhanced planning and scheduling, improved visibility and improved risk management for the Council's major procurement activities. The Procurement Board oversees procurement plans.

## **i. Procurement Templates, Toolkits and Training**

The 'Procurement Toolkit' is available to officers via the Procurement section of the Intranet. It provides specific procedural guidance and templates for procurement activity.

The Council continually reviews and updates its procurement toolkit and associated guidance. It is against this procedural guidance that individual compliance will be measured to ensure best practice, legal compliance and whether there is any off contract spend.

The Commercial Services continually works with departments to improve the toolkit and templates. The last revision was published in March 2021.

Officers are advised to book on one of the many training sessions aimed at assisting them navigate their way through the CSOs, the use of the e-Tendering portal and the Public Procurement Regulations.

## **j. The Contracts Register**

The Contracts Register is a Council-wide record of all contracts that the Council has entered into above the value of £5,000.

The Contracts Register is currently part-hosted via the London Tenders Portal as part of the Council's e-Tendering system. Responsible Officers must ensure that all contracts are entered

onto it and that they are kept up to date.

The Contracts Register will continue to be a key component to co-ordinate and risk manage procurement activity at the corporate level and will assist with Fols.

### **k. e-Procurement**

During 2019, the Council again re-let its contract for Pro-Contract. The system provides officers and suppliers with an effective and efficient way to electronically manage tender and quote processes. The system is designed to allow staff to conduct requests for quotations and tenders online, much more quickly and to allow potential suppliers to respond without the need to complete numerous paper forms.

We will ensure that the benefits of e-Tendering continue by the promotion and monitoring of the system. The use of the e-Tendering system was made mandatory as of 1 April 2012.

Improved use of the e-Tendering system will provide corporate visibility on spend and prevent duplication of processes. Improved corporate visibility will in turn allow greater scrutiny of the management of spend across the Council.

### **l. Looking to the Future**

We continue to investigate greater use of e-Auctions and Dynamic Purchasing Systems as a way of saving additional monies.

## **KEY ACTIONS**

A procurement action plan will cover the principal objectives detailed in this strategy document.

To help us achieve our vision, we are taking six key actions:

1. Undertaking an external review of our Commercial Service function across the organisation to ensure we have the correct level of skills and resources
2. Strengthening our people development plan, ensuring a continued programme of training, coaching and mentoring
3. Strengthen contract and supplier management across the Council for key contracts, identifying clear roles and responsibilities and providing professional support for service teams
4. Continue to update the procurement toolkit and templates for responsible officers
5. Increase use of partnerships and collaboration with other organisations to drive greater efficiencies
6. Strengthen the category management approach to commissioning and procurement across the Council.

By 2026, we will have:

- Delivered substantial cost savings through strategic contracting, to help meet the Council’s budget targets
- Developed a best-in-class service which is highly responsive to the needs of customers, and is valued by them as a strategic partner in developing their own plans
- Encouraged greater levels of spend with local suppliers and have thriving relationships with local businesses and VCFS communities
- Established strong partnerships with other public sector bodies to leverage best value for money

## CONTRACT ACTIVITY

List of key tenders planned for calendar year 2022 include:

Contract Title	Department
Disabled Facility Grant Fund for home improvements	Community & Housing
Support and Care Services for Adults with a Learning Disability	Community & Housing
Capital Condition Works Programme 2022	Children, Schools and Families
School Cleaning services	Children, Schools and Families
Mechanical & Electrical (M&E) Services	Corporate Services
CRM delivery partner	Corporate Services
Revenues & Benefits system	Corporate Services
Combined Heat and Power (CHP) plant for the civic centre	Corporate Services
Arboriculture Services	Environment & Regeneration
Parking PCN, permit, and cashless parking solutions	Environment & Regeneration
Environmental enforcement services	Environment & Regeneration
Your Merton various projects	All

## CONTACTING US

Please contact us if you have any questions, comments or feedback about the Procurement Strategy: E-mail: [commercial.services@merton.gov.uk](mailto:commercial.services@merton.gov.uk)

### Other useful links:

- ❖ Procurement section of the Council’s intranet: <https://mertonhub.merton.gov.uk/councilwide/policyproceduresandguidance/procurement/Pages/procurement.aspx>
- ❖ National Procurement Strategy <https://www.local.gov.uk/national-procurement-strategy>
- ❖ Local Government Transparency Code <https://www.gov.uk/government/publications/local-government-transparency-code-2015>
- ❖ Audit Commission <http://www.audit-commission.gov.uk>
- ❖ Department for Communities and Local Government <http://www.communities.gov.uk>
- ❖ Local Government Association <http://www.lga.gov.uk>

## **B) INFORMATION TECHNOLOGY STRATEGY***(this strategy is currently being reviewed as part of Modernising Merton – Enabling Information)*

### **EXECUTIVE SUMMARY**

This document sets out the Council's vision, articulated as a series of strategic objectives for its information, communication and technology infrastructure and systems architecture.

The development of the document is a result of a continuous comprehensive planning and consultation exercise involving all services across the organisation. It is guided by a number of design principles that provide a broad framework within which the strategic priorities are determined and developed. The aim of these principles is to ensure that the management and development of IT and systems complies with necessary standards and protocols and aligns with the wider strategic direction of the Council by:

- Organising information and systems around customers;
- Automating processes wherever possible;
- Consolidating and rationalising master data sets wherever possible
- Supporting joint working and shared services; and
- Reducing, as far as possible, reliance on highly technical support.

Importantly, the strategy utilises a Technical Design Authority (TDA) to ensure a controlled, disciplined approach to changes to the technical architecture and infrastructure. This is designed to accommodate the demands and requirements that will inevitably arise during the lifetime of this strategy but are not currently known. The role of this body is to manage and agree any alterations that are proposed to the agreed implementation plan that supports this strategy.

The terms of reference for the TDA are currently being looked at as part of a wider review of the Council's IT service, but are designed to ensure it operates in a collaborative, agile way to mitigate against the risk of unnecessary bureaucracy and business interruption, whilst protecting the security of systems and data.

The strategic priorities that this strategy seeks to deliver are:

- Customer focused systems
- Integrated and joined-up systems and infrastructure
- Single source of master data sets
- IT that is fit for purpose now and into the future
- The ability to operate from multiple locations and devices (Remote and mobile working)
- Increased self-service
- Automation where it's efficient and effective to do so
- Systems and infrastructure that are resilient, compliant and experience minimal downtime
- Minimise the carbon footprint wherever possible

All of these outcomes need to be delivered within an overarching strategic aim of becoming London's Best Council with an efficient organisation and reduced operating costs.

These high level outcomes shape and prioritise the activity set out in the supporting implementation plan for the strategy.

## **ABOUT THIS STRATEGY**

This document sets out Merton's vision and strategy for its Information, Communication and Technology infrastructure and systems architecture. In developing the strategy, officers have drawn on information from target operating models (TOMs) and associated service plans delivery plans developed by the Council's businesses covering the period 2020/25. This ensures that Merton continues to take a business-led (and therefore customer-led) approach to the development, improvement and maintenance of its IT assets.

The strategy also reflects the more technical guiding principles and constraints that frame our IT ambitions, either because of legislative requirements or as part of our commitment to adhere to industry standards and best practice.

In striking the balance between responding to business needs and managing IT assets effectively and efficiently this strategy is designed to provide a broad strategic framework for the maintenance and improvement of the Council's IT and business systems. It is supported by a more detailed implementation plan that sets out the operational tasks associated with achieving the strategy. The implementation plan will be reviewed annually; the content of the plan and progress against it will be assured and managed through Corporate Services Departmental Management Team with oversight by the Corporate Management Team. The Assistant Director of Infrastructure & Technology is accountable for its delivery.

## **BUSINESS CONTEXT**

As a high achieving authority, Merton is single minded in its commitment to continuous improvement. The organisation recognises that this will require IT infrastructure and systems that support excellent services and – in the context of a decreasing financial envelope – greater automation and self-service.

The financial context in which we operate requires that the organisation finds ever more efficient ways to manage and improve its IT assets. Where judicious investment is required in order to transition the organisation towards more efficient ways of working on an 'invest to save' basis, the Council allocates funding from reserves earmarked specifically for this purpose. The Modernising Merton and Capital Programme Boards manage this process, awarding funding on the basis of sound business cases and overseeing their implementation to ensure benefits are realised.

Following completion of an external service review, the Council has acknowledged the current limited capacity of its ICT service to deliver the large volume of projects and strategic improvements required. On that basis we have initiated a project looking at ways to improve the strategic planning of its IT function, in order to ensure a closer alignment with future business need, whilst also exploring opportunities to potentially increase capacity through the adoption of alternative delivery models.

Through the development of new Service Planning tools each business has set out its forecast future state and the role that IT will play in enabling this. It is this information that, drawn together, forms the basis of this strategy and supporting implementation plans. The activities reflect the development, improvement and maintenance of IT and business systems needed by services in order to achieve their stated ambitions.

In addition, the strategy incorporates the activity that will be required to deliver cross-cutting transformational projects and programmes of change and improvement. The most notable of these are:

- Remote Working and Modernising Merton – a programme of coordinated activity designed to further develop modern working practices that make the most effective and efficient use of office space and officer time.
- Customer Contact – a programme that will enable and drive channel shift, the transition of customer interaction to cheaper (usually online) channels and self-service wherever possible.
- Digital by Design – the integration of systems and introduction of mobile devices and mobile-enabled systems so that officers can work from any location.
- Mosaic – the continuing development of the Council's social care information system.
- Financial systems – the continuing development of the Council's financial information management systems.

## **STRATEGIC DESIGN PRINCIPLES**

As this strategy has already acknowledged, Merton must be judicious in its management and development of IT and systems – changes to our infrastructure and systems architecture have cost implications beyond the initial investment as they will require on-going support and maintenance. In addition, there are a suite of technical standards and protocols with which the Council needs to comply.

To ensure that all of these factors are taken into account, the organisation has adopted a holistic approach to developing this strategy. Businesses have worked through their Service Plans to clarify and articulate their current and forecast future IT needs; but to help frame their thinking and ensure development proposals are realistic a series of design principles have been applied to the process. These will continue to inform our IT development:

- IT systems must be customer centric and support the Council's Customer Channel Design principles.
- IT systems should consolidate information around the citizen, reduce reliance on paper and provide automated workflows wherever possible.
- IT systems must support social inclusion and be user friendly.
- IT systems must improve information use and sharing with Merton partners, where appropriate, and comply with the Information Strategy and IT Security policy.
- IT systems will maximise use of configuration to ensure they are readily upgradable and supported by the vendor. System customisation should be avoided.

- IT systems and Service delivery will be designed with shared function/service in mind.
- All significant IT developments, improvements and technology purchases will be governed and controlled through the Technical Design Authority to ensure technology compliance and maximum value is achieved.

## **STRATEGIC PRIORITIES**

Drawing on information collected from the organisations service and transformational planning, as well as developments in the world of IT, legislative requirements and industry good practice, we have developed a set of strategic priorities that clarify where scarce resources will be focused over the life of the strategy.

These are the high level outcomes this strategy aims to deliver:

- Customer focused systems
- Integrated and joined-up systems and infrastructure
- Single source of master data sets (master data management)
- IT that is fit for purpose now and into the future
- The ability to operate from multiple locations and devices (flexible and mobile working)
- Increased self-service
- Automation where it's efficient and effective to do so
- Systems and infrastructure that are resilient, compliant and experience minimal downtime
- Cyber Security and Information Governance

All of these outcomes need to be delivered within an overarching strategic aim of becoming London's Best Council with an efficient organisation and reduced operating costs.

These high level outcomes shape and prioritise the activity set in the supporting implementation plan for the strategy. The following objectives set out in more detail how each will be achieved.

### **Customer focused systems**

- Council systems that support the Customer Contact Strategy and programme, enabling a customer centric approach, with information consolidated around the service users.
- Support social inclusion by maximising access to IT resources by members of the community and community groups, and by providing user-friendly systems, systems that cater for a wide range of needs in support of the Digital Inclusion Strategy.
- Support the customer contact strategy by providing a consistent customer experience through a variety of channels.
- Customer data stored consistently across various systems.
- System and IT infrastructure enhancements and implementation informed by business need (which in turn articulates customer need).



- Where feasible and beneficial, maximise the benefits of mobile working by gathering multi-agency data at each interaction thereby reducing multiple contacts with customers.
- Systems that comply with the latest accessibility standards to ensure maximum customer inclusion.

### **Integrated and joined-up systems and infrastructure**

- System integration wherever possible and beneficial.
- Actively consider the potential for joint working with partnering boroughs and agencies in all IT decisions.
- Improved – through IT systems/infrastructure – information use and sharing with Merton partners.
- IT infrastructure and systems that support, enable and promote shared services.
- Support business transformation through end- to-end integration of processes, consolidated customer databases and exploiting e-enabling services and improved service delivery within the council.
- Create and maintain a ‘single version of the truth’ with appropriate arrangements in place to improve and maintain primary data sources that feed secondary sets with minimal manual intervention.
- Maximise existing investments.

### **Fit for purpose now and into the future**

- Create a clear vision and target operating model for the IT infrastructure and systems architecture that is based on businesses’ plans for the future.
- Create and maintain IT infrastructure and systems that support business agility.
- Lead and promote business change through innovation and technology by active participation in wider initiatives such as Smarter Cities and the IOT.
- Actively maintain good market intelligence and scan for new opportunities.

### **Operating from multiple locations and devices**

- Provide business solutions and IT infrastructure that support the Remote working programme and accommodation strategy through mobile and home working.
- Documents available electronically at point of use; reduced reliance on paper.
- Telephone systems and printing follow the worker.
- Deploy, wherever possible, device and operating system agnostic solutions

### **Increased self service**

- Introduce and improve the functionality of web-enabled services and systems.
- Better use and quality of geospatial data.
- Support stronger ‘clienting’ of the IT service by businesses by raising IT skills.

### **Systems and infrastructure that are resilient, compliant and experience minimal downtime**

- Maintain infrastructure and processes that provide effective disaster recovery.
- Develop and regularly test business continuity plans.

- Achieve and maintain compliancy with PSN, N3 and CJSM regulations.
- Manage and monitor 'downtime' that is as close to zero as possible.
- Introduce, develop and maintain change control mechanisms.
- Adopt a 'cloud first' managed/hosted infrastructure approach wherever appropriate

## **CHANGE MANAGEMENT**

A key factor in delivering this strategy will be the introduction and maintenance of effective change management mechanisms. As the Council increases its reliance on technology through programmes such as Customer Contact and Remote Working but also seeks, in parallel, to reduce the cost of maintaining and supporting systems and IT infrastructure, establishing effective governance and control of IT assets will become even more important. The uncontrolled and ungoverned development of systems and IT infrastructure risks not only confusing and disrupting the system and IT architectures, but also carries a cost implication: improvements will be inefficient where technical support and maintenance resource implications have not been correctly understood. This could, in the longer term, counteract business benefit/efficiencies if not properly planned for.

It is therefore important that explicit arrangements are put in place that guarantee that appropriate discipline will be consistently applied to the development of the organisation's system architecture and IT infrastructure. Whilst this strategy and implementation plan provides a route map for investment over the coming four years, it cannot be expected that the requirements of the organisation will remain static over its lifetime. New business demands are likely to emerge that are not currently understood, or are driven by changes in policy or statutory frameworks. On that basis the role of the Technical Design Authority is to manage and agree any alterations that are proposed to the agreed implementation plan that supports this strategy.

The TDA governs and manages development of the Council's systems and IT to ensure that changes and improvements are compliant with not only necessary technical and security standards and data protection, but also Council strategy (i.e.) rationalisation and integration of systems, reduction in support overheads etc. This ensures that there is full collaboration and consultation on any significant proposal to amend the Council's technology architecture (outside those improvements and activities already agreed as part of this strategy and implementation plan).

The terms of reference for the group, which are currently being refreshed as part of a wider review of the Council's IT service are there to clarify the practical scope of the board and define the level of change that needs to be referred to the board and that which can be dealt with locally. This will mitigate against the risk of unnecessary bureaucracy and business interruption.

## **OPERATIONAL DELIVERY**

The core delivery plan for the Infrastructure and Technology division will incorporate activity required for the routine maintenance and upgrading of the Council's IT infrastructure and systems. This strategy and supporting implementation plan captures the activity over and above this core offer, relating to improvements outside those that are routinely expected.

For each of these, a business case has been prepared to secure investment from earmarked reserves or capital resources. This will enable the necessary resources to ensure timely and effective delivery to be made available.

To provide consolidated and resilient support arrangements, any system that is being supported by individuals within service teams, the support arrangements will be migrated to the IT infrastructure and Business systems team.

Prioritisation and sequencing of the programme will be managed through the Modernising Merton Board to ensure that it takes account of pan-organisation imperatives and priorities. Regular reports on progress and resource management will be submitted to CMT, in addition to Corporate Services DMT.

In addition, a set of Service Level Agreements sit alongside this strategy and set out agreed metrics and service standards to enable departments to assure and monitor delivery.

## **BUSINESS CONTINUITY**

Business continuity will continue to be assured through the utilisation of four planned maintenance weekends per year. These allow crucial system and infrastructure updates and improvements to be made with minimum impact on service provision.

Business continuity arrangements will be further enhanced through the introduction of Office365 across the business, which together with the recent move to Skype for Business allows staff to operate and work seamlessly from any geographic location, subject to data protection regulations, in the event that we were no longer able to occupy any of the Councils offices.

We will continue to ensure that the remote access infrastructure is available with diverse internet routes.

Business continuity plans will be routinely reviewed and tested.

## **DISASTER RECOVERY**

The Council's IT infrastructure and business systems underpin many of the Council's critical activities. In the event that an incident occurred that interrupted the availability of IT and systems, for example a fire, or borough emergency that affected the Civic Centre, it would be essential that systems were restored as quickly as possible. This is particularly true given the potential for some systems to support civic recovery.

On that basis, the Council has made a significant investment over the last few years in its IT Disaster Recovery arrangements and infrastructure, utilising new equipment to provide remote active DR capacity which allows the Councils core business critical systems to continue to operate in the event of a major incident.

These arrangements will be further enhanced and improved with completion of the works to migrate to Office365 and Microsoft Azure in 2021, which will see a large proportion of the Councils operational systems and information being moved to a 'Cloud' based solution and accessible from any geographic location which will significantly improve the current business continuity and disaster recovery arrangements.

Utilising agreed planned maintenance periods we will undertake regular testing of Disaster Recovery arrangements including operational infrastructure, hardware and emergency backup systems to ensure that they are fully operational.

Finally, we will continue to map and document the Councils Disaster Recovery processes and produce operational maintenance manuals.

All of these activities – along with timescales – are included in the Implementation Plan that supports this strategy.

#### **APPENDICES:**

1. Implementation plan - Breakdown of Capital Information Technology Resourcing 2022-26
2. List of IT Systems

#### **RELATED DOCUMENTS**

Information Technology (IT) Policy

Social Media Protocol

Information Strategy

## Appendix 1: IT Strategy Implementation Plan Breakdown of Capital Information Technology Resourcing 2021-25

(as at December 2021 Monitoring with Bids)

Corporate Services	Corporate Priority	Scrutiny	Revised Budget 2021-22	Revised Budget 2022-23	Revised Budget 2023-24	Revised Budget 2024-25	Indicative Budget 2025-26
			£000's	£000's	£000's	£000's	£000's
<b>Business Systems</b>							
Customer Contact Programme	2	OSC	45	1,081	1,000	0	1,000
Robotics Process Automation	2	OSC	45	55	0	0	0
Web Content Management System	2	OSC	60	90	0	100	0
Aligned Assets	2	OSC	75	0	0	0	0
Environmental Asset Management	2	OSC	0	240	0	0	0
Revenue and Benefits	2	OSC	0	700	0	0	0
Capita Housing	2	OSC	72	0	0	0	120
ePayments Project	2	OSC	0	0	0	150	0
Children's Safeguarding	2	OSC	0	125	0	0	0
Planning&Public Protection Sys	2	OSC	341	0	0	550	0
Kofax Scanning	2	OSC	0	0	150	0	0
Spectrum Spatial Analyst Repla	2	OSC	78	0	0	0	200
Regulatory System IT Implementation	2	OSC	29	0	0	0	0
Parking System	2	OSC	0	0	175	0	0
Ancillary IT Systems	2	OSC	50	0	0	0	0
Youth Justice IT Systems	2	OSC	100	0	0	0	100
Payroll System	2	OSC	156	0	0	0	0
Transport Management System	2	OSC	0	150	0	0	0
Replacement SC System	2	OSC	0	0	1,100	1,000	0
Mosaic Group Work	2	OSC	0	0	0	0	0
EHCP Hub	2	OSC	0	0	0	0	0
SEN Case Management System	2	OSC	48	0	0	0	0
Financial System	2	OSC	0	0	700	0	0
<b>Disaster Recovery</b>							
Disaster Recovery	2	OSC	333	0	0	0	0
<b>Planned Replacement Programme</b>							
Network Extreme switches	2	OSC	0	200	200	200	0
Blade Chassis Replacement	2	OSC	0	0	200	0	0
VM Dev Servers (RW) (2015)	2	OSC	40	0	0	0	0
DXI	2	OSC	0	0	200	0	0
SAN	2	OSC	0	0	0	500	0
Fibre Switches	2	OSC	50	0	0	0	90
PC's & Laptops	2	OSC	100	100	100	100	200
Servers	2	OSC	0	35	0	35	0
SSL VPN Replacement	2	OSC	0	25	0	0	0
Network and Server Management Consolidation (Op Mgr, T vista and Event Log Analyser)	2	OSC	0	0	50	0	100
Replace DB servers	2	OSC	60	0	0	50	0
UPS Battery Renewal	2	OSC	25	0	0	0	50
DR Site Upgrades	2	OSC	50	20	20	20	50
Replace Fluke equipment	2	OSC	20	0	0	0	0
Civic Centre Recabling	2	OSC	70	0	0	0	0
Replace Proxies	2	OSC	150	0	0	0	100
Replace Info blox	2	OSC	35	0	0	0	100
VDI Server Replacement	2	OSC	0	70	0	0	0
Replace Load Balancing Appliances	2	OSC	70	0	0	0	100
Room booking screens	2	OSC	0	50	0	0	50
Update Citrix	2	OSC	0	150	0	0	0
Wifi Rollout Remainder of Civic	2	OSC	200	95	0	0	100
Core Switches Upgrade	2	OSC	0	160	0	0	0
Data Centre (Edwin)	2	OSC	83	0	0	0	0
PABX Replacement	2	OSC	0	0	0	500	50
Office 365	2	OSC	73	0	0	0	0
Other	2	OSC	120	0	0	0	70
<b>Update Citrix</b>			<b>2,578</b>	<b>3,346</b>	<b>3,895</b>	<b>3,205</b>	<b>2,480</b>

Priority 2 - Promote a dynamic, connected and inclusive community and economy with safe, vibrant high streets and jobs for our residents;

Revis

Scrutiny - OSC - Overview and Scrutiny Committee

## Appendix 2. List of IT Systems

System Name	System Description
3Sixty Environmental - FPN	Parking System used to issue FPN's (Fixed Penalty Notices)
Academy Housing	Housing Needs system and Insight reporting tool.
Accident Reporting	This is an in-house developed system for recording accidents and potentially violent people.
App Manager	App Manager is a tool used to monitor software performance and alert administrators if there is a problem.
ArchGIS Enterprise	Location intelligence business insight mapping (GIS)
Bailiffs System	System for Bailiff and Debt Recovery operations
Blue LMS	E-learning software for the Mosaic Social Care System The contract is with Servelec Social Care
BlueCloud Analytics	Brings enterprise-class reporting for the library.
CallConfirmLive! (CM2000)	A system used to record homecare visits by providers. Sends data to and from Mosaic.
CareWorks	Youth Offending Team case management system
Civica Icon	Epayment and Income receipting system
Competent Persons Loader	Part of the M3 suite of software which together help to manage all Applications, worksheets and processes for Planning, Building Control, Local Land Charges and Regulatory Services
Corius	Reporting / dash boarding tool for Mosaic.
CRM Dynamics	Customer contact relationship management system
Document Filer	Used for publishing DMS Documents into the internal and external planning explorer
DTF Loader	Used for loading of address data into the M3LP database
e5	Financial management system
ECINS	Safety in Merton system
eForms	Firmstep Forms, Self and Dash Platform
Enterprise	Online library service - allows library users to search for stock held in the London Libraries Consortium library branches, renew their loans, place reservations on titles, pay outstanding charges, use online resources such as Encyclopaedia Britannica, find out about library events, and much more...
Events Booking	Events booking system
Exacom (CIL)	CIL is a levy that local authorities charge on new developments over a predetermined size in their area. The money is used to fund infrastructure that the council, local community and neighbourhoods want. The Mayor of London also receives a proportion of this money. The Exacom software captures information, calculates charges, levies, surcharges etc, generates notices and manages finance. It also provides alerting when due dates are reached.
EzyTreev	A system used by greenspace to maintain open spaces, parks, schools trees.
FME	Converts data between different spatial formats to create visual data workflows. Used by a single user - our Senior GIS Analyst.

## Appendix 2. List of IT Systems

System Name	System Description
Galileo	Audit system - managed by Richard Asamoah-Owusu and the supplier.
Horizons	Highways strategic management system
Horus	Time recording system
Housing System	Choice based lettings and housing options shows what properties are available each week. Registered users can express interest in properties through a variety of channels – internet, text, mobile app
iExchange	Symphony iExchange allows the export of LLPG/NLPG data to other systems in the organisation. It enables the synchronisation of all departmental address data, meaning that everyone will be accessing identical and consistently up to date information.
iManage	Symphony iManage is a Gazetteer Management System (GMS) and has been designed to provide local authorities with the tools to easily create and maintain a BS7666 compliant Land & Property Gazetteer whilst adhering to national data standards at all times.
Imperial (ICES)	ICES 360 system provides a number of different enforcement solutions for Parking, Environmental and Traffic Management
InstantAtlas - Merton Data Hub	A website that shows anonymised aggregated data about Merton from sources like ONS for the use of strategic planning i.e. Crime, Areas of deprivation etc.
KEL Sigma Plus	Property valuation software
Kofax AP	Scanning OCR and data capture
M3 L&P	Building Control, Local Land Charges & Regulatory Services system to manage all the Applications, Worksheets and processes for that area.
M3 PP	Planning system to manage all the Applications, Worksheets and processes for that area.
MapInfo Pro	Map creation system
Mayrise	This is an Environmental Asset and Street Works Management System. Customer data (manually entered, imports from electoral registrar), Address data, Street data, Asset data, Streetworks data, Map data (live feed from GIS DB10), Enquiries, Contracts. Medical data for applications for disabled Parking Bay. Contains Sensitive personal data.
Moodle	Moodle is an Open Source Learning Management System (LMS) used by Universities, Schools, Government departments, Healthcare organisations, Military organisations, Airlines, Oil companies, Independent educators and many other organisations. In Merton, it is also known as the Learning Zone.
Mosaic	Social care case management and associated finance systems - Adults and Childrens, Transactions and Accountancy
My Neighbourhood	Displays local information like nearest library, polling station
Netloan	PC booking and print payment software - manages use of People's Network PCs in the libraries
NLPG Addressbase	NLPG AddressBase is a hosted service supplied by Aligned Assets for the full national dataset of BS7666 compliant addresses

## Appendix 2. List of IT Systems

System Name	System Description
Open Revenues	Housing Benefits; Council Tax; Business Rates; Sundry Debtors (Housing benefits overpayment recovery and Business Improvement District fund collection).
Ordnance Survey	
Pentana	Performance recording and monitoring
Peoples Network	This is a public library service covering the People's Network PCs, and the LGfL/Atomwide web filtering.
Planet Press	Special Stationary production for various systems including Revenues and Benefits, Finance, Parking, Print to Post and Bailiff , Supplier of software is ObjectifLune and support is provided by Cannon
Planning Portal Connector	Planning permission portal for customers
Princh	Printing system for libraries, allowing printing from your phone/website without going on a PN machine.
Pro Contract	eTendering portal
PTC	Manage job Scheduling and production work for OpenRevenues; E5; CHAS; eforms;
Registrars	deaths, births and marriages registration system
Ringo	Hosted solution managed by ParkNow used for cashless payments of parking permits
Sharepoint	Used to create websites and securely store and share information and documents
SinglePoint	Singlepoint is a piece of software that enables web-based searching of the LLPG database (via DB10 server) or the hosted NLPG service. This enables things like post code searches on our e-forms and then customers can choose their address from a drop down box.
SiteImprove	site Analytics service
SMART	EDRMS System
SmartPay	Epayment and Income receipting system
Spatial Extensions	M£ extension
SSA - Merton Maps	A web based mapping, GIS and analytics system designed to enable users across the organization to view up to date location data in a map format.
Street Manager	Street Manager will be a digital service that will transform the planning, management and communication of street and road works through open data and intelligent services to minimise disruption and improve journeys for the public. Currently Street works department within Merton uses Mayrise Streetworks system provided by Yotta to manage roadworks. Yotta has developed an API integration between Mayrise system and StreetManager to facilitate the 2-way integration.
Symphony	Library Management System - offers library management tools that increase productivity, help identify opportunities for cost savings, and give libraries insights that will improve the end user experience.



## Appendix 2. List of IT Systems

System Name	System Description
Synergy Admissions and PSS Module	School admissions and school attendance data
Synergy Early Years Hub Module	Hub for parents of early years children
Synergy EHCP Hub Module	Education health and child protection hub
Synergy SENDIS Module	Special Educational Needs records management
TKDialogues	Scripting tool
Transys OZ	Used by Transport Operations as a Passenger Management System for vulnerable adults. Helps organise route pickups for Merton's vulnerable adults and children. Holds personal addresses, shared addresses, personal particulars, disabilities, equipment required for transport, seating/space required on vehicle and loading times etc. for use within the various elements of the passenger transport software. Contains Sensitive personal data
Transys TTS (KL2)	Used by Transport Operations as a Passenger Management System for vulnerable adults. Helps organise route pickups for Merton's vulnerable adults and children. Holds personal addresses, shared addresses, personal particulars, disabilities, equipment required for transport, seating/space required on vehicle and loading times etc. for use within the various elements of the passenger transport software. Contains Sensitive personal data
Waste Collection Lookup	Let's Merton residents find out where their next waste collection is



# London Borough of Merton

## Risk Management Strategy

Revised [January 2022](#)

## Policy Statement

Merton's policy is to manage our risks by identifying, assessing and controlling them, with the aim of eliminating or reducing them to acceptable levels whilst being mindful that some risks will always exist and will never be eliminated.

The council recognises its responsibility to risk management by supporting a structured, systematic and focussed approach to risk management through the approval of our risk management strategy.

The effective management of risk is at the core of our approach to delivering cost effective and efficient services as well as sound corporate governance and is a continuous and evolving process, running through our strategies and service delivery arrangements. As risk is very much concerned with our objectives, the management of it will be closely linked to the creation of our strategic, service, project and partnership objectives and plans.

Our risk management process will be continuous and will support internal and external change. The risk management process will be fully integrated with the normal business management processes across the authority.

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

- Establish and maintain a robust framework and procedures for the identification, analysis, assessment and management of risk, including reporting and recording.
- Minimise the council's exposure to unacceptable levels of risk, minimise injury, damage, loss and inconvenience to staff, residents and service users.
- Integrate risk management into the day to day activities of staff and the culture of the organisation, raising awareness of the importance and need for risk management.
- Assign clear roles and responsibilities for councillors and officers responsible for risk management
- Ensure consistent application of our methodology across all of our activities, including partnerships and projects.
- Effectively manage the total cost of risk.

We will achieve this by:

- Having a clear and concise risk management strategy which underpins our approach and responsibilities to risk
- Incorporating risk management into business planning, project management and service delivery
- Monitoring risk on a regular basis through the Corporate Risk Management Group (CRMG)
- Reporting on risk on a regular basis to the Corporate Management Team (CMT), Cabinet and General Purposes Committee

## **Risk Management Strategy**

The process of identifying and evaluating risks is known as risk assessment. By understanding the risks we face, we are better able to actively recognise where uncertainty surrounding events or outcomes exists, and identify measures which can be taken to protect the council, its staff, residents, customers and assets from these risks.

This strategy provides a structured approach to identifying emerging risks as well as assessing and managing current risks. It also incorporates a process for regularly reviewing and updating identified risks.

This strategy will be reviewed on an annual basis, and updated where required.

### **What is risk?**

Risk is the threat that an event or action may adversely affect an organisation's ability to achieve its objectives and successfully execute its strategies. A risk can be a threat, obstacle, barrier, concern, problem or event that may prevent us fulfilling our objectives.

Our risk management processes also include the assessment of Issues. Issues are current problems, questions, outstanding items, tasks or a request that exists in the immediate present. There is a strong element of fact surrounding it. An issue becomes a risk when the issue cannot be addressed and could continue or get worse.

### **Definition of Risk Management**

Organisations exist to achieve their ambitions, aims and objectives. Risk Management is the process by which organisations methodically address and identify the risks that may prevent them from achieving these ambitions, aims and objectives. The intention is to achieve sustained benefit within each of their activities, and across the portfolio of all their activities.

Ultimately, risk management is about creating a better understanding of the most important problems facing organisations.

Risk is also implicit in the decisions all organisations take; how those decisions are taken will affect how successful they are in achieving their objectives. Decision making is, in turn, an integral part of the day to day existence and is particularly significant in times of change. Risk management therefore is a key component in the management of change and helps to support effective decision making.

We endeavour to identify all risks facing the council and to monitor, manage and mitigate (where possible) all those risks which are deemed to be high (scored Amber or Red). Risks are monitored via Departmental Risk Registers, and key crosscutting risks to the council are also placed on the Key Strategic Risk Register (KSRR).

### **The benefits of risk management**

In addition to the business and service benefits of our approach, we are required to undertake risk management because it forms part of the Annual Governance Statement. We must, therefore, demonstrate that we have a systematic strategy, framework and process for managing risk.

However, the council recognises that the benefits of risk management far outweigh the requirement to undertake the activity and such benefits include:

- Stronger ability to achieve our ambitions, aims and objectives as key risks are managed.
- Better decision making as we are more aware of risk.
- Ability to take advantage of opportunities because we understand the risks attached to them.
- Better governance and the ability to demonstrate it to our stakeholders.
- Reduction in failure, loss, damage and injury caused by risk
- Improvement in our ability to adapt to change
- Improvement in our corporate governance
- Compliance with statutory and regulatory requirements

### **Organisational awareness of risk and risk management**

Ensuring that there is a strong organisational awareness of risk management will be achieved through training sessions, reviews, departmental meetings, briefings and staff bulletins which will take place on a regular basis. Each department has an assigned Risk Champion who will offer guidance to staff where required. The [risk management intranet page](#) will be regularly reviewed and staff will be signposted to the information they need to pro-actively identify and manage risk ie the Risk Management Toolkit and other guidance.

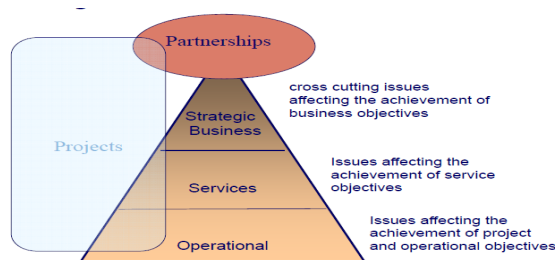
### **Risk Appetite**

The council recognises that its risk appetite to achieve the corporate priorities identified within its business plan could be described in general as an “informed and cautious” approach. Where significant risk arises, we will take effective control action to reduce these risks to an acceptable level.

It is also recognised that a higher level of risk may need to be accepted, for example to support innovation in service delivery. To offset this there are areas where the council will maintain a very cautious approach for example in matters of compliance with the law, and public confidence in the council, supporting the overall “informed and cautious” position on risk.

### **How does risk management integrate with other policies?**

Risk management links closely with Health and Safety, Business Continuity, Emergency Planning and Insurance; by ensuring close links we can enhance our resilience. Generally, a single issue or risk will fall into only one of these categories; however some may fall into two or more. As Business Continuity is a way of mitigating risk, its link with risk management is key to ensuring the continuous delivery of services which are important to the community.



## **Risk management in projects**

Risk management is a key part of the ongoing management of projects and partnerships and is clearly defined in [Merton's Approach to Projects \(MAP\)](#).

## **Risk management in partnerships**

The council is involved in a wide range of partnerships to achieve our ambitions, aims and objectives. It is vital we assess the risks to achievement within our key partnerships, and ensure that they are monitored regularly.

Our methodology for assessing and monitoring risks has been adopted by our key partnerships in order to ensure consistent scoring, and effective integration into our risk management system.

## **Financial Risk Management**

Local government has faced unprecedented financial challenges in recent years that are likely to remain well into the next decade. The harsh financial economy faced by local authorities has led Central Government and the public sector accounting body CIPFA to start to consider how best to minimise the chance of further Section 114 notices being released and providing early warnings of authorities being unable to balance their budgets. Within Merton the following activity is already undertaken:

### Budget Setting

- Financial pressures caused by demographic pressures in Special Educational Needs, Placements and Adult Social Care have been monitored closely – ongoing demands have received some additional funding
- Financial modelling within the Medium Term Financial Strategy and Capital has been developed
- Horizon spotting is used to improve response times to changes in Central Government funding.
- Financial Risk thresholds have been reviewed and reduced appropriately
- [Impact of Brexit and Covid](#)

### Budget Monitoring:

- All budgets are monitored monthly, and reviewed with outturn, current spend and commitments
- Monthly review of progress on delivery of savings with management action
- Monitoring resources are targeted at high risk areas

### Year End Accounting

- Reviewing closing issues to minimise the chance of the issues occurring again
- A greater emphasis on quality control of working papers
- More emphasis on reconciliation work within the financial year.

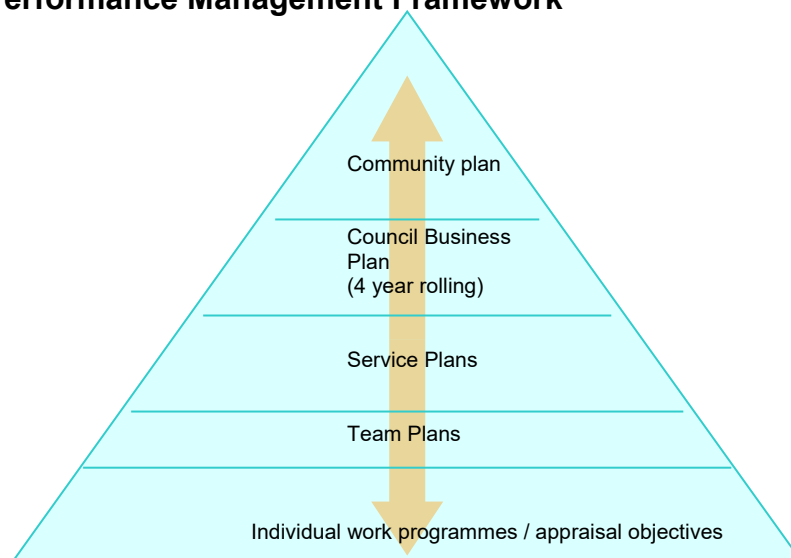
There is also a financial impact element to the authorities risk matrix which has been reviewed and simplified. Officers will continue to review activity and adopt best practice etc. where appropriate.

## **Corporate approach to risk management**

In order to formalise and structure risk management, it is recognised there is an obvious and clear link with the business planning process and therefore risk management sits within the [Financial Strategy and Capital](#) team.

The overall council Business Plan, incorporating the individual service plans, sets out what a team, division, department, or the council as a whole, want to achieve within a specific time frame, as shown below.

### Merton Performance Management Framework



- CMT is ultimately accountable for delivering the council’s Business Plan therefore they are responsible for monitoring and reviewing the KSRR.
- DMTs are responsible for their own services’ risk registers.
- Divisions or teams are responsible for their own risk registers, if applicable.

It is important that risks identified and assessed at an operational level can be escalated to a departmental or corporate level. However, because a risk may have a great impact on a team it does not necessarily follow that it may have the same impact on the department, or the organisation as a whole.

Ultimately, it is the respective management team which decides if a risk is an appropriate inclusion on its risk register.

### Scoring Risk

When determining a score for service level risks, definitions of likelihood and impact of risk should be used in conjunction with the matrix below. Therefore, if the likelihood of a risk is 4, significant, (occurs or likely to occur more than 25%, and up to 50% of the time) and the impact is 3, serious, (service provision - service suspended short term) – then the risk rating will be 12 (4x3) which is amber.

### Definition of the Likelihood of Risk

Classification	Definition
6 - Very High	Occurs or likely to occur more than 90% of the time
5 - High	Occurs or likely to occur over 50% of the time
4 - Significant	Occurs or likely to occur over a 25% of the time
3 - Possible	Occurs or likely to occur less than a 25% of the time
2 - Low	Occurs or likely to occur less than 5% of the time
1 - Almost Impossible	Occurs or likely to occur less than 1% of the time

## Definition of the Impact of Risk

Categories	1 - Marginal	2 – Moderate	3 - Serious	4 - Very serious
<b>Financial Impact – FI</b>	£100k - £500k per annum	£500k - £1m per annum	£1m - £5m per annum	Over £5m per annum
<b>Service Provision - SP</b>	Reduced service	Significant reduction	Service suspended short term	Service suspended long term / statutory duties not delivered
<b>Health and Safety - HS</b>	Broken bones / illness	Major illness / threat not life threatening	Loss of life / major illness	Major loss of life / large scale illness (pandemic)
<b>Objectives - O</b>	Objectives of one service area not met	Departmental objectives not met	Corporate objectives not met	Statutory objectives not met
<b>Reputation - R</b>	Adverse local media lead story short term	Adverse local media story long term. Adverse national publicity short term.	Adverse national publicity longer term	Remembered for years

## Risk Matrix

<b>Likelihood</b>	<b>6</b>	<b>6</b>	<b>12</b>	<b>18</b>	<b>24</b>	<b>Likelihood</b> 6. Very high 5. High 4. Significant 3. Possible 2. Low 1. Almost impossible	<b>Impact</b> 4. Very Serious 3. Serious 2. Moderate 1. Marginal
	<b>5</b>	<b>5</b>	<b>10</b>	<b>15</b>	<b>20</b>		
	<b>4</b>	<b>4</b>	<b>8</b>	<b>12</b>	<b>16</b>		
	<b>3</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>12</b>		
	<b>2</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>8</b>		
	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>		
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>			

### Reporting and escalating risks

All risks on individual service risk registers are reviewed at Departmental Managers Team (DMT) meetings with particular attention given to red or increasing amber risks.

Risks are also checked for any cross cutting implications. If the risk is high scoring and/or could have an impact across the organisation, then it must be included in Key Strategic Risk Register, which contains risks which could have a detrimental impact across the whole organisation should they occur.



## Monitoring and Managing

During the year, new risks will arise that have not previously been considered and there may be changes to existing risks. Therefore the risk registers need to be regularly managed, with risk owners re-assessing their risks, re-scoring them if appropriate, and providing sufficient narrative in respect of the Control Measures they have in place (ie the actions which they are taking to mitigate against the risk). The reviews of risk registers should be managed by exception. The reporting cycle as detailed below, takes place during April, July, October and January.

1 <sup>st</sup> week	2 <sup>nd</sup> week	4 <sup>th</sup> week
DMT – review operational service risks and propose KSRs as per the definitions of likelihood and impact for crosscutting risks	Corporate Risk Management Group (CRMG) – review service risks and proposed KSRs	CMT – identify and review KSRs

All risks are reviewed according to the quarterly cycle shown above, with a particular focus upon red risks, and also upon amber risks which have increased their risk score since the previous quarterly review.

Removal of any risks from the registers must be approved by DMTs and CRMG prior to being presented to CMT. CRMG will only approve removal of a risk if it is scored green for a minimum of two consecutive reporting cycles (i.e. two quarters). There are otherwise no rigid guidelines for dropping risks from the registers because clear parameters are not always possible. A decision is sometimes taken to keep a low-scoring risk in view on the basis that its status might change over a short period, or so those with an assurance role can be confident mitigation against a risk can be sustained.

A flowchart showing how service, departmental, corporate and partnership risks are escalated and reported is shown on the final page of this Strategy.

## Roles, Responsibilities and Governance

### Councillors

Elected councillors are responsible for governing the delivery of services to the local community. Councillors have a responsibility to understand the key risks the council faces and will be made aware of how these risks are being managed through the annual business planning process. All Councillors will have a responsibility to consider the risks associated with the decisions they undertake and will be informed of these risks in the plans and reports submitted to them.

### Chief Executive and CMT

The Chief Executive and CMT are ultimately accountable in ensuring that risk management is fully embedded in the council's business planning and monitoring processes as well as having overall accountability and responsibility for leading the delivery of the council's Risk Management Strategy and Framework. CMT will take a leading role in the risk management process, ensuring that risk management is communicated, understood and implemented by Councillors, managers and staff. CMT will also play an important role in establishing a supportive culture.

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

## **Directors**

Each Director is accountable for proper monitoring of their departmental risk register, action plans and the embedding of risk management into the business planning process of their directorate. They will need to be actively involved in the risk management process within their department and CMT, including nominating an appropriate Risk Champion for their department. Directors are also accountable and responsible for leading the delivery of the council's Risk Management Framework in their respective Directorate.

## **Section 151 Officer / Internal Audit**

The Section 151 officer and Internal Audit will be responsible for carrying out independent reviews of the risk management strategy and processes. They will provide assurance and give an independent and objective opinion to the council on the adequacy of its risk management strategy, control procedures and governance.

An annual Audit Plan, based on a reasonable evaluation of risk, will be carried out and an annual assurance statement will be provided to the council based upon work undertaken in the previous year. The section 151 officer will chair the CRMG group.

## **Risk Champions**

Risk champions will work with their Director, Heads of Service, Managers and Team Leaders to ensure the RM Strategy and Framework is embedded in the Directorate and departmental planning, performance, project and partnership management, offering support and challenge. They will also represent their directorate at CRMG meetings.

Risk Champions will ensure that risks are identified, assessed and scored correctly by the Risk Owners, offering advice and guidance where appropriate. They will also challenge risk scores where they do not appear to be reasonable, or where they contradict the Control Measures narrative or the corporate Risk Scoring Guidance.

All Risk Champions will receive appropriate training to ensure that they can perform their role effectively. Training needs will be regularly evaluated.

## **Service Managers**

Managers have a responsibility not only for the risks for which they are the risk owner, but are also accountable for those risks, within their service, which are owned / managed by others.

They are required to maintain an awareness of risk and ensure that any risks they identify are captured by the risk management process, understanding and responding to the key risks which could significantly impact on the achievement of their service and/or team objectives. Managers should encourage staff to be open about risk so that appropriate mitigation actions and control measures can be agreed.

## **Risk Owners**

Risk owners are responsible for identifying and implementing appropriate actions which will mitigate against risks they own and reduce these risks to an level acceptable to the organisation. They are required to regularly review the effectiveness of their control measures and provide a formal update to DMTs and CRMG on a quarterly basis as part of the risk review cycle.

## **Individual Employees**

Individual employees need to have an understanding of risks and consider risk management as part of their everyday activities, identifying risks deriving from their everyday work, processes and environment. Risks which could impact on service delivery, the achievement of objectives, or their own or others' wellbeing must be identified and actively managed, with mitigating actions in place where appropriate.

## **Financial Strategy and Capital team**

The **financial strategy and capital** team is responsible for ensuring that risk management is embedded throughout the council, as well facilitating and supporting the risk management process and supporting risk owners.

The team will ensure risk management documentation and intranet pages remain up to date and relevant, as well as updating the KSRR with emerging risks, new risks and updating existing risks.

In addition, the Business Planning team will ensure risk is part of the annual service planning process, facilitate the CRMG meetings, and submit strategic updates and reports on risk management to CMT, Cabinet, Audit and Assurance Committee etc. as required.

## **Corporate Risk Management Group**

The Corporate Risk Management Group will provide strategic direction and leadership to ensure our risk strategy is maintained and updated and that risks are appropriately identified and managed within the organisation. It will provide a forum for the detailed discussion and monitoring of organisational risks for the benefit of the council, its staff and the wider community.

CRMG will strive to ensure that the risk management framework is embedded within the council's overall strategic and operational policies, practices and processes in a consistent and standardised manner.

In addition it will provide assurance that all risk systems and processes are operating effectively to minimise the Council's overall exposure to risk. The headline departmental risks and planned mitigation activity reported by each department will be discussed by CRMG on a quarterly basis. CRMG will then report its conclusions and recommendations for discussion at CMT.

## **Cabinet**

Cabinet will receive reports on the risk management strategy to determine whether corporate risks are being actively managed. They are responsible for agreeing the strategy on an annual basis, or when significant changes are made, and to report to full Council on the adequacy of the risk management framework.

### **Standards and General Purposes Committee**

To provide an independent oversight of the adequacy of the risk management framework and the associated control environment. The committee will receive an annual review of internal controls and be satisfied it properly reflects the risk environment and any actions required to improve it. Reports will also be provided regarding the KSRR in order that the committee can determine whether strategic risks are being actively managed.

On an annual basis, the committee will review and recommend the adoption of the risk management strategy to cabinet, or if significant changes are identified, to request a revision.

### **Risk management in committee reports**

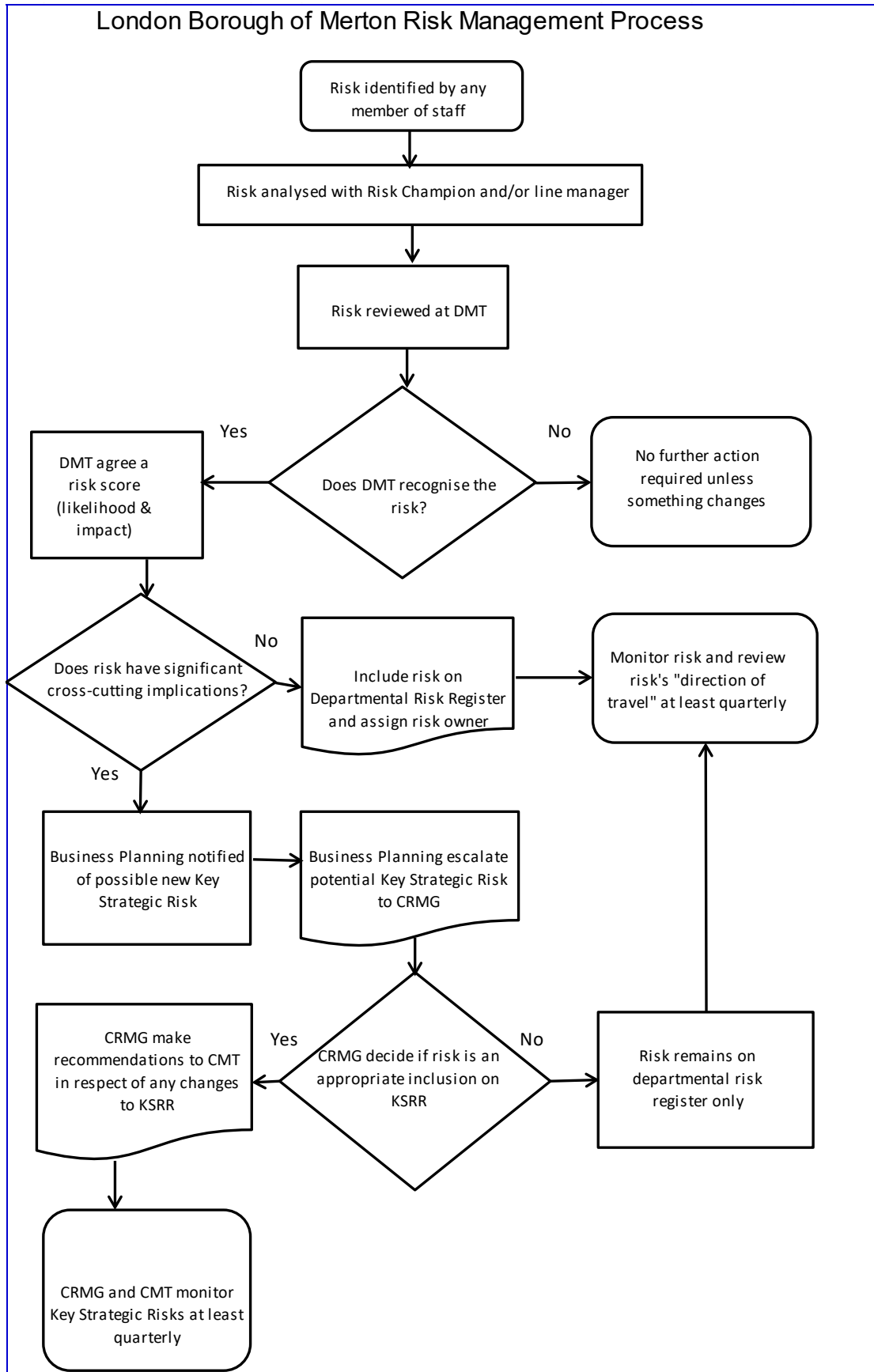
When a report is submitted to a committee the author is required to complete a section on Risk Management and Health and Safety Implications. The committee should be informed of any significant risks involved in taking a recommended course of action, or if it decides not to follow the recommended course of action. The risk assessment should follow the corporate risk management procedures and be scored using the risk matrix. The report should also give details of any control measures (either proposed or existing) to manage any significant risks identified. Where appropriate, reference should be made to any existing risk(s).

Report authors are advised to consult with the [Financial Strategy and Capital](#) team or their departmental Risk Champion, for further advice and to propose any risks to be considered for inclusion in the departmental or KSRR.

### **Risk Management Practice during Extraordinary Events**

It is envisaged that the velocity of change during such an occurrence (i.e. Covid) will require the authority to maintain a separate risks and issues register to ensure an adaptable, flexible and frequent review to accurately track the movement of items. During these periods an additional risk log will be established, where by managers submit and update their risks directly via a secured, interactive shared portal (currently SharePoint). This information will then be reviewed and amended appropriately by senior management, DMTs, CMT and Members.

# London Borough of Merton Risk Management Process



# **Section D**

# **Performance Management Framework**

Reviewed 20 January 2022

## **D. PERFORMANCE MANAGEMENT FRAMEWORK**

### **Introduction**

Merton launched its Performance Management Framework in 2004. Performance management enables us to ensure that we are constantly meeting our goals, whilst simultaneously allowing us to identify best practice and address areas of concern. It provides the framework for consistently planning and managing improvements to our services. Sustainable improvements in services are unlikely to happen without this framework.

The framework undergoes annual review and updating when required, to ensure that it remains current and reflects changes within the organisation and outside.

The Covid19 pandemic has impacted us all. As part of the Council's Recovery and Modernisation Programme to support the borough's recovery from the pandemic and to deliver on recommendations from the 2019 LGA Peer Challenge, the largest ever engagement exercise was conducted in Merton between April and August 2021 in order to understand what matters most to our residents, how the pandemic has affected them and to find out their ambition for the future of the borough. This engagement programme has resulted in a new evidence-led ambition and new priorities for the council – Merton 2030. This will necessitate a fundamental review of our performance management framework; therefore a "light touch" review has been agreed for 2022-23, with a commitment to undertake a major review of the Performance Management Framework to align with the priorities and delivery objectives set out in Merton 2030.

We are committed to delivering customer-focused services. To achieve this, it is essential that we measure our performance, both against our own intentions and the performance of others, and that we use that information to improve local services.

The performance management and service planning functions sit within the Policy, Strategy and Partnerships team. However, everyone in the organisation has a part to play in monitoring our services and achieving the ambitions and objectives set out in our Community Plan.

### **Why measure performance?**

- Timely and accurate performance data highlights areas where we are doing well, and areas which need improving
- It enables our managers to monitor performance, manage effectively, and plan for the future of the service
- It allows for early identification of problems and enables us to put actions in place to address/rectify the situation
- Performance data assists the decisions makers within the council and provides the evidence to inform their decisions and support change and improvement
- What gets measured is more likely to be actioned

### **Why do we need a Performance Management Framework?**

Central Government introduced the Single Data List in April 2011. This reduced the burden of performance monitoring and audit and inspection by central government, placing greater responsibility for this on local government. As a result, it is even more important that we manage and monitor our performance. We must ensure that our Performance Indicators are robust, challenging and realistic, enabling us to achieve and deliver our objectives.

### **What is our Performance Management Framework?**

Our Performance Management Framework clarifies the overall approach the council takes to managing performance. The Framework should also be considered alongside the council's Risk Management and Data Quality Strategies.

Our framework helps us all to understand:

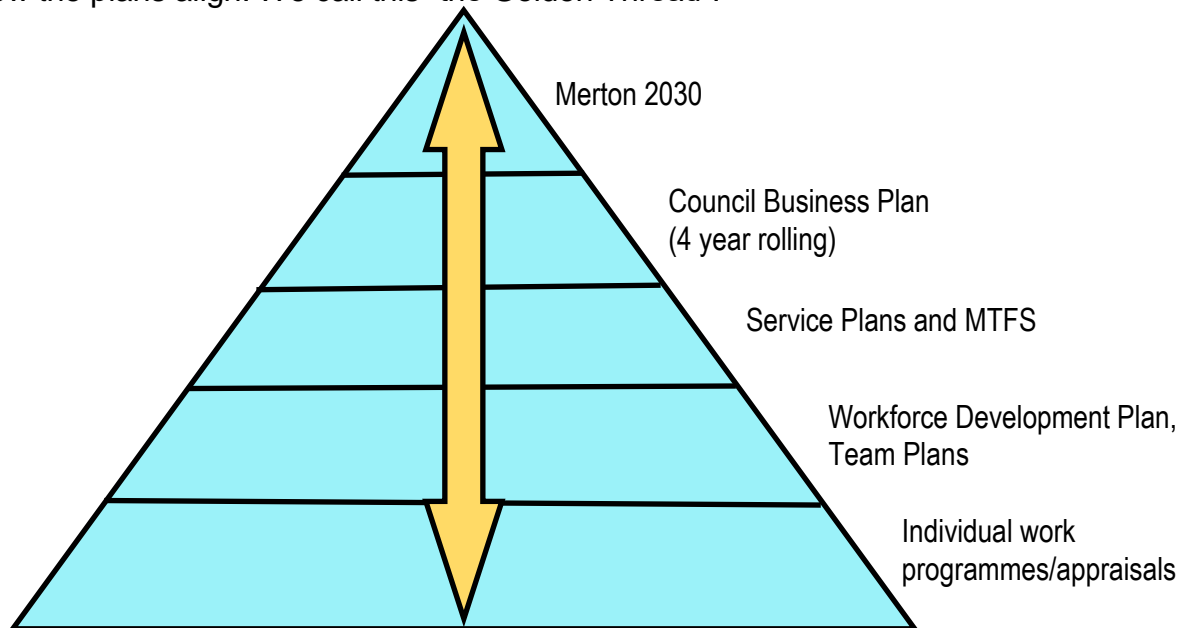
- what we are trying to achieve as an organisation
- how we intend to achieve this
- how we will monitor and report progress
- how the contribution of staff, managers, teams and departments relate to each other and help deliver the targets set for the whole organisation

The framework has three elements

- The planning framework
- The planning, monitoring and review cycle
- Taking responsibility for results

### **The planning framework**

The performance management framework is represented by the performance triangle which shows how the plans align. We call this "the Golden Thread".



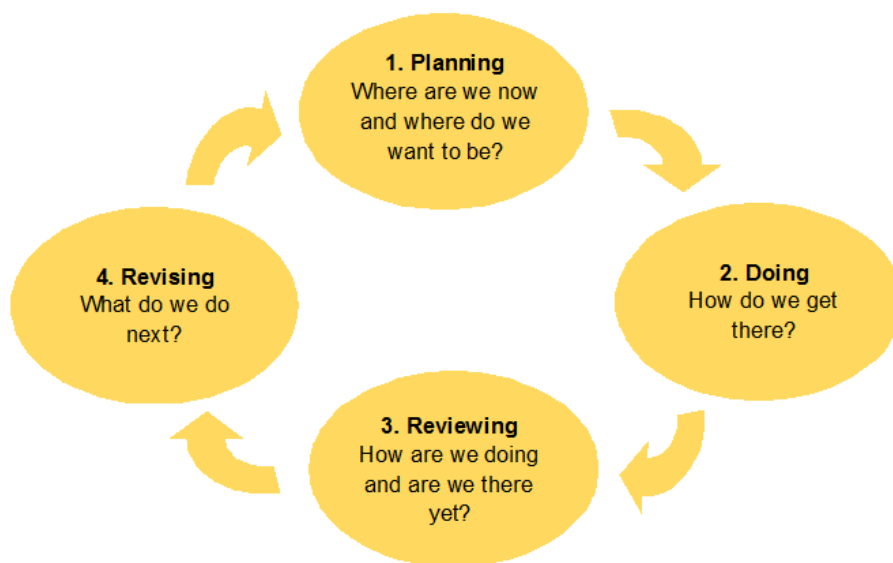


The key aspects of the Golden Thread are:

- **Merton 2030** sets out the Council's ambition for the borough alongside 5 strategic priorities and 10 guiding principles. Each priority will have a delivery plan setting out a number of delivery objectives. The Council will work with our partners, residents and businesses to achieve this ambition.
- The **Business Plan** sets out the Council's priorities for improvement over the next four years. The Business Plan is reviewed every year to ensure that it always reflects the most important improvement priorities.
- Service Plans are reviewed every year to ensure they outline the key issues and priorities for the department.
- The Medium Term Financial Strategy (MTFS) outlines how much money we expect to receive over the next four years and in broad terms what we expect to be spending this on.
- The Workforce Development Plan is focused on making the best use of the skills of staff to deliver the services residents demand and deserve
- Individual Appraisals take place twice a year and are used to agree individual work programmes and targets.

### The planning, monitoring and review cycle

The planning, monitoring and review cycle shows how we continuously monitor, review and revise our performance in order to improve our services



The cycle has four phases and takes place on an annual basis to support the development of the next four year rolling Business Plan and agreement of the next year's budget.

- **Planning**

We identify where we are now by looking at the results we are achieving against our performance indicator targets detailed in our service plans, the results of satisfaction surveys such as Residents Surveys and other inspection results. Our corporate ambitions and

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

- **Doing**

To get to where we want to be, we need to maximise our capacity to deliver the actions laid out in the various plans, and use our performance management and appraisals systems to ensure that we remain on course.

- **Reviewing**

By monitoring and managing performance, consulting with our partners and service users, and benchmarking against other providers, we can assess how we are doing, our progress towards achieving our ambitions, and what we can learn from the good practice of others.

- **Revising**

It is important that our services evolve to meet the needs of our residents. Having reviewed our performance we may find that we need to change what we are doing, or that we need to revise our ambitions and objectives in order to continuously improve as an organisation.

To maximise the cycle's effectiveness we have an agreed timetable for the process which takes into account both performance and financial considerations. This timetable enables Councillors to agree objectives, and allocate resources based on community views and needs, and accurate performance information. These objectives are translated into planned outcomes and performance targets.

### **Taking responsibility for results**

Everyone has a responsibility to contribute towards improving Merton, working within the performance management framework. This ensures that measurable activities at individual, team and service levels translate into outcomes.

It is the responsibility of the owner of each performance measure to ensure that details of the measure are clearly articulated. They must also ensure that adequate collection, recording and validation processes are in place to enable effective monitoring and reporting in line with the council's Data Quality Strategy.

The methodology for measuring and reporting upon our performance indicators from 2022-23 onwards will be collated and retained by the corporate performance lead in order to ensure that our data collection processes remain as robust and accurate as possible.

## Performance Management Systems and Collection Arrangements

Since June 2013, performance against service plan measures has been captured and reported via our Performance Management System Pentana (formerly known as Covalent).

On the first working day of each month, departmental performance leads are notified that performance data must be uploaded onto the system by a specified deadline. A full performance dashboard is run monthly for internal monitoring purposes by the Corporate Performance lead.

Performance Monitoring reports are presented to CMT on a quarterly basis. The quarterly performance reports focus on exception reporting and provide detailed trend-based analysis in order to enable better decision-making at the corporate level. The quarterly performance dashboard is published on both the internet and intranet, giving staff, Members, residents and the public access to up to date performance data detailing how the council is performing against its targets.

## Roles and responsibilities

The roles and responsibilities are outlined below:

<b>Role</b>	<b>Responsibility</b>
<b>Individuals</b>	All staff have a responsibility to deliver the tasks/actions which have been agreed in their appraisal, and to understand how their work contributes to team, departmental and council goals.
<b>Managers</b>	All managers have responsibility for supporting their staff through the appraisal process and regular reviews. They must also show commitment and accountability by leading through example. Managers should ensure that their team have regular meetings to share information, review progress of their divisional and team plans, develop ideas, identify areas for the next plan and agree the way forward on a variety of team and work issues. Managers should use these meetings to raise issues around corporate priorities, tell staff about developments within the department and the council, and to cascade information about performance to staff.
<b>Heads of service</b>	Heads of service report to Directors and are responsible for overseeing the performance of service units within their remit. They take a key role in the development and monitoring of their service plan at their DMT. They may also take on or contribute to wider corporate projects.
<b>Departmental Management Teams (DMT's)</b>	DMT's monitor their department's performance information and are responsible for identifying appropriate actions to address under-performance. DMT's make sure that every manager in the department knows and understands the planning cycle and performance management

Role	Responsibility
<b>Directors</b>	Each Director is responsible for the performance of their department. They must make sure that appropriate reporting arrangements are in place with their DMT's to enable them to monitor performance. Directors demonstrate commitment to the performance management framework by leading its implementation within their department. They make sure their service plans are monitored every quarter and regularly provide progress reports to the Chief Executive and appropriate Cabinet portfolio holder(s). Directors also have collective responsibility for corporate improvement, as members of Corporate Management Team (CMT)
<b>Corporate Management Team (CMT)</b>	CMT comprises the Chief Executive and the Directors of the four departments. Its role is to focus on the 'big issues' facing the council and develop the organisation's strategic approach and service delivery. CMT reviews performance quarterly and it can ask DMT's to review areas of concern and agree management action to address under-performance.
<b>Cabinet and Elected Members</b>	Ultimately, councillors are responsible for setting the direction of the Council and developing and agreeing its priorities. They do this by developing policy, setting strategic targets, monitoring progress, and agreeing the framework for continuous improvement.
<b>Full Council</b>	Members receive regular reports on progress against the strategic themes, including any relevant performance information and can use these meetings as an opportunity to ask Cabinet members questions about performance issues.
<b>Overview and Scrutiny</b>	Overview and Scrutiny panels have regular performance monitoring task groups to examine performance data, detect trends and identify key areas of concern. They are responsible for challenging Cabinet to ensure that they are fulfilling their responsibilities. If they identify any areas of concern, then they can ask Cabinet members and officers to attend meetings to answer questions. If they have wider concerns about the performance of a service area then they can carry out a scrutiny review into a particular area.

### Help and advice

If you require any guidance or advice with regards to Performance Management, or have any queries, please contact the Head of Policy, Strategy & Partnerships.

## Corporate Indicator Set 2022-23

The Corporate Indicator set is selected by the Corporate Management Team (CMT) to monitor the effectiveness of the Council as a whole. They are drawn from the Service Plan indicators.

The “Your Merton” engagement programme has resulted in a new evidence-led ambition and priorities for the Council – Merton 2030. We have committed to undertaking a fundamental review of our performance management framework later this year to align it with the priorities and delivery objectives set out in Merton 2030.

Therefore for 2022-23, a “light touch” review has been undertaken and in line with this approach, 56 Corporate Indicators (a substantial majority) have been carried forward and aligned with Merton 2030 priorities and principles. Six additional 2022-23 Service Plan indicators, which reflect these priorities and principles, have been included in the Corporate Indicator set.

We will therefore report on 62 Corporate Indicators for 2022-23. Performance of 51 will be reported to CMT quarterly, whilst the remaining 11 are Annual indicators so performance of these will only be reported to CMT at year end. *This is a higher number of Corporate Indicators than Merton usually reports upon, and is intended to carry us through the transition towards the new performance management framework.*

The final corporate set for 2022-23 aligned with the Your Merton 2030 priorities and principles is shown over the next four pages.

## Corporate Indicator Set 2022-23

### Performance Reported Quarterly

Dept	Code	Indicator Description	Polarity	2022/23 Target	Merton 2030 Priority/ Principle
Children, Schools & Families	CRP064 SP075	% children who become subject of Child Protection Plan for a second or subsequent time	Within range	12-20%	Priority Number 3
Children, Schools & Families	CRP110 SP443	Care Leavers who are in suitable accommodation	High	95%	Priority Number 3
Children, Schools & Families	CRP112 SP527	% of single assessments completed within 45 days	High	100%	Priority Number 3
Children, Schools & Families	CRP113 SP528	% of fostered children living in in-house provision	Within range	55-65%	Priority Number 3
Children, Schools & Families	CRP114 SP531	Percentage of children in our care who are placed more than 20 miles away	Bench mark	Better than London average	Priority Number 3
Children, Schools & Families	CRP092 SP467	% 16 - 17 year olds Not in Education, Employment or Training (NEETs)	Bench mark	Below London average	Priority Number 3
Children, Schools & Families	CRP088 SP404	% of new EHCP requests completed within 20 weeks	Within range	50-60%	Priority Number 3
Children, Schools & Families	CRP115 SP535	% of total 0-5 year population from areas of deprivation (IDACI 30%) whose families have accessed children's centre services	Within range	55-65%	Priority Number 5
Community & Housing	CRP116 SP539	Safeguarding Concerns to Enquiry Conversion Rate set against the London Benchmark	High	46	Priority Number 3
Community & Housing	CRP127 SP588	% of customers that are fully or partially satisfied that 'Making Safeguarding Personal' outcomes were achieved	High	95%	Priority Number 5
Community & Housing	CRP128 SP589	Proportion of placement in homes that are CQC rated as Requires Improvement	Low	10%	Priority Number 3
Community & Housing	CRP056 SP054	No. of carers receiving services and/or information and advice	High	1250	Priority Number 3
Community & Housing	CRP057 SP274	% of people receiving "long term" community services	High	72%	Priority Number 3
Community & Housing	CRP061 SP036	Number of households in temporary accommodation	Low	240	Priority Number 3
Community & Housing	CRP062 SP035	Number of homelessness preventions	High	450	Priority Number 3
Community & Housing	CRP060 SP009	Number of people accessing the library service online	High	250,000	Priority Number 2
Community & Housing	CRP059 SP008	No. of people accessing the library by borrowing an item or using a people's network terminal at least once in previous 12 months	High	56,500	Priority Number 2
Community & Housing	CRP129 SP590	New service users matched with volunteers for befriending service	High	80	Priority Number 3
Community & Housing	CRP130 SP504	% of young people (under 25) leaving treatment where substance misuse has reduced or client has become drug free	High	85%	Priority Number 3

Dept	Code	Indicator Description	Polarity	2022/23 Target	Merton 2030 Priority/ Principle
Corporate Services	CRP117 SP545	% Ombudsman investigations answered in time	High	90%	Principle Number 4
Corporate Services	CRP083 SP428	% Ombudsman complaints partially or fully upheld	Low	60%	Principle Number 4
Corporate Services	CRP041 SP192	% FOI requests dealt with in time	High	90%	Principle Number 4
Corporate Services	CRP098 SP193	% complaints dealt with in time	High	90%	Principle Number 4
Corporate Services	CRP037 SP352	% complaints progressed to Stage 2	Low	9%	Principle Number 4
Corporate Services	CRP118 SP548	Digital take up (CRM Services)	High	60%	Principle Number 5
Corporate Services	CRP107 SP474	Number of volunteers recruited through MVSC	High	385	Priority Number 2
Corporate Services	CRP013 SP431	% positive and neutral media coverage tone	High	75%	Principle Number 1
Corporate Services	CRP102 SP402	First contact resolution (Merton Link)	High	76%	Principle Number 5
Corporate Services	CRP080 SP413	No. of working days per FTE lost to sickness absence excluding schools	Low	8.5	Principle Number 4
Corporate Services	CRP109 SP477	Voluntary turnover rate (the rate of resignations)	Low	12%	Principle Number 4
Corporate Services	CRP131 SP439	No. of apprenticeship starts excluding schools (Govt Apprenticeship Levy Scheme)	High	60	Priority Number 1
Corporate Services	CRP132 SP506	No. of apprenticeship starts in schools (Govt Apprenticeship Levy Scheme)	High	30	Priority Number 1
Corporate Services	CRP099 SP226	First time fix rate for IT Service Desk	High	75%	Principle Number 5
Corporate Services	CRP100 SP339	% System Availability	High	99%	Principle Number 5
Corporate Services	CRP018 SP154	% Council tax collected	High	97.5%	Principle Number 3
Corporate Services	CRP036 SP155	% Business rates collected	High	97%	Principle Number 3
Corporate Services	CRP086 SP411	Number of processing days for new Housing Benefit claims	Low	14	Priority Number 5
Environment & Regeneration	CRP051 SP114	Major planning applications processed within 13 weeks	High	81%	Priority Number 2
Environment & Regeneration	CRP052 SP115	% of minor planning applications determined within 8 weeks	High	73%	Priority Number 2
Environment & Regeneration	CRP053 SP116	% of "other" planning applications determined within 8 weeks	High	84%	Priority Number 2
Environment & Regeneration	CRP045 SP118	Income (Development & Building Control)	High	1.966m	Principle Number 3
Environment & Regeneration	CRP044 NO SP	Parking services estimated revenue	High	TBC	Principle Number 4
Environment & Regeneration	CRP119 SP558	Average Performance Quality Score (Litter and Cleansing Standards)	High	4.95	Priority Number 4

Dept	Code	Indicator Description	Polarity	2022/23 Target	Merton 2030 Priority/ Principle
Environment & Regeneration	CRP120 SP562	% of Regulatory Services service requests with an initial response within the "defined timescale"	High	90%	Priority Number 4
Environment & Regeneration	CRP111 SP497	% of ASB cases acknowledged within the service timescale	Within range	90-100%	Priority Number 2
Environment & Regeneration	CRP123 SP567	Sites surveyed on local street inspections for litter that meet the required standard (monthly) and quarterly in line with NI195 reporting	High	87%	Priority Number 4
Environment & Regeneration	CRP125 SP570	Sites surveyed that meet the required standard for detritus	High	80%	Priority Number 4
Environment & Regeneration	CRP097 SP065	% of household waste recycled and composted (Monthly)	High	50%	Priority Number 4
Environment & Regeneration	CRP126 SP573	Number of refuse collections including recycling and kitchen waste (excludes garden waste) missed per 100,000	Low	80	Priority Number 4
Environment & Regeneration	CRP103 SP454	% of flytips removed within 24 hours	High	95%	Priority Number 4
Environment & Regeneration	CRP124 SP568	% of street cleansing reports rectified within the contract standard time frame	High	90%	Priority Number 4

## Performance Reported Annually

Dept	Code	Indicator Description	Polarity	2022/23 Target	Merton 2030 Priority/ Principle
Children, Schools & Families	CRP069 SP078	% outcome of Ofsted schools inspections good or outstanding	High	95%	Priority Number 1
Children, Schools & Families	CRP090 SP433	Merton pupil average Attainment 8 score	Bench mark	Top 10% of country	Priority Number 1
Children, Schools & Families	CRP091 SP434	Merton pupil average Progress 8 score	Bench mark	Top 10% of country	Priority Number 1
Community & Housing	CRP104 SP462	% learners from deprived wards	High	33%	Priority Number 5
Community & Housing	CRP133 SP360	Annual number of housing enforcement / improvement notices issued	High	100	Priority Number 5
Corporate Services	CRP016 SP401	The level of CO2 emissions from the Council's buildings	Low	2,947	Priority Number 4
Environment & Regeneration	CRP101 SP389	Carriageway condition - unclassified roads defectiveness condition indicator	High	75%	Priority Number 2
Environment & Regeneration	CRP096 SP020	New Homes	High	918	Priority Number 5
Environment & Regeneration	CRP108 SP475	Number of publically available Electric Vehicle charging points	High	250	Priority Number 4
Environment & Regeneration	CRP121 SP565	Number of monitoring stations that meet annual Particulate air quality objectives	High	1	Priority Number 4
Environment & Regeneration	CRP122 SP566	Number of monitoring stations measuring below the Nitrogen Dioxide air quality objectives	High	50	Priority Number 4



# **Section E**

## **Service Planning**

## E. SERVICE PLANNING 2022-26

Our Service Plans and Commissioning Plans are set out in the following pages. As well as Service Plans, we have three Commissioning Plans for our commissioned services delivered by third parties:

- Merton Adult Education
- Parks and Green Spaces
- Waste Management and Cleansing

Service Plans and Commissioning Plans were developed by service departments during the 2022/26 Business Planning process. During this process, the Service Plans were considered by Cabinet on 17 January 2022 and scrutinised by the Overview and Scrutiny Commission and Panels during the January 2022 cycle of meetings. They will be considered for approval by Council on 2 March 2022.

The Service Plans have five sections:

1. Overview – setting out the key outcomes for the service, links to the Council's ambition and contextual information.
2. Where we are now – a summary of progress from the previous year.
3. Delivery plan – objectives, activities and performance measures
4. People, Technology and Improvement – a summary of each area
5. Financial summary – budgets and forecasts

We have undertaken a 'light-touch' refresh of service plans this year because we are developing a new approach to service planning to align with a new corporate ambition for Merton. This ambition – Merton 2030 - will set out a clear set of priorities for the Council and all our future planning will be aligned to achieving this ambition.

### Index of Departmental Service and Commissioning Plans

Children, Schools and Families	Community and Housing	Corporate Services	Environment and Regeneration
Children's Social Care and Youth Inclusion	Adult Social Care – Commissioning and Market Development	Corporate Governance	Development & Building Control
Education	Adult Social Care – Direct Provision	Customers, Policy and Improvement	Future Merton
	Adult Social Care – Learning Disabilities	Human Resources	Leisure & Cultural Development
	Adult Social Care - Operations	Infrastructure & Transactions	Parking
	Housing Needs & Enabling	Resources	Parks & Green Spaces*
	Library and Heritage Service	Revenues & Benefits	Property
	Merton Adult Education*		Regulatory Services Partnership
	Public Health		Safer Merton
		Transport	
		Waste Management and Cleansing *	

\*denotes commissioned services

# **Children, Schools & Families**

# Service Plan for: Children's Social Care and Youth Inclusion

Service Manager: *Dheeraj Chibber, Asst Director (Children's Social Care & Youth Inclusion)* Cabinet Member: *Cllr Eleanor Stringer*

## Overview of the service

Children's Social Care and Youth Inclusion (CSC & YI) Division delivers a range of legal and statutory functions to children in need, children at risk of harm, children in care, care experienced young adults and children under the supervision of youth justice services (YJS). The Division is registered with Ofsted as a Fostering Agency and an Adoption Agency.

CSC works with children who meet the threshold for statutory social work assessments and interventions. Over the 2020/21 financial year, the authority received over 6,000 contacts. 2,035 of these contacts resulted in referrals to children's social care. At the 31st March 2019, 142 children were looked after and 186 children were subject to a Child Protection plan. There were 166 young adults who met the care experienced young adult eligibility criteria (as at 31 March 2021). There were 33 first-time entrants to the YJS. The Fostering Service recruits, assesses and supports Merton foster carers. The Adoption Agency works in partnership with Adopt London South to secure forever families for children who are unable to safely remain in the care of their birth family. The Access To Resources Team oversees placements and commissioning for children in our care and care experienced young adults. Our strategies and annual sufficiency statements drive placement and commissioning decisions and the recruitment of in-house foster carers.

The Division collaborates strategically and operationally with services and partners in the regional and local children's network (and in particular the council-run Family Wellbeing Service). These interfaces contribute to the effectiveness of the safeguarding and Early Help arrangements for Merton children and families as part of a holistic service offer.

Merton has lower rates of children in care than the majority of London Boroughs, as well as lower rates of first-time entrants to the criminal justice system. CSC & YI work alongside Merton families to enable them to safely care for their own children and we continuously challenge ourselves to find new ways of ensuring that our responses prioritise intervention at the lowest appropriate level. This approach allows us to promote the strengths and resilience of Merton families and communities in safely caring for their children, minimising the use of costly statutory interventions.

Our Youth Inclusion Service provides a range of targeted services to support vulnerable young people and their families. We work with young people who require statutory intervention to address their offending, those who are at risk of exploitation and contextual harms as well as those children who have left care.

## Merton's ambitions

- Support our most vulnerable residents of all ages
- Maintain a clean and safe environment
- Create a great place to grow up and live in
- Build resilient communities
- Bridge the gap and reduce inequalities
- Continuously improve

## What do we need to do?

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
Merton children, young people, families and carers use the services delivered by CSC & YI.	It is not yet clear what the medium to long-term impact of the coronavirus pandemic will be on children and families in Merton.	Since the pandemic, we have been responding to continuous changes to government guidance in relation to ensuring the safety of our teams	

<p>We actively seek feedback from children and families about their experiences. We use learning from feedback and complaints to improve our practices and services through our Learning &amp; Improvement Board.</p>	<p>The number of children being referred to CSC &amp; YI has remained consistent with previous years however 2020/21 has seen a rise in the total number of children being supported by CSC &amp; YI and the complexity of their needs. This is evidenced by a 22% increase in child in need plans; a 32% rise child protection investigations and a doubling in the number children with a child protection plan between 2020 and 2021.</p>	<p>as well as the children and families with whom we work.</p>	<p>In November 2021, we refreshed our self-evaluation. The SEF is underpinned by an action plan containing key actions to focus our improvement activities effectively. We furthermore adjusted practices during the Covid pandemic to ensure the most vulnerable children and those with social workers could continue to access education.</p>
<p>We encourage our children in care and our care experienced young adults to express their views and contribute to service improvements through Children in Care Council activities and attendance at the Corporate Parenting Board.</p>	<p>We know that children and their families have not been able to access the support and resources of their wider families and communities during the pandemic restrictions. For some families this has negatively impacted on their mental wellbeing, parenting and family relationships.</p>	<p>Outside of Covid, the government is considering the introduction of regulation in the semi-independent housing sector. This will have an impact on our commissioning and placement processes.</p>	<p>An Ofsted assurance visit in September 2020 confirmed that 'the most vulnerable children and families in Merton have benefited from a high level of protection and support throughout, and despite, the Covid-19 emergency'. Furthermore, 'children and young people in Merton's care have continued to make good progress and have been protected'. Ofsted provided further positive feedback during an annual meeting in November 2021.</p>
<p>The introduction of tri-annual practice weeks and a monthly audit cycle, as part of our quality assurance framework captures regular feedback from children and families about how they experience their interventions.</p>	<p>The government is also considering changes to the responses to unaccompanied asylum seeking children with specific changes to the way in which children entering the UK are dispersed.</p>	<p>At regional level, the Metropolitan Police is in the process of updating a number of multi-agency protocols and agreements. In some instances, there has been limited consideration to existing processes.</p>	<p>The CCG has also aligned and re-configured services. During the Covid pandemic, we have experienced the re-deployment of health visiting resources. This has had an impact on visiting Merton children and their families.</p>
			<p>We continue to focus our improvement activities on a small number of key areas in anticipation of a full inspection once the inspection regime re-starts.</p>

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
<p>Early Help and Family Wellbeing Service</p> <ul style="list-style-type: none"> <li>- implementation and mobilisation of new Family wellbeing service</li> <li>- review of allied teams and services with CSC&amp; YI and the Education Division to support improved ways of working.</li> </ul>	<p>Re-structure in support of the Early Help reforms has been completed, and new structures went live in September 2021.</p> <p>Following the re-structure, teams are now in place to support the new, integrated approach to Early Help.</p> <p>CSF has put in place structures to monitor the effectiveness of these new arrangements.</p>	Close
Contextual Safeguarding	<p>As part of our ongoing 'contextual harm project' (in partnership with the University of Bedfordshire) we have improved safety planning processes which sit alongside statutory safeguarding processes. This will strengthen practice and enhance the young person's voice as part of the planned intervention. We have strengthened practice oversight by introducing a specialist 'Independent Reviewing Officer' (IRO) post with a focus on ensuring plans address extra-familial harm.</p> <p>We have strengthened our operational processes by replacing the Multi-Agency Risk and Vulnerability Panel (MARVE) processes with a 'Missing and Child Exploitation' (MACE) panel. This brings us in line with pan-London procedures, adopting the same approach and process as our neighbouring Local Authorities and ensures a more agile approach to addressing children and young people at the highest risk of extra-familial harm. It also enables us to address all forms of exploitation in one forum, reporting on themes, trends and locations to strengthen future planning and interventions with key partners.</p> <p>Strategically, the MSCP 'Promote and Protect Young People' sub-group has strengthened its overview processes and now receives</p>	

	<p>Strategically, the MSCP 'Promote and Protect Young People' sub-group has strengthened its overview processes and now receives regular quantitative and qualitative information. During 2021, the PPYP launched the multi-agency Contextual Safeguarding Strategy and Action Plan which outlines the current actions we are taking to expand our response to safeguard young people from risks outside of their family home.</p>	
Supporting Technology and Infrastructure	<p>Having commissioned a diagnostic report into the existing case management system (Mosaic), CSF successfully secured corporate investment to make the necessary repairs. The delivery of a programme of work is taking place as planned, and we are currently predicting to deliver this work within budget and timescale. We have put in place revised and stronger cross-directorate governance and oversight arrangements.</p>	Carry forward
<p>CSC&amp;YJ Workforce</p> <ul style="list-style-type: none"> <li>- review existing structures to better align delivery to need and priorities</li> <li>- recruitment and retention strategy</li> <li>- development of Practice Model</li> </ul>	<p>The re-structure has been delivered and the new service structure went live in September 2021.</p> <p>Recruitment and Retention: There has been an updated recruitment and retention strategy policy and approach. This includes efforts to improve our external branding and advertising via the web. Frontline and Academy approach support the development of in-house social workers.</p> <p>Practice Model: Learning from quality assurance and auditing processes have informed future amendments to the existing practice model. We are in the process of promoting this with our staff and partners underpinned a commitment to relationship-based practice and associated tools.</p>	Carry forward

<p>Innovation work streams</p> <ul style="list-style-type: none"> <li>- Mockingbird Programme</li> <li>- Family Networking</li> <li>- Emotional wellbeing in children in care service</li> <li>- improve semi-independent accommodation offer</li> <li>- Frontline training programme</li> <li>- Social Workers in Schools Project</li> </ul>	<p>Mockingbird Programme: launched earlier this year. One constellation now in place consisting 8 foster homes supported by a Hub Home Carer.</p> <p>Family Networking: staff training completed. practice guidance drafted. Processes have been amended and now fully operational across Children and Families Hub and Assessment Teams.</p> <p>Semi-independent accommodation offer: Following completion of a needs assessment we are now exploring better and more efficient ways of commissioning. This may include establishing a framework for accommodation and support, including repurposing Merton assets for in-house provision.</p> <p>Frontline Training Programme: We continue to deliver Frontline training opportunities.</p> <p>Social Workers in Schools Project: We secured DfE funding in the summer of 2020 for Social Workers in Schools pilot. We were able to fund 6 social workers attached to 6 secondary schools with a view to identify emerging problems early. We are exploring the sustainability of this work when central funding comes to an end in the summer of 2022.</p> <p>?</p>	<p>Carry forward</p>
<p>Early Help (Front Door/Thresholds)</p> <ul style="list-style-type: none"> <li>- review current wellbeing model (thresholds document)</li> <li>- put in place integrated responses based on shared understanding of risk and need</li> </ul>	<p>A Task and Finish Group comprising of multi-agency professionals developed the refreshed threshold document which has been approved by the MSCP and has been published.</p> <p>Developed a combined 'request for services' to provide a single pathway for residents and professionals.</p>	<p>Close</p>



<p>Supported living for care experienced young people - review commissioning approach</p>	<p>Initial proposals developed with input from across the council and from housing providers. These have been considered at Corporate Parenting Board. Detailed business case being compiled based on this scoping work. Shared Lives project is being extended to care experienced young people on the edge of adult services. Consultation period with young people scheduled early 2020.</p>	<p>CLOSE and remove (not captured in the innovation workstream)</p>
<p><b>NEW ACTIONS:</b> CONTEXTUAL SAFEGUARDING</p> <p>- improving processes to gather feedback from children and young people - embed new practice approaches including peer assessments, locality assessments, the CSE Assessment Tool and Missing Tools</p>	<p>In 2022/23, our focus will remain on strengthening operational and strategic responses to Contextual Harm.</p>	<p>Carry forward</p>

**How will we get there?**

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<i>Embed the council's approach to Early Help and the interfaces with the Family Wellbeing Service</i>	Support our most vulnerable residents of all ages
	Bridge the gap and reduce inequalities
	Create a great place to grow up and live in

<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
Number of contacts to the front door	<i>Not reported corporately</i>		n/a	n/a	n/a	n/a	n/a	Quarterly	Low
% of contacts into referrals to children's social care	<i>Not reported corporately</i>		n/a	n/a	n/a	n/a	n/a	Quarterly	High
Number of CIN Plans	<i>Not reported corporately</i>		n/a	n/a	n/a	n/a	n/a	Monthly	Low
Number of two-year olds who are accessing two-year old funding per term	<i>Not reported corporately</i>							Annually	High
% of total 0-5 year population from areas of deprivation (IDACI 30%) whose families have accessed children's centre services	43.40%	Red	55-65%	55-65%				Quarterly	Within Range
% of single assessments completed within 45 days	95.17%	Red	100%	100%				Quarterly	High
% children who become subject of Child Protection Plan for a second or subsequent time	19%	Green	12-20%	12-20%				Quarterly	Within Range

<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>	<b>Proposed end date</b>
<i>Multi-agency approach to Early Help</i>	Following the agreement of thresholds, work with partners to embed our approach to Family Support in Merton as outlined in the 'Effective Support' document which includes roll-out of multi-agency training on the new approach to EH in Merton in line with I thrive	<i>Apr-22</i>	<i>Mar-23</i>
<i>Embedding combined front door</i>	Embedding the processes to enable children, families and professionals to access help, advice and services which meet children's identified needs at the right time.	<i>Jan-22</i>	<i>Jan-23</i>
<i>Effective interface between statutory and Early Help services</i>	Further develop and embed robust step-up and step-down processes particularly from Family Support a	<i>Apr-22</i>	<i>Mar-23</i>

<b>Potential barriers to achieving objective</b>	
<b>Description of barrier</b>	<b>Mitigating Actions</b>
<i>Capacity of the wider partnership to provide effective early help interventions particularly whilst managing a pandemic.</i>	<i>Effective application of thresholds and clarity of remit of FWB. Work with partners to strengthen universal and Early Help services in the borough.</i>

Processes for step-up and step-down of services in response to the changing needs of children and their families particularly whilst managing a pandemic.					Clear thresholds articulated in the Effective Support Practitioner Guidance and step-up and step-down processes being developed across services.				
<b>Impact on the customer/end user</b>									
Focus on three key outcomes: - better outcomes for all children - reduction in statutory interventions - receiving the right service, at the right time and the right place									
<b>Partners / interdependencies</b>									
Key link to Education and Early Help Division who run the Family Wellbeing Service Via the Merton Safeguarding Partnership Board, link with statutory partners (Police, Health) as well as non-statutory agencies (Education, vol sector).									
<b>Service Objective 2</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>				
Embed Contextual Safeguarding approaches across the CSC & YI system and structures.					Support our most vulnerable residents of all ages				
					Create a great place to grow up and live in				
					Build resilient communities				
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
Number of children known to the authority who are at risk of Child Sexual Exploitation, Child Criminal Exploitation or Serious Youth Violence	Not reported corporately		n/a	n/a	n/a	n/a	n/a	Monthly	Low
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>
Further embed contextual harm strategy and tool kit.	Work with partners to further develop safeguarding responses to contextual harm.						Apr-22		Mar-23
Further embed the changes made to panels for contextual harm.	Work with the service and with partners to further ensure clear partnership oversight through the MAC						Jan-22		Sep-22
Scale-up programme	Further develop and implement improved contextual safeguarding practice						Jan-22		Sep-22
<b>Potential barriers to achieving objective</b>									
<b>Description of barrier</b>					<b>Mitigating Actions</b>				
Partnership understanding and adopting contextual harm tools consistently - e.g. Young Person's voice.					Effective consultation and advice alongside training and champions supporting change across CSC & YI				

<b>Impact on the customer/end user</b>										
<i>Improved safeguarding for adolescents at risk of contextual harm.</i>										
<b>Partners / interdependencies</b>										
<i>This is a multi-agency strategy. Input from Police, Education, health partners and voluntary organisations.</i>										
<b>Service Objective 3</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<i>To have in place effective IT infrastructure that supports the delivery of social work practice and youth justice interventions.</i>					Continuously improve					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
n/a										
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Oversee a programme of restorative work to repair existing Case Management System (Mosaic)</i>	Based on findings from diagnostic work, implement key projects to repair Mosaic.						Nov-20		Nov-22	
<i>Introduce and embed Early Help workflows in support of the introduction of the combined front door.</i>	Case recording on Mosaic needs to be enabled to ensure Early Help work is captured and overseen.						Mar-21		Apr-22	
<i>Effective statutory and performance data reporting</i>	Ongoing improvements to the effectiveness and ability to report data by identifying software solutions.						Jan-22		Sep-22	
<b>Potential barriers to achieving objective</b>										
<b>Description of barrier</b>						<b>Mitigating Actions</b>				
<i>Not completing the work in time</i>						<i>Close oversight and prioritisation via Mosaic Change Board</i>				
<i>Lack of ongoing development resource to make Mosaic improvements beyond repair work</i>						<i>Raised on directorate risk register and being managed via Mosaic Change Board</i>				
<i>Absence of reporting tools impact on ability to use data effectively</i>						<i>Explore options for piloting and investing in service's existing IT infrastructure.</i>				
<b>Impact on the customer/end user</b>										
<i>Better user environment for social workers.</i>										
<i>Improved ability to oversee and scrutinise practice</i>										
<b>Partners / interdependencies</b>										
<i>Input from across the directorate is required.</i>										

<b>Service Objective 4</b>		<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the</b>							
<i>Supporting our workforce to deliver effective interventions to children and their families</i>		Support our most vulnerable residents of all ages							
		Create a great place to grow up and live in							
		Continuously improve							
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Number of vacancies	<i>Not reported corporately</i>		n/a	n/a	n/a	n/a	n/a	Annually	Low
Average Caseloads	<i>Not reported corporately</i>		n/a	n/a	n/a	n/a	n/a	Annually	Low
Proportion of agency staff	<i>Not reported corporately</i>		n/a	n/a	n/a	n/a	n/a	Annually	Low
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
Project / activity name	Description						Proposed start date		Proposed end date
<i>Recruitment and Retention</i>	Reviewing the recruitment and retention plan and launching strategy to better recruit and retain staff. Ensuring ongoing CPD.						<i>Apr-22</i>		<i>Mar-23</i>
<i>Launch revised practice model</i>	The practice model is being revised and simplified to support relationship-based practice and the consistent understanding, application and training of the model across the Service.						<i>Sep-21</i>		<i>Sep-22</i>
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
<i>Market availability of qualified experienced social workers to recruit to existing and forecasted vacancies.</i>					<i>Recruitment and retention plan being further developed to ensure we are broadening our offer and re</i>				
<i>Increased social worker caseloads will deter permanent recruitment and the number of agency social workers seeking transfer to permanent posts.</i>					<i>Recruitment and retention plan being further developed to ensure we are broadening our offer and re</i>				
<i>Retention of staff will depend upon the training, development and career progression opportunities being available.</i>					<i>Furthering our offer via CPD and Apprenticeship opportunities as part of the revised recruitment and re</i>				
<b>Impact on the customer/end user</b>									
<i>Children and Families experience reduced number of change of social worker</i>									
<i>Service is more cost-effective due to less reliance on agency staff.</i>									
<i>increased workforce stability provides more effective interventions with children and families</i>									
<b>Partners / interdependencies</b>									

<b>Service Objective 5</b>		<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>								
<i>Deliver service innovations to improve service delivery</i>		Continuously improve								
		Create a great place to grow up and live in								
<b>Performance Measures</b>										
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity	
% foster children living in in-house provision.	48%	Red	60%	60%	60%	60%	60%	Quarterly	High	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
Project / activity name	Description						Proposed start date		Proposed end date	
<i>Mockingbird</i>	Further roll out of and embedding of the Mockingbird model to support foster care recruitment.						<i>Jan-22</i>		<i>Mar-23</i>	
<i>Social Workers in Schools</i>	The SWIS pilot is continuing till March 2022 with a view to extending this. Evaluation options being considered with the What Works centre.						<i>Apr-22</i>		<i>Mar-23</i>	
<b>Potential barriers to achieving objective</b>										
Description of barrier					Mitigating Actions					
Future DFE funding with regards to SW in Schools					Work with partners (schools), DfE and What Works centre and explore ways of making this service financially sustainable					
Market availability of foster carers particularly following the pandemic.					Continued focus on recruitment through innovative solutions such as Mockingbird programme, closely					
<b>Impact on the customer/end user</b>										
The SWIS project identifies vulnerable teenagers early where there may be concerns / needs and therefore by seeing the young people at school, the SW is viewed as a supportive member of the school staff team, increasing confidence in the role of the SW and increases the potential to alleviate problems before they escalate to statutory involvement. Mockingbird will ensure improved stability and support for care experienced children and young people thereby improving longer term outcomes and the care they experience from their corporate parents.										
<b>Partners / interdependencies</b>										
<b>Service Objective 6</b>		<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>								
<i>Increase the availability of good quality and cost-effective accommodation for children in care and care experienced adults for whom LB Merton has statutory duties</i>		Bridge the gap and reduce inequalities								
		Statutory requirement								
<b>Performance Measures</b>										

Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% of care leavers in suitable accommodation	79%	Red	95%	95%	95%	95%	95%	Monthly	High
Percentage of children in our care who are placed more than 20 miles away	18%	Green	Better than London average	Better than London average	Better than London average	Better than London average	Better than London average	Quarterly	Benchmark
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description					Proposed start date		Proposed end date	
<i>Diagnostic work</i>	A review of existing properties and their potential for use as accommodation options for our children in care and care leavers. This includes council-owned properties such as care takers lodgings.					<i>Apr-22</i>		<i>Mar-23</i>	
<i>Commissioning Strategy</i>	Further explore new commissioning processes and frameworks with a view to broaden pool of accommodation providers.					<i>Apr-22</i>		<i>Mar-23</i>	
<i>Shared Lives</i>	Expansion of existing shared lives project to include children with care experience.					<i>Apr-21</i>		<i>Mar-22</i>	
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
<i>Corporate ownership to develop robust cost-benefit analysis.</i>					<i>Ensure corporate buy-in through existing corporate structures - including making the case as part of Merton's Covid recovery work.</i>				
<i>Local housing strategies and sufficiency does not focus on the housing needs of children in our care and those with care experience.</i>					<i>Ensure the housing needs of children in our care are captured and reported on.</i>				
<b>Impact on the customer/end user</b>									
<i>Children in our Care and adults with experience of care access high quality accommodation in the borough</i>									
<b>Partners / interdependencies</b>									
<i>Housing and Housing providers</i>									
<i>Corporate Parenting Board</i>									

## People

- CSC&YI has delivered a re-structure. This will enable the delivery of effective social work services within allocated funding envelopes.
- Training budgets for children social care are devolved and will remain so. As part of training innovation, CSC&YI has launched a 'Social Work Academy'. CSF is in the process of developing a workforce strategy to underpin these innovations.
- Remote working is likely to continue beyond the end of the pandemic, with workers utilising the flexibility that working from home brings. Training about the use of various communication platforms will be required.
- Access to personal protecting equipment is likely to continue so that social workers are enabled to carry out their duties safely.

## Technology

Following a diagnostic report into the existing Mosaic system, a programme of extensive repair work has been launched. This is likely to remain the main focus of this division until autumn 2022.

As a division, we want to learn and retain from the way in which we have utilised technology during lock-down. Where safe and commensurate with the child/families wishes, we have developed our practice around new virtual communication platforms. We have used technology to assist with visits (rather than conducting these face-to-face). We will continue to use a variety of communication platforms to speak to each other and our service users. This will require ongoing investment and training.

This will require continued support and effective joint working with the IT team and external service providers.

## Service improvement

Our existing Improvement Plan will be updated to reflect the recent findings from the Ofsted visit.

We continue to prepare for the full ILACS inspection and Youth Justice Inspection and have in place governance and processes to do so

One area we are focusing our attention on is improving professional Children's Social advice in support of the EHCP assessment process.



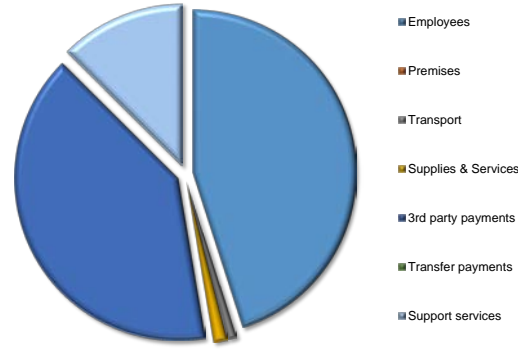
**Financial Summary**

Key uncertainties moving forward within Children's Social Care will be the continued uncertain impact of the Covid19 outbreak and the need to increase contributions towards the Dedicated Schools Grant as part of the Safety Valve work to deal with the DSG deficit.

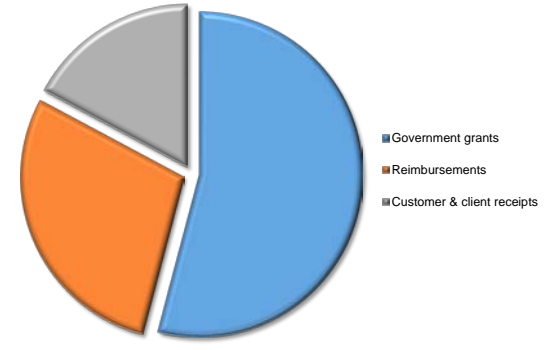
**DEPARTMENTAL BUDGET AND RESOURCES**

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	23,278	23,869	23,685	18	24,958	24,767	24,916	25,065
Employees	9,787	10,195	11,159	469	11,245	11,245	11,245	11,245
Premises	14	2	13	(9)	13	13	13	13
Transport	204	206	207	(107)	212	215	218	221
Supplies & Services	573	496	339	(200)	347	353	358	363
3rd party payments	10,293	10,140	9,393	(136)	10,019	9,819	9,960	10,100
Transfer payments	0	0	0	0	0	0	0	0
Support services	2,387	2,810	2,575	0	3,122	3,122	3,122	3,122
Depreciation	20	20	0	0	0	0	0	0
<b>Revenue £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>	731	1,038	704	(321)	704	704	704	704
Government grants	381	538	381	(198)	381	381	381	381
Reimbursements	230	218	203	(203)	203	203	203	203
Customer & client receipts	121	282	121	79	121	121	121	121
Reserves	0	0	0	0	0	0	0	0
Capital Funded	0	0	0	0	0	0	0	0
<b>Council Funded Net Budget</b>	<b>22,546</b>	<b>22,830</b>	<b>22,981</b>	<b>339</b>	<b>24,254</b>	<b>24,063</b>	<b>24,212</b>	<b>24,361</b>

**2022/23 Expenditure**



**2022/23 Income**



Capital Budget £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
	0	0	0	0	0	0	0	0

**Summary of major budget etc. changes**

**2022/23**

Savings  
Growth - £160k UASC Placements and formally UASC that are now care placements.

**2023/24**

Growth - £160k UASC Placements and formally UASC that are now care placements.  
Savings - £340k CSC Placements - demand management and commissioning.

**2024/25**

**2025/26**

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# Service Plan for: Education

Service Manager: Elizabeth Fitzpatrick (Asst Director - Education & Early Help) Cabinet Member: Cllr Eleanor Stringer

## Overview of the service

### Merton School Improvement (MSI)

- monitor, analyse, evaluate and improve pupil & school performance
- develop skills of school staff in planning, teaching, assessment, leadership & management
- work with schools to reduce inequality & improve achievement for vulnerable groups
- strengthen partnership working and school to school support
- ensure best educational outcomes for children in care, and children with a social worker
- strengthen safeguarding practice in schools

### Special Education Needs & Disabilities Integrated Service (SENDIS)

- build early help capacity in schools & settings, families and the community
- focus on safeguarding, early intervention & prevention as well as direct support for families
- implement the requirements of the Children and Families Act ensuring that families are central
- specialist provision for pupils with SEND

### Early Years, Family Wellbeing and Early Help

- Ensure the supply of good funded quality early education provision for children aged 2, 3 and 4 in accordance with statutory duties
- Work with the early years sector to improve quality, reduce inequality and improve outcomes for vulnerable children and their families
- Deliver the borough's network of Children's Centres for families with children under the age of 5, with a focus on early childhood development and parental attachment for babies and under 3s.
- Deliver early years and childcare services to families including a high volume of places for vulnerable 2 year olds
- Deliver targeted and specialist services for children with SEND and emerging additional needs including Portage Service, Inclusion Service, Shortbreaks and Specialist Out of School provision
- Deliver the Family Information, Young People and Local Offer statutory information functions via a range of channels
- Deliver early help and targeted services through a variety of ways including one to one/case work, evidence based parenting groups, evidenced based early learning groups and Information, Advice and guidance work for vulnerable families with the aim of preventing needs from escalating
- Lead on the councils partnership across the Early help system for CSF
- Distribute over £16m of early years funding to the sector, in accordance with statutory duties

### Education Inclusion

- provide universal & targeted in-house and commissioned services for YP & schools
- provide support to prevent bullying, substance misuse & teenage pregnancy, to improve attendance
- develop alternative education offerings to enable young people to stay in education, training or employment (My Futures Service)
- lead on the council's partnership with the police & CAMHS for education
- improve attendance and reduce the use of exclusion in Merton schools
- ensure participation of young people in local democracy and service design

*Contracts and School Organisation*

- pupil place planning & schools admissions
- school expansion & capital programme management
- contract management - including SEN Transport commissioning and PFI

*Performance, Policy and Partnerships*

- co-ordinate and support the directorate's service improvement activities
- produce performance data and analytical insight to the Directorate
- responsible for the submission of statutory data returns
- business support function for the statutory Merton Safeguarding Children Partnership
- co-ordinate and monitor agreed multi-agency strategies with particular responsibilities for the Children's Trust Board and SEND Reform Implementation Board.
- oversee corporate business planning and risk management functions on behalf of the directorate

**Merton's ambitions**

Support our most vulnerable residents of all ages  
 Maintain a clean and safe environment  
 Create a great place to grow up and live in  
 Build resilient communities  
 Bridge the gap and reduce inequalities  
 Continuously improve

**What do we need to do?**

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p><i>The annual school standards report provides an overview of educational outcomes broken down by ethnicity and other protected characteristics. It shows any gaps and inequalities and is scrutinised by the Children's Scrutiny Panel. This report furthermore informs services and actions taken by schools and is discussed in the Attain forum as well as other schools fora.</i></p> <p><i>In response to the Black Lives Matter movement, the School Improvement Team have focussed on equalities issues in relation to</i></p>	<p><i>Having experienced an increase over the last decade, we are predicting that Merton's school-age population will remain stable at 14,500 and 19,000 respectively.</i></p> <p><i>The population growth over the last decade is still noticeable in the number of secondary aged populations which we predict will increase from currently 17,000 to around 19,500 by 2024/25.</i></p> <p><i>One of the biggest demand pressures has been the increase in children with EHCPs. We predict this increase to continue from currently 2200</i></p>	<p><i>During the pandemic, we have witnessed changes to school opening. Schools have had to respond to regular changes to Government guidance as new evidence about the virus emerges.</i></p> <p><i>Ofsted's school inspection framework has been paused for the duration of the pandemic. However, some schools have been visited under the section 8 framework. Schools have faced additional health and safety checks during the pandemic.</i></p>	<p><i>In line with the majority of services delivered by the council, the Education Division works almost exclusively remotely. This is likely to continue during the recovery from the Covid pandemic.</i></p> <p><i>One of the key areas of focus for the Division will be the use of analytics to inform service design and delivery. We are already using insights to drive activity to address disproportionality in educational outcomes.</i></p> <p><i>95% of our schools are rated good or</i></p>

have focussed on equality issues in relation to pupil outcomes by ethnicity. In autumn, Head Teachers discussed data from the previous 3 years and are now considering actions to take in response to identified inequalities.

The service receives regular feedback via surveys by customers. The SENDIS services hears directly from parents, and also receives feedback via an established parent forum.

Our Early Years service receives regular feedback and conducts surveys.

The Education Division hosts the Participation Team on behalf of the wider Directorate. The Participation Team has been working on a revised Participation Strategy to replace the existing User Voice Framework.

This increase to continue from currently 2200 plans to approx. 2600 by 2024/25. The increase in the number of EHCSPs means that we need to consider the existing provision of special school places.

Since September 2020, Merton has also witnessed an increase in the number of children who are elected home educated. This is in line with national trends, and we continue to monitor this with interest.

During the pandemic, Ofsted introduced a regime of assurance visits. This focussed on the interface between children's social care and education teams - with a particular focus on vulnerable learners.

School exams were suspended in the academic year 19/20 and 20/21.

95% of our schools are rated good or outstanding. This proportion is above the London and national averages. All of the Council's secondary schools continue to be judged good with the proportion judged to be outstanding rising to 63% (well above national and local averages).

National rankings in relation to pupil outcomes continue to be strong in the progress measures at KS2 and GCSE. outstanding.

We do well for our vulnerable learners. The proportion of young people who are not in Education, Employment or Training (NEET) are significantly better than national averages and Merton continues to be in the top quintile of performance nationally.

**Where are we now?**

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
<p>Implementation and mobilisation of new Family Wellbeing Service</p> <p>Review of allied teams and services with CSC&amp; YI and the Education Division to support improved ways of working.</p>	<p>The new service is established. Objective met.</p> <p>The re-organisation included a review of allied teams and services across early help, aiming in improved ways of working. Objective met.</p>	Close
<p>Improve pupil outcomes at KS5 &amp; School Improvement through partnership with schools</p>	<p>During 19/20, the school's partnership, Attain, funded a project involving The Prince's Trust, designed to support the improvement of teachers' pedagogy and subject knowledge in the 6th form. In addition, masterclasses from A level examining boards were set up, and Merton teachers were encouraged to become examiners themselves (to develop clarity about what was being asked of students in the A level exams). Five out of the eight Merton secondary worked on this project. Merton School Improvement facilitated this project, and the sixth forms in four out of the eight schools had reviews of their provision.</p> <p>There were no examinations in summer 2020 nor summer 2021 because of the pandemic, and so it is not possible to measure the impact of this work yet. In 2021-2022, MEP Inspectors are again visiting schools and working with school leaders to review and evaluate sixth form provision.</p>	Close
<p>SENDIS IT Infrastructure programme</p> <ul style="list-style-type: none"> <li>- Introduction of an EHCP Hub</li> <li>- Introduction of an electronic case management system</li> <li>-Migrate existing EHCPs to the portal</li> </ul> <p>agree approaches for the migration of existing SEN, Sensory and Ed Psych team documents</p>	<p>The SEN Team went live with Synergy case management system in September 2021. The EHCP Hub is phase 2 of the IT Infrastructure Plan and will carry over in the financial year 21/22.</p> <p>Case Management System - Sensory and Education Psychology are not in this IT infrastructure programme and will be part of Phase 3 which will require a new business case and will also include the LBM SALT services.</p>	Carry forward

<p>Implement SEND Action Plan and DSG recovery plan</p> <ul style="list-style-type: none"> <li>- widen local offer</li> <li>- preparation of adult and early identification pathways</li> <li>- strengthen governance of SEND Implementation Plan</li> </ul>	<p>As part of our work to prepare for re-inspection and the wider discussions with the DfE around additional funding to support local SEND services, we are in the process of updating SEND strategy. The strategy is supported by an action plan the delivery of which is overseen by a multi-agency board with representation from across the council and health services. The partnership continues to focus on DSG recovery through engagement with the DfE about the council's engagement with their 'Safety Valve' programme.</p>	Carry forward
<p>Implementation of Secondary &amp; Special School (SEN) Places Strategy</p> <ul style="list-style-type: none"> <li>- provide additional state school places in Merton with a focus on Melrose expansion and an additional site for children with ASD</li> </ul>	<p>Completed expansion of Cricket Green School in summer 2020; expansion at Melrose school completed in September 2021. As part of our SEND strategy, two primary school ARPS will also be expanded for September 2022. Further plans for increased special school places being created in line with the council's strategy.</p>	Carry forward
<p>SEN Transport commissioning review</p>	<p>Now one of the council's transportation projects with a series of workstreams being delivered. A public consultation on transport policy and practice commenced in November and completes on 5 January 2022.</p>	Carry forward
<p>Early Help (Front Door/Thresholds)</p> <ul style="list-style-type: none"> <li>- review current wellbeing model (thresholds document)</li> <li>- put in place integrated responses based on shared understanding of risk and need</li> </ul>	<p>The new Family Wellbeing Service has been established and went live in April 2020.</p> <p>Over the course of this year, we have worked with partners to refresh the existing wellbeing model. This has now been agreed by the Merton Safeguarding Children Partnership.</p> <p>The development of a new 'front door' based on the revision of thresholds has begun. The task for next year will be to embed these processes across partners.</p>	Close

**How will we get there?**

*Try to limit this to no more than around 5-7 key objectives. This section should be reviewed if there are any significant changes in direction during the year. Changes can be noted along with the reasons for and implications of the change. When you review this, look for opportunities, insights, or risks that have emerged.*

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the</b>
<i>Embed the council's approach to Early Help and Family Wellbeing</i>	Support our most vulnerable residents of all ages
	Create a great place to grow up and live in
	Build resilient communities

<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Number of contacts to the front door	Internal Measure	Does Not Apply	n/a	n/a	n/a	n/a	n/a	Quarterly	Low
% of contacts becoming referrals to children's social care	Internal Measure	Does Not Apply	n/a	n/a	n/a	n/a	n/a	Quarterly	High
Number of CIN Plans	Internal Measure	Does Not Apply	n/a	n/a	n/a	n/a	n/a	Monthly	Low
Number of two-year olds who are accessing two-year old funding per term	Internal Measure	Does Not Apply	n/a	n/a	n/a	n/a	n/a	Annually	High

**Projects / key activities to support the objective** *(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)*

Project / activity name	Description	Proposed start date	Proposed end date
<i>Multi-agency approach to Early Help</i>	Following the agreement of thresholds, work with partners to embed our approach to Family Support in Merton as outlined in the 'Effective Support' document which includes roll-out of multi-agency training on the new approach to EH in Merton in line with I thrive	Apr-22	Mar-23
<i>Embed Supporting Families Framework</i>	Data alignment and system change in line with supporting families model	Apr-22	Mar-23

**Potential barriers to achieving objective**

Description of barrier	Mitigating Actions
<i>Capacity in the system to re align services whilst managing pandemic</i>	<i>Timescales for supporting families realignment may need to be delayed</i>
<i>Willingness of wider partnership to provide effective early help interventions and understanding of the early help thresholds.</i>	<i>Effective application of thresholds and clarity of remit of FWB. Work with partners to strengthen universal and Early Help services in the borough.</i>
<i>Processes to share information quickly and seamlessly in support of step-up and step-down processes not embedded effectively</i>	<i>Clear thresholds articulated in the Effective Support document and step-up and step-down processes agreed across services</i>

**Impact on the customer/end user**

*Children and their families are supported effectively where statutory intervention is not required.*

**Partners / interdependencies**

*Children's Social Care; wider partners within the Early Help system.*

**Service Objective 2**

**Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions**

<i>Deliver the SEND Strategy Action Plan overseen by the new SEND board and CYP Integrated Commissioning Group. (Comprehensive response to the Written Statement of Action is documented elsewhere and not repeated here)</i>				Support our most vulnerable residents of all ages					
				Statutory requirement					
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% of new EHCP requests completed within 20 weeks	32.75%	Red	Within range 50% - 60%	Within range 50% - 60%	Targets reviewed annually	Targets reviewed annually	Targets reviewed annually	Quarterly	Within a range
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
<i>Deliver SEND Strategy Action Plan</i>	<i>Embed the 'outcome champion' approach and provide robust scrutiny against agreed action.</i>						<i>Apr-22</i>	<i>Mar-23</i>	
<b>Potential barriers to achieving objective</b>									
Description of barrier					Mitigating Actions				
<i>Partnership buy-in reduces and actions are not delivered.</i>					<i>Strong Governance arrangements (via SEND Board).. Escalation to Children's Trust Board and Joint Commissioning Board where required.</i>				
<i>Continued rising number of EHCPs puts pressure on services to provide professional advice in a timely way.</i>					<i>Children and Young People integrated commissioning board is focussing on actions to prevent escalation of needs and streamline professional advice.</i>				
<b>Impact on the customer/end user</b>									
<i>Improved partnership working to support children with additional educational needs.</i>									
<b>Partners / interdependencies</b>									
<i>Partnership with CCG and Health Providers crucial. Link to adult social care to establish transition pathway.</i>									
<b>Service Objective 3</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the</b>					
<i>Maximise pupil outcomes following the pandemic to improve pupil progress and attainment.</i>				Continuously improve					
				Support our most vulnerable residents of all ages					
				Bridge the gap and reduce inequalities					
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% outcome of Ofsted schools inspections good or outstanding	95%	Green	95%	95%	95%	95%	95%	Annually	High
Merton pupil average Attainment 8 score	53.1	Red	Top 10% of the country (average top 10% result was 57.5)	Top 10% of the country	Top 10% of the country	Top 10% of the country	Top 10% of the country	Annually	Benchmark
Merton pupil average Progress 8 score	Not measured due to cancellation of GCSEs	Does Not Apply	Top 10% of the country	Top 10% of the country	Top 10% of the country	Top 10% of the country	Top 10% of the country	Annually	Benchmark
% pupils achieving expected standard at KS 2 in reading, writing and maths	Assessments cancelled due to Covid19	Does Not Apply	Top 10% of the country	Top 10% of the country	Top 10% of the country	Top 10% of the country	Top 10% of the country	Annually	Benchmark



% 16 - 17 year olds Not in Education, Employment or Training (NEETs)	1.3%	Green	To be below London average	To be below London average	To be below London average	To be below London average	To be below London average	Quarterly	Benchmark	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Work with schools to re-focus on school improvement activities</i>	The MEP programme will ensure that school leaders are supported and challenged to focus on school improvement priorities, as well as responding to the ongoing pandemic. Support and Challenge Groups will support the most vulnerable schools.						Apr-22		Mar-23	
<i>Work with schools to support implementation using catch-up funding</i>	The MEP programme will monitor how schools are implementing catch up programmes, including those funded by the DfE. Impact will also be monitored. Schools will be encouraged to set appropriately challenging expectations for pupil outcomes following learning loss during lockdown.						Apr-22		Mar-23	
<i>Monitor the delivery of remote learning offer if required</i>	Building on the remote learning strategy already created with schools, schools' remote learning offer will be monitored, and support given to improve the offer.						Apr-22		Mar-23	
<i>Support staff wellbeing particularly for leaders</i>	Officers will offer ongoing support to Headteachers, both responding to the Covid situation and on broader school issues. The schools' partnership, 'Attain' will be asked to fund supervision for HTs. MEPs will monitor and advise on leaders' strategies to ensure the wellbeing of their staff. Officers will facilitate the meetings of school mental health leads to share information and best practice.						Apr-22		Mar-23	
<i>Support schools to prepare for Summer 2022 exams</i>	Officers will provide schools with support to prepare for the exams. Schools will be provided with briefings about what the changed expectations						Sep-22		Jul-23	
<i>Support schools for resumption of Ofsted inspections</i>	Schools will be regularly briefed on Ofsted expectations and feedback from inspections. MEPs will support schools to be ready for inspection. The schools' partnership will be asked again to fund school reviews, to prepare schools for inspection.						Apr-22		Jul-23	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>						<i>Mitigating Actions</i>				
<i>Pandemic will interrupt resumption of normal school activity for some schools</i>						<i>Support schools to ensure control measures are in place to minimise the risk of in school infection, and to manage cases well, including maintaining good provision remotely and in person.</i>				
<i>Pupils' access to online remote learning is impeded by lack of digital devices and access to Wi-Fi</i>						<i>Support schools to access devices from DfE and local charities.</i>				
<i>Ongoing impact of the pandemic on staffing and leadership</i>						<i>Regular feedback with schools collectively and individually to support school capacity</i>				
<b>Impact on the customer/end user</b>										
<i>Pupils will achieve to the best of their ability, as a result of at least good education in their school</i>										
<b>Partners / interdependencies</b>										
<i>Schools</i>										
<b>Service Objective 4</b>						Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions				

SEND IT infrastructure improvements				Support our most vulnerable residents of all ages					
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% of new EHCP requests completed within 20 weeks	32.75%	Red	Within range 50% - 60%	Within range 50% 60%	Targets reviewed annually	Targets reviewed annually	Targets reviewed annually	Quarterly	Within a range
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
Project / activity name	Description						Proposed start date		Proposed end date
Synergy	Migrate the Sensory team, EP and SALT to Synergy case management system. Embed Synergy system and ensure it allows clear monthly reporting on finance as well as case management.						Apr-22		Sep-23
EHCP hub	Scope system to allow contributions to EHCNAs/EHCPs to be centrally coordinated						Apr-22		Sep-23
<b>Potential barriers to achieving objective</b>									
<b>Description of barrier</b>					<b>Mitigating Actions</b>				
Roll-out is not supported by partner agencies					Strong communication via project team.				
Synergy cannot provide reports required					set up alternative systems				
<b>Impact on the customer/end user</b>									
Greater ownership of EHCP, and improved EHCP process.									
<b>Partners / interdependencies</b>									
Parents/Carers, IT, health commissioners and providers, schools across all phases (primary, secondary and specialist), children's social care.									
<b>Service Objective 5</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
Implement the Safety Valve plan re DSG overspend				Statutory requirement					
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Number of children supported by an EHCP	2252	Does Not Apply	2525	2785	3045	3305	3565	Quarterly	Within a range
DSG deficit	24983406	Does Not Apply	37597219	44582689	49821293	47687912	41691837	Quarterly	Within a range
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
Project / activity name	Description						Proposed start date		Proposed end date
Delivering further state school specialist provision	Additional provision developed in line with the Safety Valve plan in ARPs and Special schools to reduce reliance on out of borough independent school placements						Apr-22		Mar-27
Develop effective graduated response to hold more children at SEND support	Develop capacity in schools and give confidence to parents in provision at SEND support in order to reduce demand for EHCPS						Apr-22		Mar-27

Improve focus on EHCP outcomes and spend	Reduced case loads for SENDIS workers allowing for more granular focus on outcomes and spend.	Apr-22	Mar-23
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**Potential barriers to achieving objective**

Description of barrier	Mitigating Actions
Support from schools/colleges does not develop as expected	Safety valve actions and partnership engagement
Parental perception and confidence does not support actions	Engagement with Kids First, and through schools, with parents collectively and individually
Therapy provision from health partnership does not support actions	Governance from CYP Integrated Commissioning Board
Safety Valve objectives not achieved	Governance from SEND board

**Impact on the customer/end user**

Childre and young people with SEND supported well at appropriate level of support; schools and colleagues enabled to support more children and young people at SEND support; parents have confidence in provision.

**Partners / interdependencies**

CCG, commissioned health providers, Children's Social Care, early years providers, schools and colleges.

**Service Objective 6** Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions

Contribute to the delivery of the corporate recovery and modernisation programme	Continuously improve
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**Performance Measures**

Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
n/a									

**Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)**

Project / activity name	Description	Proposed start date	Proposed end date
SEN Transport commissioning	Implement the outcomes of the transport consultation and delver other efficiencies as part of the transport tranformation project	Jan-22	Mar-23

**Potential barriers to achieving objective**

Description of barrier	Mitigating Actions
Uncertain budget	Work with finance colleagues to understand budget envelope

**Impact on the customer/end user**

Children and families with special educational needs

**Partners / interdependencies**

Transport Team in E&R  
Adult Social Care

**Service Objective 7** Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions

Improve support for children and young people's mental health in schools and colleges	Support our most vulnerable residents of all ages
	Create a great place to grow up and live in
	Build resilient communities

Performance Measures									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Percentage of Merton schools accessing a getting help school mental health team and implementing a whole school model	Reported internally	Does not apply	Local measure	Local measure	Targets reviewed annually	Targets reviewed annually	Targets reviewed annually	Annual	High
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Develop the Wimbledon mental health Partnership	Develop the last cluster so all schools in Merton will have been offered the opportunity to be in a Mental Health in schools partnership						Apr-22	Mar-23	
Respond to the findings of the youth survey with regards to mental health support	Mental health leads network - better align the network with the work of the clusters; with CCG run multi agency mental health network to improve quality of offer; publicize the offer; work with Collaborate to develop community capacity to support well being						Apr-22	Mar-23	
I thrive - improve risk support	Work involving CAMHS, Early Help, Children's Social Care and Merton schools to improve risk support in line with I Thrive's principles						Apr-22	Mar-23	
Improve the Neuro pathways	Work with the CCG and SWL to improve the Neuro pathway experience of children and families and reduce diagnosis time.						Apr-22	Mar-23	
<b>Potential barriers to achieving objective</b>									
Description of barrier						Mitigating Actions			
CCG funding limits re Covid restrictions						Oversight by CAMHS board			
Non engagement of partners due to pandemic						Oversight by partnership board led by CCG across 5 boroughs			
School capacity to meet demand and change expectations						Work with school leaders to manage the change program over time			
Neuro pathway has a high dependency on SWLSTG delivery						Oversight by CCG and CAMHS board			
<b>Impact on the customer/end user</b>									
Improved skills and capacity to identify and support children and young people with mental health needs in schools. Schools and Colleges understanding of young people's needs will improve and be planned for. Access to mental health support to be easier to access and available at a lower level of need.									
<b>Partners / interdependencies</b>									
CCG, schools, South West London and St Georges Mental Health Trust (SWLSTG), 5 borough CCGs, Sutton Schools' cluster, South Thames College FE group, Richmond College, Croydon College. Off the Record, Children's Social Care. I thrive implementation team.									
<b>Service Objective 8</b>						Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions			
Short-breaks review						Support our most vulnerable residents of all ages			
						Create a great place to grow up and live in			
						Build resilient communities			
Performance Measures									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
n/a									
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	

<i>Publish the findings/recommendations from the review of short breaks</i>	<i>Carry out a review of short breaks with key stakeholders and partners, co-producing with families, young people and children</i>	<i>Apr-22</i>	<i>Sep-22</i>
<i>Re-state the short break offer balancing the findings from the review with available budgetary envelopes</i>	<i>Deliver the new and revised local offer of short breaks</i>	<i>Sep-22</i>	<i>Mar-23</i>
<b>Potential barriers to achieving objective</b>			
<b>Description of barrier</b>		<b>Mitigating Actions</b>	
<i>Meeting savings challenge of £200k</i>		<i>Evidence based decision-making based on comprehensive review of need</i>	
<i>Securing effective engagement from key partners in health and education</i>		<i>Robust governance arrangements and early engagement with colleagues in finance</i>	
<i>Complexity of current model and capacity to support the review in light of pandemic pressures</i>		<i>Additional apacity to support the review</i>	
<b>Impact on the customer/end user</b>			
<i>Improved access to a range of short break provider services within the local offer (self-serve) and within financial envelopes. Easier navigation/pathways to services without need for non-statutory assessment.</i>			
<b>Partners / interdependencies</b>			
<i>Children's Social Care</i>			

## People

*Staff are supported to access training as appropriate.*

*We continue to support remote working where appropriate to service deliver/in line with national/local Covid measures and have offered support for this to happen safely.*

*The SEND service will be supported by further investment from the Council, and recruitment to new roles has begun.*

*Ongoing review of our SENDIS and SALT services will impact on the configuration of these teams, to enable us to best meet the needs of children and their families, and of schools, in line with our SEND strategy.*

*We have rolled out joint training with health partners (National Development Team - Inclusion).*

*As part of wider Early Help reforms, we are prioritising the roll-out of training which aligns to the practice model used in children's social care. This will support effective alignment between statutory and non-statutory work with families.*

## Technology

The SENDIS service is benefitting from the introduction of an electronic case management system, and of an EHCP hub. This will make workflows more efficient and increase our information governance processes.

As part of the Early Help Reforms, workflows are being introduced on Mosaic Case management system. This will make case management processes more efficient and will also enable better performance reporting and service management.

As part of wider Early Help reforms, we are using the Supported Families Grant to explore how we can better link data held across the council to understand need and risk of our most vulnerable families. The 'Insight to Intervention' project will provide the council with a clear road-map to enhance digital maturity.

As part of improvements to the way in which we support children and young people into adulthood, new workflows and systems are being developed in Mosaic. This work is led by Adult Social Care and we are contributing.

As a division, home working will remain more common and we are equipping our staff to make sure they can work at home where it is safe to do so. This will require ongoing engagement with colleagues in IT to facilitate access to effective communication technology.

### Service improvement

*The DSG overspend continues to be an area of focus for the education division. As part of 'safety valve' negotiation with the DfE we have put forward an ambitious programme of co-ordinated work to address the DSG overspend. This will be a key focus for our division in 2021/22 and beyond. As part of this work, we have already strengthened governance arrangements. The CYP Joint Commissioning Board (jointly chaired by the CCG and LBM) now receives more regular updates, and provides closer oversight, and there will be a new SEND Board chaired by the Chief Executive.*

*As part of council-wide recovery and transformation actions, we continue to monitor and improve our SEN Transport offer. This continues to be an area of focus.*

*We are also aware of funding pressures regarding the use of short breaks. In response we are continuing the review started in 21/22 to better understand need, and to better match our service offer to identified need and existing budgetary envelopes.*

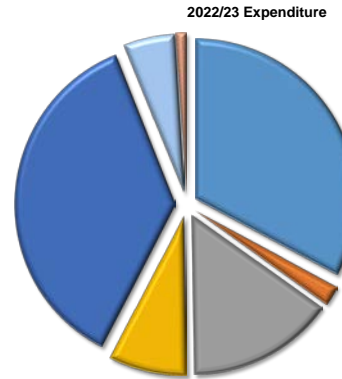
*In 2021/22, we have continued to embed our integrated Early Help service. This work has been underpinned by the delivery of a multi-agency strategy overseen by the Merton Safeguarding Children Partnership. The council continues to play a lead role and our focus for the next financial year will be the engagement with delivery partners in education and the voluntary / faith sector.*

Financial Summary

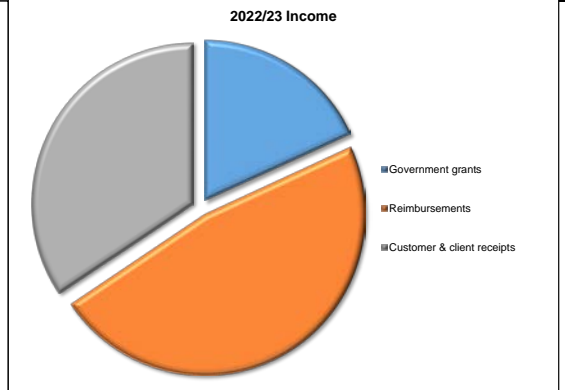
The medium term impact of the Covid19 pandemic is still not completely certain within this service. The biggest challenge will be implementing the recommendations of the proposed Safety Valve Plan which will present significant delivery challenges this year.

DEPARTMENTAL BUDGET AND RESOURCES

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2024/25
<b>Expenditure</b>	<b>44,098</b>	<b>54,631</b>	<b>45,239</b>	<b>10,540</b>	<b>45,160</b>	<b>45,541</b>	<b>45,703</b>	<b>45,864</b>
Employees	14,299	13,030	14,596	(1,186)	14,837	14,891	14,896	14,900
Premises	974	891	960	(638)	917	932	947	961
Transport	6,140	4,817	6,396	(34)	6,704	6,982	7,080	7,178
Supplies & Services	4,179	6,896	3,793	3,152	3,546	3,572	3,609	3,645
3rd party payments	15,405	26,095	16,414	9,246	16,415	16,423	16,431	16,439
Transfer payments	0	0	0	0	0	0	0	0
Support services	2,664	2,465	2,644	0	2,305	2,305	2,305	2,305
Depreciation	436	436	436	0	436	436	436	436



- Employees
- Premises
- Transport
- Supplies & Services
- 3rd party payments
- Transfer payments
- Support services
- Depreciation



- Government grants
- Reimbursements
- Customer & client receipts

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2024/25
<b>Income</b>	<b>6,543</b>	<b>6,492</b>	<b>5,992</b>	<b>(1,421)</b>	<b>5,845</b>	<b>5,845</b>	<b>5,845</b>	<b>5,845</b>
Government grants	1,399	1,887	1,059	670	1,059	1,059	1,059	1,059
Reimbursements	2,902	3,129	2,774	(1,378)	2,774	2,774	2,774	2,774
Customer & client receipts	2,243	1,475	2,159	(713)	2,012	2,012	2,012	2,012
Interest	0	0	0	0	0	0	0	0
Reserves	0	0	0	0	0	0	0	0
Capital funded	0	0	0	0	0	0	0	0
<b>Council Funded Net Budget</b>	<b>37,555</b>	<b>48,139</b>	<b>39,247</b>	<b>11,961</b>	<b>39,315</b>	<b>39,696</b>	<b>39,858</b>	<b>40,020</b>

Capital Budget £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2024/25
Primary Schools		829	2,923	0	3,178	2,500	2,500	2,500
Secondary Schools		13	411	0	198	0	0	0
Special Schools		1,121	3,506	0	2,658	0	0	0
Other		350	396	0	407	0	0	0
<b>Total</b>	<b>0</b>	<b>2,312</b>	<b>7,236</b>	<b>0</b>	<b>6,441</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>

Summary of major budget etc. changes

2022/23

**Savings**  
 £200k Early Years and Children's Centres - staffing and building maintenance.  
 £78k office efficiency within service (£50k) and £28k rationalisation with Education Inclusion  
 £100k School Meal PFI - ot within this service area but identified for completeness.  
**Growth**  
 £174k EHCP Taxi Transport  
 £50k SEN Additional  
 An additional £1.1m has been added to the Senior management area (not Education) which relates to Safety Valve ongoing costs for staffing within the service.

2023/24

Growth - £180k EHCP Taxi Transport, £50k SEN additional staffing

2024/25

2025/26



# Community & Housing

# Service Plan for : Commissioning and Market Development

Service Manager: Keith Burns Cabinet Member: Cllr Rebecca Lanning

## Overview of the service

The Commissioning and Market Development service supports the delivery of Adult Social Care in Merton in a range of ways by:

1. Analysing current and likely future demand for adult social care and commissioning services to meet that demand in a way that delivers quality for service users and good value for the Council;
2. Supporting the delivery of a range of Council and Departmental strategies;
3. Procuring, in compliance with the Council's Contract Standing Orders and other relevant policy and guidance, suppliers to deliver required services;
4. Managing contracts and provider relationships;
5. Maintaining oversight of the whole social care market in compliance with our Care Act market oversight responsibilities;
6. Supporting individuals choosing to use a Direct Payment to purchase their care and support and ensuring that Direct Payments are managed and monitored in compliance with legislation and the Council's Financial Standing Orders;
7. Undertaking assessments of individuals' ability to contribute to the cost of the care and support provided to them in compliance with the Care Act, related legislation and guidance and relevant Council policies;
8. Brokering individual placements or packages of community based care and support as required by individual care and support plans. Ensuring that contractual arrangements in respect of these placements / packages of care and support are compliant with the Council's Contract Standing Orders;
9. Analysing data and soft intelligence in order to: report on performance against Departmental and Corporate performance measures and targets; to ensure completion of statutory returns to central Government; and to inform the development and delivery of Departmental and Council strategies and plans.

## Merton's ambitions

*It is important that the activity in your service plan has a clear link to helping achieve the council's overall ambitions. Please consider these ambitions when developing your plan and ensure that activity and projects are matched against them:*

Support our most vulnerable residents of all ages  
 Maintain a clean and safe environment  
 Create a great place to grow up and live in  
 Build resilient communities  
 Bridge the gap and reduce inequalities  
 Continuously improve

## What do we need to do?

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
All ASC Customers eligible for a service will receive person centred support. For all new ASC Customers who have been discharged from hospital we aim to have them return to	Our primary role, from a Commissioning and Market Development perspective, is to facilitate, either through our commissioning activity or our market influencing activities, the	Local authorities across London and nationally are encouraged to promote and encourage person centred support for ASC customers, using direct payments to enable people to	Our approach to the commissioning of services and our wider market facilitation role is based around an expectation of continuous improvement, both in terms of the quality,

<p>their own homes and be supported to remain as independent as possible, this is under our "Home First" framework of delivering care and support and includes a period of reablement, ongoing assessment and review. All ASC customers in receipt of care and support are entitled to an annual review carried out by the Social Work / Occupational Therapy teams, the care and support plan is also reviewed with the individual, their family /carers and updated accordingly.</p> <p>From a Commissioning and Market Development perspective our primary role in delivering against these requirements is in ensuring that a range of commissioned services appropriate to meeting assessed need are in place; that there is a broad and vibrant social care market locally for use by individuals using Direct Payments or managing their own care.</p>	<p>maintenance of sufficient capacity in the social care market to ensure that as the population of the borough changes (increasing numbers of older residents and changes in the profile of working age adults and young people requiring care and support) sufficient services of good quality remain available to meet needs. During 2022 we will be developing longer term commissioning strategies that set out in more detail the demographic changes we expect to see and how our commissioning response will adapt to those changes.</p>	<p>choose their own care and support. The organised activities which are in place are often commissioned from voluntary sector partners and are based in local community settings. Furthermore, during the pandemic and moving forward, key expectations of LAs and CCGs in their delivery of direct payments and personal health budgets are to support people's continuing care and support needs and to manage and mitigate the impacts of COVID-19 via increasing the take up of (and allowing flexibility) the use of Direct payments.</p> <p>The Commissioning Strategies to be developed during 2022 will also set out how we intend responding to the 'People at the Heart of Care' White Paper published in December 2021, and in particular Chapters 4 and 6 of that document (Providing the Right Care in the Right Place, at the Right Time; and Our Strategy for the Social Care Workforce). Work on implementing arrangements for managing Care Accounts, and in respect of new requirements for fair funding will also be key priorities for 2022/23.</p>	<p>effectiveness and value for money of the services we contract for and of the processes and procedures we follow in our commissioning and contract management practice.</p> <p>Our operational services (Direct Payment, Brokerage and Financial Assessment teams) have a similar continuous improvement focus in terms of processes and customer service.</p> <p>Our Performance Team support the Department in driving up service quality by providing the necessary reporting and analysis of performance and quality assurance data.</p> <p>The key objectives and projects set out in this plan include a number specifically intended to support delivery of the Department's Reset and Recovery programme.</p>
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**Where are we now?**

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
<p><b>(Service Plan 2020-24)</b> We will develop the commissioning, contract management and quality assurance functions necessary to ensure Merton has sufficient supply of diverse and sustainable care provider markets to meet the care and support needs of borough residents either through direct commissioning activity or indirect market shaping activity. This project will also incorporate current commissioning and procurement activity for a range of services provided by third party suppliers.</p>	<p>1. A new structure for the Commissioning and Market Development service has been developed and the restructure process completed. A small number of posts remain vacant following the restructure and are being recruited to.</p> <p>2. A work programme covering the period 2020 to 2024 and encompassing the recommissioning of all existing ASC contracts with providers has been developed and lead commissioners / contract managers have been identified for each element of the work programme. This approach will be widened to cover all of C&amp;H by the end of April 2022.</p> <p>3. Relationships with the care sector in Merton have been considerably strengthened as a result of our response to the challenges of COVID19.</p>	<p>Carry forward</p>
<p><b>(TOM ASC8)</b> Work with partners and stakeholders to develop a framework for supported living for people with physical and learning disabilities and mental health issues, to promote choice and independence.</p>	<p>In progress and scheduled to be complete by Summer 2022 (delayed as a result of continuing focus on COVID-19 related activities).</p>	<p>Carry forward</p>
<p><b>(TOM ASC10)</b> Develop an adults commissioning model.</p>	<p>In progress and refined into a number of specific projects detailed in the delivery plan section of this service plan.</p>	<p>Carry forward</p>
<p>(Service Plan 2021/22) Delivery Plan Objectives</p>	<p>There have been some delays in progressing actions under individual Service Plan objectives, primarily as a result of delays in recruitment and the continuing impact of COVID-19 related activity. Where actions remain to be completed these have been re-profiled in the Delivery Plan and new actions added as appropriate. Completed actions have been removed.</p>	<p>Carry forward</p>

**How will we get there?**

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<i>Develop and deliver a new commissioning and market facilitation / oversight model for adult social care</i>	Support our most vulnerable residents of all ages
	Build resilient communities
	Continuously improve

<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
n/a									

<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>			
<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>	<b>Proposed end date</b>
Commissioning Strategy development	Development of a document that describes our overall approach to commissioning for excellence	Sep-21	Apr-22
Refreshed Market Position statements	Development of a suite of Market Position Statements that provide clarity to the market about our future commissioning plans and the rationale underpinning them.	Jan-22	Jun-22
Care at home 2023 (Home Care recommissioning)	Development and delivery of an agreed approach to the future commissioning of home care in Merton.	Sep-21	Aug-23
Bed-based care strategy 2021 – 2030 (Sustainability and change)	A strategy setting out our long term plans to reshape the bed based care market in Merton, encompassing nursing and residential care and supported housing settings.	Dec-21	Jun-22

<b>Potential barriers to achieving objective</b>	
<b>Description of barrier</b>	<b>Mitigating Actions</b>
Continuing impact of COVID19 on priorities and capacity	Rescheduling of project start dates where feasible.

**Impact on the customer/end user**  
Improved quality of service for service users; better value for council tax payers and increased clarity for service providers.

**Partners / interdependencies**  
Operational teams across ASC; Housing Needs; Future Merton

<b>Service Objective 2</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<i>Supporting delivery of the Learning Disabilities Recovery and Reset programme</i>	Support our most vulnerable residents of all ages
	Create a great place to grow up and live in
	Bridge the gap and reduce inequalities

<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
n/a									

<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
<b>Project / activity name</b>	<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
Expanding the availability of accommodation based care and support options	Development of new procurement and contractual arrangements for accommodation, care and support (supported housing) and residential care. Market development activities to encourage new providers into the borough.					In progress		Jul-22	
Delivering the right programme support	Ensuring that any necessary external support or expertise required for programme delivery is procured and delivered in a timely and cost effective way.					In progress		Ongoing through 2022/23	
Enabling the re-modelling and re-provision of in-house services	Delivering all necessary contributions to options appraisal and service redesign processes. Enabling delivery of all necessary commissioning and procurement activity.					Jan-21		Ongoing through 2022/23	
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
<i>Lack of available market options</i>					<i>Market development work programme referenced in service objective 1 above</i>				
<i>Political / community concern</i>					<i>Programme communication and engagement strategy</i>				
<b>Impact on the customer/end user</b>									
<i>Improved quality of service for customers and better value for council tax payers.</i>									
<b>Partners / interdependencies</b>									
<i>Service users and carers; Learning Disability service; Direct Service Provision team; Future Merton; Asset Management.</i>									
<b>Service Objective 3</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>				
<i>To ensure that new Direct Payment customers can be signed up as quickly and efficiently as possible and that existing customers continue to receive a uniformly high quality of service.</i>					Support our most vulnerable residents of all ages				
					Continuously improve				
					Statutory requirement				
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
(LI) Time from referral to account set up completed	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Quarterly	Low
(LI) Compliments recorded	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Annually	High
(LI) Number of DP Forums held per annum	TBC	Not Yet Known	4	6	6	6		Annually	Benchmark
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
<b>Project / activity name</b>	<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
Process review and redesign	End to end review and redesign of DP process to identify and implement appropriate process improvements as part of wider ASC work					Jan-22		Jun-22	

Quality Assurance review	Review QA processes and resources assigned to supporting existing customers and deliver improvements where identified and feasible.						Jan-22	Jun-22	
Restart Direct Payment Forum meetings	Restart programme of regular DP forums to enable customers to discuss relevant issues, suggest improvements and to share information.						Jan-22	Ongoing through 2022/23	
Improve knowledge and awareness of Direct Payments	Develop and deliver a programme of training and communication for social workers, OTs and other relevant professionals to ensure that the benefits of DPs are understood and factored in to daily practice as a positive option for customers.						Mar-21	Ongoing through 2022/23	
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>						<i>Mitigating Actions</i>			
<i>Resources available to complete review / redesign work</i>						<i>Support from Continuous Improvement team</i>			
<b>Impact on the customer/end user</b>									
<i>Improved quality and responsiveness of service.</i>									
<b>Partners / interdependencies</b>									
<b>Service Objective 4</b>									
						<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>			
<i>To ensure that Financial Assessments continue to be completed in a timely and accurate fashion and that new and existing customers experience consistently high quality customer service.</i>						Support our most vulnerable residents of all ages			
						Continuously improve			
						Statutory requirement			
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
(LI) Time from referral to assessment completed	n/a	Does Not Apply	TBC	TBC	TBC	TBC		Quarterly	Low
(LI) Compliments recorded	n/a	Does Not Apply	TBC	TBC	TBC	TBC		Annually	High
(LI) Debt as proportion of income collected	n/a	Does Not Apply	TBC	TBC	TBC	TBC		Quarterly	Low
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>
<i>Debt recovery</i>	Continue working with Debt Recovery team to reduce the overall level of debt outstanding as a proportion of income collected.						<i>In progress</i>		<i>Ongoing through 2022/23</i>
<i>Review Financial Assessment Policy and Procedures</i>	Review and update policy and procedures to ensure up to date and fit for purpose in terms of delivering consistently high quality and responsive customer service						<i>Sep-21</i>		<i>Apr-22</i>
<i>Review approach to Disability Related Expenditure</i>	Working with Merton Centre for Independent Living to review our approach to DRE and ensure this is effectively communicated						<i>In progress</i>		<i>Apr-22</i>
<i>Implementation of Care Accounts and automation/self-service</i>	Preparing for the implementation of Care Accounts from April 2023						<i>Jan-22</i>		<i>Mar-23</i>

<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
Team capacity					Ensure recruitment to remaining vacant posts is completed.					
<b>Impact on the customer/end user</b>										
Improved service quality for customers and better value for council tax payers.										
<b>Partners / interdependencies</b>										
Service users and carers; ASC Operational Teams; Debt Recovery; SLLP										
<b>Service Objective 5</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
Ensure that existing and new contracts are effectively managed and monitored in line with Contract Standing Orders and best practice.					Support our most vulnerable residents of all ages					
					Continuously improve					
					Statutory requirement					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
(SPI) Proportion of placement in homes that are CQC rated as Requires Improvement	New indicator for 2022-23	Does Not Apply	N/A	10%	TBC	TBC		Quarterly	Low	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
Contract File management	Develop and implement a consistent system for the management of all ASC contracts team files which is used by the whole team						Jan-21		Apr-22	
Implementation of new Council Contract Management Handbook	Review current practice and procedures against new Contract Management Handbook, and implement necessary changes to ensure full compliance.						Ongoing		Ongoing through 2022/23	
Minimise 'off-contract' spend.	Ensure that all contractual activity, including spot purchasing of care placements, is properly recorded on contract register						In progress		Ongoing through 2022/23	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
Team capacity					Ensure any vacancies are filled as quickly as possible.					
Spot purchasing difficult to record via contract register					Agree methodology for recording spend with Commercial Services					
<b>Impact on the customer/end user</b>										
Reduced risk of poor quality care being provided.										
<b>Partners / interdependencies</b>										
Providers; ASC Operational Teams: Commissioning; Care Quality Commission										



<b>Service Objective 6</b>				Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions					
Continue to improve the responsiveness and quality of Brokerage services provided.				Support our most vulnerable residents of all ages					
				Continuously improve					
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
n/a									
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Care placement costing	Complete implementation of CareCubed cost calculator and use for all new placements (initially working age adults)						Dec-21	Apr-22	
Review of Individual Service Agreement	Review existing Individual Service Agreement template; identify improvements and implement new template						Nov-21	Apr-22	
Carers services process	Development and implementation of a process for recording services provided to carers on Mosaic						Sep-21	Apr-22	
<b>Potential barriers to achieving objective</b>									
Description of barrier					Mitigating Actions				
<b>Impact on the customer/end user</b>									
Improved quality of service for customers and better value for council tax payers.									
<b>Partners / interdependencies</b>									
Commissioning and Contracts teams; ASC Operational teams; SLLP									

## People

During 2022/23 we will continue work to embed the new service structure following the delayed completion of the restructure process during 2021/22.

Specific people development activities to be undertaken include:

1. Maintaining the schedule of regular team meetings (at least monthly) and whole service meetings (via Teams) which was put in place during 2021;
2. Head of Service to attend two team meetings per year for each team within the service;
3. Fortnightly all service emails from Head of Service;
4. Completion of a learning and development plan for the restructured service based on individual learning and development audits;
5. Through development of a more project based approach to work we aim to provide opportunities for individuals to develop via membership of project teams in areas of work outside of their day to day roles.

## Technology

Projects planned for 2022/23 that include specific technology related requirements include:

1. Completion of the roll out of the new Electronic Care Monitoring (ECM) solution to a wider group of home care providers (no new software or hardware required, but technical support likely to be needed);
2. Exploration of software solutions to support better contract file management;
4. Completion of the Robotic Process Automation project with Financial Assessment team;
5. Continued development of a Power BI framework for performance management and other reporting requirements.
6. Development of a solution for the management of Care Accounts (by April 2023).

## Service improvement

The key service and process improvements activities planned for 2022/23 are identified as projects under the objectives in the Delivery Plan section of this service plan.

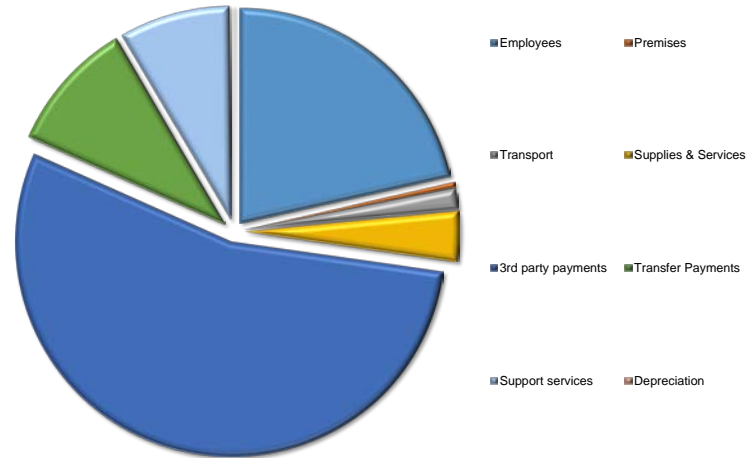
Financial Summary

Adult Social Care future budget includes agreed savings for 2022/2023 & 2023/24. The service will continue to have many challenges, such as demand pressures for services, the presentation of clients with more complex needs requiring services. Local provider markets remain volatile to change and increases in provider costs such as pay and pensions.

DEPARTMENTAL BUDGET AND RESOURCES

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	<b>86,283</b>	<b>86,116</b>	<b>85,093</b>	<b>774</b>	<b>89,648</b>	<b>90,689</b>	<b>94,469</b>	<b>96,481</b>
Employees	17,820	17,791	18,275	(759)	19,627	19,579	19,596	19,613
Premises	416	92	366	(97)	398	403	409	414
Transport	1,327	1,055	1,347	90	1,404	1,424	1,444	1,464
Supplies & Services	3,817	3,965	3,189	913	4,669	4,738	4,785	4,833
3rd party payments	45,896	46,723	46,317	956	48,525	48,061	48,740	49,417
Transfer Payments	10,195	9,514	8,429	(330)	6,432	7,889	10,901	12,146
Support services	6,669	6,833	7,027	-	8,452	8,452	8,452	8,452
Depreciation	143	143	143	-	143	143	143	143
<b>Revenue £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>	<b>23,798</b>	<b>26,320</b>	<b>22,861</b>	<b>(2,497)</b>	<b>25,900</b>	<b>25,925</b>	<b>25,925</b>	<b>25,925</b>
Government grants	1,280	3,714	607	(2,918)	1,640	1,640	1,640	1,640
Reimbursements	10,080	14,402	9,759	(2,670)	10,129	10,154	10,154	10,154
Customer & client receipts	9,197	5,059	9,185	3,091	9,197	9,197	9,197	9,197
Recharges	3,241	3,145	3,310	-	4,934	4,934	4,934	4,934
Reserves	-	-	-	-	-	-	-	-
Capital Funded	-	-	-	-	-	-	-	-
<b>Council Funded Net Budget</b>	<b>62,485</b>	<b>59,796</b>	<b>62,232</b>	<b>(1,723)</b>	<b>63,748</b>	<b>64,764</b>	<b>68,544</b>	<b>70,556</b>

2022/23 Expenditure



Summary of major budget etc. changes 2022/23

Capital Budget £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
								0
	0	0	0	0	0	0	0	0

Budget includes writeback of savings of £988k, precept £1m, additional grants for market sustainability £505k and social care £1.6m. Savings of £1.7m. Concessionary Fares adjustment of (£2.7m)

2023/24

Includes growth of £1.5m for concessionary fares and savings of £800k.

2024/25

Includes growth of £3m for concessionary fares.

2025/26

Includes growth of £1.2m for concessionary fares.

Direct Provision (Adult Social Care)			
Service Manager: <i>Andy Ottaway-Searle</i>		Cabinet Member: <i>Cllr Rebecca Lanning</i>	
Overview of the service			
<i>Provide a brief overview of your service and the outcomes it seeks to provide for residents/service users, including any statutory duties that impacts on this</i>			
<i>Direct Provision is part of Merton's Adult Social Care service, sited in Community and Housing. The majority of service provision is for people with a learning disability, with services also for older people and a small number of people with a physical disability. Apart from self funding customers (mainly in Mascot Telecare) customers are referred by Social Workers following a review, and the provision is part of a package designed to meet that person's assessed needs. The aim is to ensure that people are supported in an individual way and they can learn, develop or maintain skills which ensure that they can participate in community life and remain as independent as they can be and in their own home for as long as possible. Direct Provision currently has four day centres, two residential homes, five sites for supported living, an extra care sheltered housing scheme, Mascot Telecare and an employment team.</i>			
This could include survey results, consultations, complaints/compliments and set how the way in which you are planning to deliver your service reflects feedback from			
<i>It is important that the activity in your service plan has a clear link to helping achieve the council's overall ambitions. Please consider these ambitions when developing your plan and ensure that activity and projects are matched against them:</i>			
<p>Support our most vulnerable residents of all ages</p> <p>Maintain a clean and safe environment</p> <p>Create a great place to grow up and live in</p> <p>Build resilient communities</p> <p>Bridge the gap and reduce inequalities</p> <p>Continuously improve</p>			
What do we need to do?			
<i>In developing your plan it is important to understand the wider context in which the service and the council operates. Please refer to Merton Data as a tool to help you understand the present and future demands on your service and the views and needs of its customers. This should be combined with local intelligence held by your service.</i>			
<a href="#">Merton Data</a>		<a href="#">The Merton Story</a>	
Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<i>All Direct Provision ASC Customers have an annual review organised by the social work teams. Following this a care and support plan is developed which is updated regularly.</i>	<i>In LD day services we have already seen a change in demand, with most young people leaving transition and taking up community activities supported by Direct Payments. The remaining cohort are young people with additional needs such as challenging behaviour or complex care needs. This is a continuing trend. Based on recent experience older people are less likely to choose to attend a day centre.</i>	<i>The trend for local authorities across London and further afield is to move towards individual support for ASC customers, using Direct Payments to enable people to choose their own care and support. The organised activities which are in place are often commissioned from voluntary sector partners and are based in local community settings.</i>	<i>Direct Provision aims to provide good quality services to local people which are relevant and best suited to their needs, and to provide these services in a way which is cost effective and good value. All services interact in a positive way with their local communities</i>

**Where are we now?**

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Learning Disability Day Services - move from High Path to Leyton Road.	The service successfully moved to a newly renovated Leyton Road and formally reopened in January 2019.	Close
Refine the supported living offer, ensuring more community presence.	All tenants in supported living have an individual support programme, reviewed annually which includes their chosen activities and what is required to facilitate this.	Close
Develop Mascot Telecare, using more assistive technology.	The service continues to keep abreast with developments in technology and prescribe equipment appropriately. Most customers are content with standard offering but more could be done to work with teams to encourage innovation.	Carry forward
Employment - work with wider range of customers.	The team works with referrals from the LD Team and also Job Centre Plus; these referrals are required to have an assessment by the LD Team. The range of customers is limited by the eligibility criteria but does cover a wide area of need.	Carry forward
Upgrade the Mascot Telecare Hub.	Installation of updated hub completed in August 2019.	Close

### How will we get there?

*Try to limit this to no more than around 5-7 key objectives. This section should be reviewed if there are any significant changes in direction during the year. Changes can be noted along with the reasons for and implications of the change. When you review this, look for opportunities, insights, or risks that have emerged.*

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<i>Review and remodel LD day services to fit with the offer being developed across ASC. Ensure that services meet the needs of younger people in accessing community, acquiring skills and moving towards employment and training. Staff will also need to support customers and carers who have accessed day centres for a long period. There is a need to achieve savings by 2022/23 in this area as part of the MTFs.</i>	Support our most vulnerable residents of all ages
	Bridge the gap and reduce inequalities
	Continuously improve

<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
(LI) Review usage of centres	TBC	Does Not Apply	TBC	TBC	TBC	TBC		Annually	High
(LI) Work with Social work teams to assess each customer	TBC	Does Not Apply	TBC	TBC	TBC	TBC		Annually	High
(LI) Participate in LD Engagement	TBC	Does Not Apply	TBC	TBC	TBC	TBC		Quarterly	High
(LI) Work with Adult Learning and LD Team to revise employment pathway	TBC	Does Not Apply	TBC	TBC	TBC	TBC		Quarterly	High
(LI) Identify community settings suitable for use by individuals and small groups	TBC	Does Not Apply	TBC	TBC	TBC	TBC		Annually	Within a range
(S PI) No of Carers receiving services and/or information and advice	1893	Green	1,200	1250	1300	1500		Monthly	High
(S PI) % people receiving "long term" community services	75%	Green	72%	72%	72%	72%		Monthly	High
(S PI) No. of DTOCs - Adult Social Care delays only	suspended due to COVID19	Does Not Apply	suspended due to COVID19	TBC by NHSE	TBC by NHSE	TBC by NHSE		Monthly	Low
(S PI) % of older people (65 and over) still at home 91 days after discharge from hospital into reablement/rehabilitation services	81.8%	Green	78.80%	TBC	TBC	TBC		Annually	High
(S PI) % of MAS COT calls answered in 60 seconds	96.92%	Red	97.50%	97.50%	97.50%	97.50%		Monthly	High
(S PI) Safeguarding Concerns to Enquiry Conversion Rate <u>set against the London benchmark (new approach for 2022-23)</u>	46%	Green	31%	46	TBC	TBC		Monthly	Benchmark

(LI) Proportion of adults with a learning disability known to us in paid employment	TBC	Does Not Apply	TBC	TBC	TBC	TBC		Monthly	High
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
<b>Project / activity name</b>	<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>LD Engagement programme</i>	Work with LD professionals, customers, carers, other agencies e.g. Merton Mencap to ascertain what this population wants to achieve					<i>Oct-19</i>		<i>Ongoing</i>	
<i>Day service review</i>	Reassess the needs of current customers, review current offer and the effects of COVID-19 on service delivery					<i>Nov-20</i>		<i>Apr-21</i>	
<i>Employment review</i>	Work with LD Team and Adult Learning to create a more streamlined pathway towards training and employment					<i>Nov-21</i>		<i>Initial project ending A</i>	
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
<i>Customers and families have been used to a traditional day centre offer and suggestions that this might change will cause anxiety and uncertainty.</i>					<i>During COVID a changed offer of support has been necessary and this will prove helpful when discussing alternatives. Increasingly younger people are showing a preference to access more individualised activities.</i>				
<i>COVID-19 has slowed the pace of engagement due to workload and has made meetings more difficult to facilitate. However the 'Big Conversation' project started in May 2021 and carried on through the summer. The results of this work are currently being evaluated.</i>					<i>A mixture of face to face meetings, workshops, video calls and a full survey, which attracted 380 responses took place between May and July. Survey results were published in September and work is now taking place with evaluating these results and beginning to plan for any change to</i>				
<b>Impact on the customer/end user</b>									
<i>Customers should end up with a personalised service with clear outcomes and opportunities to explore their community. People who need higher levels of care and support will continue to receive this in the</i>									
<b>Partners / interdependencies</b>									
<i>Direct Provision staff will work closely with professionals in the LD Team, Commissioning as well as colleagues in Adult Learning as well as those partners in the voluntary sector. Staff will work with customers and families to ensure a smooth transition to any new service which might be agreed. We will also work with E&amp;R colleagues to agree a new transport offer (see below).</i>									
<b>Service Objective 2</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the</b>				
<i>Review Transport arrangements for Direct Provision customers, ensuring that each person has an individual travel plan most suitable for their needs and reducing the number of vehicles required, contributing to Merton's cleaner air agenda.</i>					Support our most vulnerable residents of all ages				
					Bridge the gap and reduce inequalities				
					Maintain a clean and safe environment				
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
(LI) Number of people using Merton Transport to attend day services	40 (COVID affected)	Not Yet Known	90	90	TBC	TBC	TBC	Monthly	High

(LI) Number of people taking part in travel training	2	Not Yet Known	3	12	TBC	TBC	TBC	Quarterly	High
(LI) Number of fleet vehicles in use	9	Not Yet Known	9	7	TBC	TBC	TBC	Annually	High
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
<b>Project / activity name</b>	<b>Description</b>					<b>Proposed start date</b>			<b>Proposed end date</b>
<i>Edge Transport Review</i>	Corporate review undertaken Nov 19 - March 2020. While not producing a wide ranging suite of ideas to enable ASC to take a different approach, it produced some helpful data. Colleagues across different departments are working through the response.								<i>E&amp;R led project</i>
<i>Focused look at ASC transport/assisted travel needs</i>	Forecast future capacity, work with CSF to promote independent travel for young people in transition, look at current day service offer.					Oct-21			Jun-22
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
COVID-19 has disrupted normal service delivery, including transport requirements, and we are still not back to normal operation.					In recent years we have used fewer Merton buses with DP staff collecting customers from home. We would work to support those who can to travel more independently, leaving larger vehicles for those with highest needs. We will also seek where appropriate for people to attend venues near to their homes to reduce the length of journey times.				
Corporately there is a need to realign resources between departments to achieve greater flexibility					All departments need to review their activities and cost base going forward				
<b>Impact on the customer/end user</b>									
We would aim to have each person feeling confident that they have the correct travel support appropriate to their needs and suitable for their programme of activities.									
<b>Partners / interdependencies</b>									
We will work with E&R who currently provide vehicles and drivers. DP staff will work with the LD Team, Commissioning and potentially other partners in areas such as Travel training.									
<b>Service Objective 3</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the</b>				
LD Accommodation - as part of LD offer review all residential and supported living units in Direct Provision ensuring that they are fit for purpose and meet the needs of residents. Work with LD Team to ensure that progression towards supported tenancies is achievable in all appropriate cases. Support residents, tenants and families through the review process and any move which might follow. Each site will need to ensure that current standards are maintained and where possible improved to meet the standards required by CQC - currently all services are rated as Good. Supported Living sites will need to continue to develop their offer to ensure that those tenants who can move to more independent properties can do so. The Gables offer in particular needs to be of a move through model.					Support our most vulnerable residents of all ages				
					Bridge the gap and reduce inequalities				
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>



(LI) Work with LD Team to reassess each customer in Residential/Supported Living	8	Not Yet Known	20	25	TBC	TBC		Annually	High	
(LI) Number of people moved from home/residential to Supported Living	2	Not Yet Known	4	6	TBC	TBC		Quarterly	High	
(LI) Number of people moved from Supported Living to own full tenancy	1	Not Yet Known	2	2	TBC	TBC		Annually	Within a range	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Learning Disability Offer</i>	This workstream is looking at the whole range of services/activities linked to people with a learning disability and their families.						<i>Oct-19</i>		<i>Ongoing</i>	
<i>Housing Strategy</i>	A major piece of work looking at housing and accommodation requirements across Merton						<i>Oct-19</i>		<i>Ongoing</i>	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>						<i>Mitigating Actions</i>				
<i>There is a shortage of suitable property in Merton for developing sites, and a shortage of existing</i>						<i>The Housing Strategy is seeking to address the issue of identifying suitable sites for</i>				
<b>Impact on the customer/end user</b>										
<i>Residents and tenants would get the opportunity to live as independently as possible in good quality accommodation.</i>										
<b>Partners / interdependencies</b>										
<i>Merton's Housing services, Commissioning and Housing Associations are key partners.</i>										
<b>Service Objective 4</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the</b>					
<i>Review and develop Mascot Telecare; ensure that the service model is able to increase the number of self funding customers and to support colleagues across ASC in utilising the widest range of assistive technologies.</i>					Support our most vulnerable residents of all ages					
					Build resilient communities					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
(LI) Number of self funding Mascot customers	1433	Not Yet Known	1550	1600	1650	1700		Monthly	High	
(LI) Ensure Telecare is considered at every customer review and assessment	TBC	Not Yet Known	200	200	200	200		Quarterly	High	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	



<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)			
<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>	<b>Proposed end date</b>
<i>Review/reassess all current customers with Long Term Team</i>	Ensure that each customer has a reassessment with need carried out by social work team with support of day service staff	<i>Oct-21</i>	<i>Ongoing</i>
<i>Work with Commissioning/Voluntary Sector to look at other support options</i>	With colleagues, look at best practice options to support this customer group, including outreach work, key work support to access mainstream activities, increasing the roles of Personal Assistants	<i>Jan-21</i>	<i>Ongoing</i>
<b>Potential barriers to achieving objective</b>			
<i>Description of barrier</i>		<i>Mitigating Actions</i>	
<i>Day centres have provided a secure 'respite' option for families who care for an older relative with dementia, although the numbers using centres have decreased. These families will want assurances that support is available.</i>		<i>Staff from centres have worked differently during COVID and have provided home visits and some social outings to some day service customers. This model can continue along with developing other interventions.</i>	
<b>Impact on the customer/end user</b>			
<i>Support and stimulation which is person based for the customer and assurances that support is still available for families. A good dementia care pathway will enable people to live at home for longer and avoid and/or delay families needing to consider residential care.</i>			
<b>Partners / interdependencies</b>			
<i>Close working with teams across ASC including Commissioning. Liaison with voluntary sector groups where appropriate to support customers.</i>			

### People

Most Direct Provision staff have gained experience in working across the services and have proved to be able to work flexibly with a range of customers of varying needs. During the COVID-19 pandemic day service staff have worked to support colleagues in residential, supported living and Mascot. Staff have also adapted to deliver sessions via Skype and Zoom, carrying out home visits and accessing community spaces where possible. This flexibility will be required as services evolve. It is likely that the staff team will decrease in size over time. There will almost certainly be a changed work experience for many staff, working for example in the evenings and at weekends when customers want to socialise. Staff might also work from more than one base and spend more time on their own or with a smaller group of colleagues. Residential staff are faced with similar changes and if the number of homes reduces then the staff team will inevitably decrease.

### Technology

Direct Provision staff mainly work directly with customers, apart from a small group of admin staff who have successfully worked from home during the COVID-19 pandemic. Care staff have learnt to carry out remote sessions with customers at home by using Skype/Zoom and similar. Most staff who need them have smart phones and we will where necessary equip staff with tablets to give further flexibility to work across various sites and from home. Mascot staff will need to continue to explore all assistive technologies to support a wider range of customers.

### Service Improvement offer

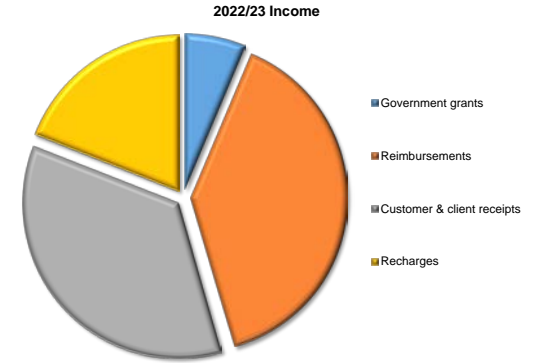
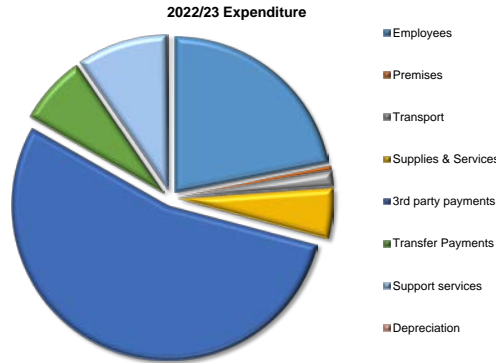
As noted we are reviewing all of our services to ensure they are relevant for the customers we support and for potential customers. In terms of service improvement Mascot Telecare was due to be the subject of a LGA Challenge which was deferred due to COVID-19. The issue with Mascot is more about the delivery model than the actual service; could it be outsourced, run as a Community Interest Company/Social Enterprise or similar? There are savings attached to both day services and residential which will result in a changed service offer. The aim is to ensure that less resources are spent on areas such as buildings and transport to ensure that more is left to focus on service delivery to customers.

Financial Summary

Adult Social Care future budget includes agreed savings for 2022/2023 & 2023/24. The service will continue to have many challenges, such as demand pressures for services, the presentation of clients with more complex needs requiring services. Local provider markets remain volatile to change and increases in provider costs such as pay and pensions.

DEPARTMENTAL BUDGET AND RESOURCES

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	<b>86,283</b>	<b>86,116</b>	<b>85,093</b>	<b>774</b>	<b>89,648</b>	<b>90,689</b>	<b>94,469</b>	<b>96,481</b>
Employees	17,820	17,791	18,275	(759)	19,627	19,579	19,596	19,613
Premises	416	92	366	(97)	398	403	409	414
Transport	1,327	1,055	1,347	90	1,404	1,424	1,444	1,464
Supplies & Services	3,817	3,965	3,189	913	4,669	4,738	4,785	4,833
3rd party payments	45,896	46,723	46,317	956	48,525	48,061	48,740	49,411
Transfer Payments	10,195	9,514	8,429	(330)	6,432	7,889	10,901	12,144
Support services	6,669	6,833	7,027	-	8,452	8,452	8,452	8,452
Depreciation	143	143	143	-	143	143	143	143
<b>Revenue £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>	<b>23,798</b>	<b>26,320</b>	<b>22,861</b>	<b>(2,497)</b>	<b>25,900</b>	<b>25,925</b>	<b>25,925</b>	<b>25,925</b>
Government grants	1,280	3,714	607	(2,918)	1,640	1,640	1,640	1,644
Reimbursements	10,080	14,402	9,759	(2,670)	10,129	10,154	10,154	10,154
Customer & client receipts	9,197	5,059	9,185	3,091	9,197	9,197	9,197	9,197
Recharges	3,241	3,145	3,310	-	4,934	4,934	4,934	4,934
Reserves	-	-	-	-	-	-	-	-
Capital Funded	-	-	-	-	-	-	-	-
<b>Council Funded Net Budget</b>	<b>62,485</b>	<b>59,796</b>	<b>62,232</b>	<b>(1,723)</b>	<b>63,748</b>	<b>64,764</b>	<b>68,544</b>	<b>70,556</b>



Summary of major budget etc. changes 2022/23

Capital Budget £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
Telehealth	-	-	-	-	30	-	-	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>

Budget includes writeback of savings of £988k, precept £1m, additional grants for market sustainability £505k and social care £1.6m. Savings of £1.7m. Concessionary Fares adjustment of (£2.7m)

2023/24

Includes growth of £1.5m for concessionary fares and savings of £800k.

2024/25

Includes growth of £3m for concessionary fares.

2025/26

Includes growth of £1.2m for concessionary fares.

# Service Plan for : Learning Disabilities Services

Service Manager: Gillian Moore

Cabinet Member: Rebecca Lanning

## Overview of the service

*Provide a brief overview of your service and the outcomes it seeks to provide for residents/service users, including any statutory duties that impacts on this*

The Merton Community Learning Disabilities Team (CLDT) form one service area within Community and Housing directorate. The team sits in Adult Social Care and works with adults with a diagnosed learning disability (who may also have a diagnosis of Autism Spectrum Disorder). In exceptional circumstances the team works with adults who have Autism Spectrum Disorder without a Learning Disability when there are clearly identified Care Act eligible needs and the person is at current risk if they do not receive a service. The team is an integrated health and social care team consisting of a range of health staff and social workers. The team's primary purpose is to provide specialist health and social care services to people with learning disabilities and their carers/families. These are people who live in the community and whose lives and needs are so complex that universal services alone are unable to meet their needs. The CLDT is a fully inter-disciplinary team delivering on the following core functions as outlined below. The CLDT is constituted as three fully inter-disciplinary functional teams which include specialist health and social care professionals who have developed expertise in Mental Health and Challenging Behaviour, Complex Physical Health or Preparing for Adult (Transition) services. The team operate a Single Point of Access receiving referrals directly from a range of sources.

The team aim to build a culture based on strong community support service planned around people's environments and are focussed on person centred and strength based when looking at individual needs. The service embraces principles of values, rights, inclusion independence and choice and will work with all individuals who have learning disabilities and or autism equally despite any difficulties experienced in meeting their needs.

*It is important that the activity in your service plan has a clear link to helping achieve the council's overall ambitions. Please consider these ambitions when developing your plan and ensure that activity and projects are matched against them:*

- Support our most vulnerable residents of all ages
- Maintain a clean and safe environment
- Create a great place to grow up and live in
- Build resilient communities
- Bridge the gap and reduce inequalities
- Continuously improve

## What do we need to do?

*In developing your plan it is important to understand the wider context in which the service and the council operates. Please refer to Merton Data as a tool to help you understand the present and future demands on your service and the views and needs of its customers. This should be combined with local intelligence held by your service.*

[Merton Data](#)

[The Merton Story](#)

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
This plan takes into consideration a series of engagement work that has been undertaken with people with Learning Disabilities (LD), their carers and families. Outcomes from previous engagement work	Data from 2017/18, records that the LD population in LBM stood at 708 (0.3%) this is data based on the numbers of people who were registered as having a LD by their GP. This was lower than England (0.5%), and London	National recovery plans related to the Covid-19 pandemic are unknown at this time. Government led inquiries and reflections on the response to Covid may result in	Our vision is to ensure that people with learning disabilities in Merton live ordinary lives. For those with LD this should translate to increased accessibility reduced stigma

James. Outcomes from previous engagement work carried out indicated that residents with LD want the LD team to work in a coordinated way. They would like the team to move away from traditional ways of working to a more co-ordinated approach that is focussed on the impact of life long conditions that many people are living with and that require ongoing care to cope with. Co-ordination with the concept of "I statements" should drive the manner in which professionals relate to people with Learning Disabilities.

Many people with LD live with complex life long conditions and they are often very dependent on others to meet their day to day needs. They remain one of the most marginalised groups in society and therefore it is always good practice when planning, developing and making changes to council services that affects them that an EIA is undertaken specifically for this population to understand the impact such activities are likely to have on them.

(0.4%) . The Merton story indicates that not all people with LD are registered by their GPs, the estimate suggest that there is approximately 3,900 people with LD in Merton, meaning only 18% are registered. The most recent population census (PANSI) estimates that there were 763 people with moderate and severe LD aged 18 to 64 listed as living in Merton in 2020. However, there are only 546 of them known to the Integrated Health and Social Care Community Team.

the response to covid may result in associated legislative and policy changes, any such change will need to be considered in our own plans and service configuration and will need to factor in the specific needs of residents with LD.

The Disability Discrimination Act promotes the rights of people with learning disabilities amongst other groups. The main aim is to ensure that people with LD are afforded the same rights as everyone else. Service configuration should factor in accessibility and reasonable adjustments in all aspects of life; including healthcare, job opportunities, the right to independent living and the right to access a range of community services. Transforming care and recent report from LeDer reviews have highlighted significant health and social inequalities for people with learning disabilities.

to increased accessibility, reduced stigma and cultural and social change to make appropriate adjustments to enable people with LD to live a full and meaningful life. This must include asking people with a learning disability to produce future service adjustments to make things better. Every effort must be made to ensure that they have a real say about what they want to see happening and changing. The Council must ensure that all people with LD, autism, or both and their families and carers are empowered to be partners in the care they receive.

The health component of the team are registered by CQC and therefore subject to review in accordance CQC KLOE. The team need to operate in a manner that will demonstrate compliance with the terms of their registration, to offer a more all round service.

**Where are we now?**

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Prevention and Early Intervention	<p>The professional staff ( Nurses, Psychologist, Occupational Therapist, Physiotherapist, Speech and Language Therapists, Social Workers and Assessment Officers) make up the CLDT service. Professionals are allocated to work with a range of service providers where the CLDT staff deliver link worker support to them. The purpose of the link worker offer is to promote positive access to universal services and to enable them to have effective responses when working with people with learning disabilities and Autism. This also stimulates the development of capabilities and confidence of people working in learning disabilities and mainstream services. The team undertake targeted work with individuals, carers and services enabling them to provide effective person-centered support in a timely manner, to delay the need for longer term multiple service responses. Link workers offer families/carers and other professional agencies/ teams support to promote independence, health and wellbeing. The staff deliver health and social care that is based on specialist knowledge and skills to meet the unique needs of people with LD and or Autism who use services or to people who support them.</p>	Carry forward
Function based holistic assessment. A strengths-based approach to care and support planning	<p>Responding positively and effectively to crisis presentations and urgent demands. Application of positive risk taking principles, seeing people's strengths as opposed to their deficits. The team will work to deliver person centred practice around the person and in the environment they are in. Focusing on joint working to ensure the best professional is working with the individual. Integrated assessments and care pathways requiring ongoing care co-ordination approach to avert different professionals from the same team going in on separate occasions. Staff must be trained and supported to deliver community based intensive support to people with LD.</p>	Carry forward



Positive behavioural support	Specialist direct clinical therapeutic interventions and support for people with complex behavioural and health support needs. Working to support individuals with learning disabilities and their families to manage behaviours that are challenging. Professionals provide specialist assessments/ diagnosis and different interventions and strategies to support individuals with their challenging behaviour, and or mental health, needs to manage independent community living. Work across the system to reduce the number of people living/ detained in mental health institutions. Establish a PBS framework based on intensive support. The intensive support must include intervention to those who are at risks of being involved in the criminal justice system.	Carry forward
Workforce development	Reviewing working practices to develop strength based practice across health and social care. The recently published capabilities framework is being reviewed and mapped against the workforce development plan.	Carry forward
Monitoring quality	The activities of the team are under monthly scrutiny by the quality assurance processes in Adult Social Care (ASC). The activities of the LD team are therefore subject to regular monitoring of quality. There will be a need to compile performance indicators of a good service, identifying areas for improvement, and a set of defined KPIs for health interventions and smart outcomes to measure / assess outcomes of the workforce interventions and to gauge the service user experience .	Carry forward
Transitions Model	Work with key stakeholders involved in transitioning young people between services and enable early planning for young people with EHC and complex needs to move between children and adult services. The Team will maintain a transitions register and design the operating model and work across the systems (CSF,CCG,CAMH, Education and AMH) to agree the pathways. Improve understanding and awareness of the needs of young people with disabilities and care leavers.	Carry forward

**How will we get there?**

*Try to limit this to no more than around 5-7 key objectives. This section should be reviewed if there are any significant changes in direction during the year. Changes can be noted along with the reasons for and implications of the change. When you review this, look for opportunities, insights, or risks that have emerged.*

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
Clearly define the offer for people with learning disabilities in Merton, starting with the way that the Integrated team work and ending with the offer of service provision that is available to meet their needs. This will also include a drive for access to universal services and a change in culture across the council and within partner services. A review of the existing offer of services such as day opportunities, employment and housing.	Support our most vulnerable residents of all ages
	Statutory requirement
	Continuously improve

<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
(S PI) No of Carers receiving services and/or information and advice	1893	Green	1,200	1250	1300	1500		Monthly	High
(S PI) % people receiving "long term" community services	75%	Green	72%	72%	72%	72%		Monthly	High
(S PI) No. of DTOCs - Adult Social Care delays only	Suspended due to Covid	Does Not Apply	Suspended due to Covid	TBC by PHSE	TBC by PHSE	TBC by PHSE		Monthly	Low
(S PI) % of older people (65 and over) still at home 91 days after discharge from hospital into reablement/rehabilitation services	81.8%	Green	78.80%	78.8% but TBC by BCF	78.8% but TBC by BCF	78.8% but TBC by BCF		Annually	High
(S PI) % of MAS COT calls answered in 60 seconds	96.92%	Red	97.50%	97.50%	97.50%	97.50%		Monthly	High
(S PI) Safeguarding Concerns to Enquiry Conversion Rate set against the London benchmark (new approach to target for 2022-23)	46%	Green	31%	46	TBC	TBC		Quarterly	Benchmark
(LI) Proportion of adults with a learning disability known to us in paid employment	N/A	Does Not Apply	Suspended due to Covid	TBC	TBC	TBC		Monthly	High

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

Project / activity name	Description	Proposed start date	Proposed end date
Strengthen the Integration-	A clear care co-ordination framework is integral to making this work, with an underpinning principle being to adopt a single integrated health and social care process to deliver continuity of care for people with learning disabilities, people with Profound and multiple complex health needs and challenging behaviour, anyone requiring intervention and long-term support. Making use of research on the use of Positive Behavioural Support (PBS) models to respond to behaviours that challenge services and integrating this approach into the way the team operate. Supporting positive access to responses from mainstream services, health promotion and health facilitation.	Jan-21	May-22

Design the operating model for Transitions	Work with key stakeholders to agree a model for Transition. The team in its current format holds the register of all young people with EHC plans from Year 9 onwards and, when notified, other young people requiring transition support. a operating model ( 14-25, all age service or existing model) to be established						Oct-20	Mar-22	
Transitions Protocol	Work with Partners in CSF, CCG, schools and adult education to establish the referral and case management Pathways for preparation for adulthood, with particular attention paid to the PFA pathways as defined in the children and Families Act, Care Act and Send Guidance.						Oct-20	Mar-22	
<b>Potential barriers to achieving objective</b>									
<b>Description of barrier</b>				<b>Mitigating Actions</b>					
Staffing levels remaining consistent to be able to realise these objectives.				Agree the establishment for the service and ensuring that we secure permanency of the health and social care staff team					
Establishment of a workforce that is adequately equipped through training to ensure they have the required skills and techniques when responding to challenging cases.				source and work with the CCG to identify resources locally or across SWL to respond using PBS methods/approaches. Mandatory inductions and foundation training.					
<b>Impact on the customer/end user</b>									
CLDT will operate one integrated assessment process, one principal identified worker, one care plan and one review process including joint documentation, commonly agreed aligned eligibility criteria and integrated information systems. Having a clear PBS model will ensures staff have the skills to maintain people in the community and avoid hospitalisation and costly out of area placements. To manage a range of nursing needs, challenging behaviour needs and mental health needs of those with Learning disabilities. Application of the 5 good communications standards as identified by the Royal college of Speech and language therapist.									
<b>Partners / interdependencies</b>									
The health functions of the team need to be subject to CCG health delivery plans. Influencing commissioning intentions of health(CCG) especially in developing the PBS Framework locally.									
<b>Service Objective 2</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
Supported employment using strength based assessment approaches to identify the people with LD who are able and could benefit from being in employment. More people should feel confident to look for jobs and be supported to do so, commissioned service to assist people to facilitate the aspirations that people with LD have.				Create a great place to grow up and live in					
				Build resilient communities					
				Bridge the gap and reduce inequalities					
<b>Indicator</b>									
	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
(LI) Proportion of people with Learning disabilities and Autism in paid or voluntary employment	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Annually	Within a range
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>	<b>Proposed end date</b>	

<i>What people do, Day opportunities and employment options</i>	To work with key stakeholders (CSF, SEN, Schools, Adult education, employment service) to create employment pathways making use of vocational profiles- linked to OT specialist skilled assessments.						<i>Apr-21</i>	<i>Apr-23</i>	
<i>Where people live</i>	Where people live , stable and safe environments, enable people to live independently taking greater control over their lives and where they want to live. Reduce the numbers of people being placed out of area by ensure that housing is developed locally over the course of the next 5 years to ensure it meets the need of a range of people with Learning disabilities . Homes need to be available in settings close to public amenities close to transport links. The team will ensure that they are able to influence and provide information to support any development in housing options locally. Take an approach to housing that affords people their rights to be on a register for housing much like the rest of the population.						<i>Apr-21</i>	<i>Apr-24</i>	
<i>Moving to adulthood</i>	Transitioning between children and adult services, young people will be treated for this transition to adulthood ensuring that their voices is heard and incorporating their wishes.						<i>Apr-21</i>	<i>Mar-22</i>	
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
<i>Availability of a range of options for people in terms of where they receive their social and recreational activities where they work and live.</i>					<i>more community based options and less building based options.</i>				
<i>securing cross agency working can be a barrier if the work is not driven via a clear governance process with the respective agencies.</i>					<i>Regular interface and designing sessions with a range of key stakeholders , driven at senior levels in stakeholder agencies, carers and service users.</i>				
<b>Impact on the customer/end user</b>									
<i>This will address barriers to community access will assist with working with people to plan, and will ensure we assist them to develop and maintain their strengths, creating less dependency on services. alleviate or prevent the gaps in service delivery, remove personal risks to residents and mitigate risks to the council reputation and legal challenges. pole are engaged in meaningful activities that improves behavioural mental ill health and provide carers and families with much needed break from the demands of caring.</i>									
<b>Partners / interdependencies</b>									
<i>This wil need to be linked to the housing strategy, a seperate housing strategy or a chapter of the existing one based on capacity and demand modeling would be advisable. Local JSNA data to predict future demand and capacity planning. Consideration of partners longer term commissioning and planning intentions.</i>									
<b>Service Objective 3</b>									
					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>				
Strengtening the teams operational practices to ensure a more coordinated approach is taken, to achieve the objective of greater access to universal services. Service user should therefore be offered one integrated assessment process with one main contact, one care and support plan and one review process, including combined health and social care workflow and documentation. This will ensure that we improve the service users experience work smartly and are more efficient.					Build resilient communities				
					Bridge the gap and reduce inequalities				
					Support our most vulnerable residents of all ages				
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
(LI) numbers of people with LD who have had a annual health check	n/a	Not Yet Known	TBC	TBC	TBC	TBC		Quarterly	High

(LI) Numbers of people with an integrated care and support plan	n/a	Not Yet Known	50%	75%	100%	100%		Monthly	High	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
Annual health checks	Work with health partners to ensure that people with a learning disability get an annual health check						Commenced		Ongoing	
Project / activity 2										
Project / activity 3										
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
We do not have local measure for assessing how the teams are performing, we need to set individual targets based on corporate measures.					Agree individual staff targets based on wider corporate measures .					
COVID-19 has disrupted routined health care such as annual health checks										
<b>Impact on the customer/end user</b>										
strengthening the teams operations will ensure that service user have a better experience of receiving social services and health interventions. Less need for complaints and preserve council reputation. reduction in risks from Judicial Reviews and other legal challenges.										
<b>Partners / interdependencies</b>										
<b>Service Objective 4</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
Determine the Future demand for housing accommodation for Adults with Learning disabilities in Merton, this will include working with the Housing department to influence the housing strategy ensuring that the strategy reflects the accommodation need of people with Learning Disabilities.					Create a great place to grow up and live in					
					Build resilient communities					
					Bridge the gap and reduce inequalities					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
(LI) Numbers of people who are living in a independent setting with their own tenancy	TBC	Not Yet Known	30%	TBC	TBC	TBC		Quarterly	High	
(LI) Numbers of people with LD who are on the housing register.	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Annually	Low	
(LI) Numbers of people Living in setting outside of Merton, who could otherwise be local	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Annually	Low	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	

Review existing service usage, availability and scope future demand as part of recovery and reset work programme.	Gather information on the wider population, living status, health needs including those groups with complex support needs, Autism Dementia, challenging behaviour, epilepsy, long-term and life long conditions. Review using demand and capacity framework to establish the existing housing options and determine what type of accommodation is needed for this group.					Mar-21	Apr-22		
Expand the Transitions Tracking align to performance workstreams/capacity, use data intelligence to determine future demand.	Review the future demand using data forum CSF to enable planning and service development.					Mar-21	Ongoing		
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>				<i>Mitigating Actions</i>					
scale and priority of capital and regeneration building programmes.				Develop the market through commissioning programmes					
Availability of data from Childrens Services				Improvements to systems, processes and data collection and monitoring					
The lack of appropriate and affordable housing in Merton				Working partners to identify sites/opportunities					
<b>Impact on the customer/end user</b>									
Availability of a range of accommodation options including expanding sheltered scheme for elderly people with learning disabilities.									
<b>Partners / interdependencies</b>									
Dependent upon movements in the council housing and building programmes locally. Influenced by the general housing market and provider development including the rental market locally .									
<b>Service Objective 5</b>									
				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
Making safeguarding personal- ensure that at all times reasonable adjustments are made for people with learning disabilities to feel safe and where suspected abuse allegations are made for them to participate in the decision making and choice based support that they need to maintain their safety and contribute information that assist with enquiries.				Support our most vulnerable residents of all ages					
				Bridge the gap and reduce inequalities					
				Statutory requirement					
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
(LI) making safeguarding personal KPI	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Monthly	High
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
<b>Project / activity name</b>	<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
Safeguarding audits	Ensuring that safeguarding audits take place. Ensuring that the voice of the person is heard					Commenced		Ongoing	
Project / activity 2									
Project / activity 3									
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>				<i>Mitigating Actions</i>					
<b>Impact on the customer/end user</b>									
Please highlight the anticipated impact on the customer/end user of carrying out the activity in your service plan									
<b>Partners / interdependencies</b>									
Highlight any interdependencies where other council services or partner organisations are linked to the delivery of this objective. If referring to another council service, please include the name of the team and department.									

<b>Service Objective 6</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
<i>Improve on the assessment and the services we offer to our carers</i>				Support our most vulnerable residents of all ages						
				Statutory requirement						
				Bridge the gap and reduce inequalities						
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
proportion of carers who have had an assessment (LI)	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Monthly	High	
numbers of people with LD who have had a annual health check (LI)	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Monthly	High	
<b>Projects / key activities to support the objective</b> <i>(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</i>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
Strengthening the integration of the MCLDT service	To ensure that health & social care team coordinate activities to enable service users to have a holistic and seamless experience						Mar-21		Sep-21	
Design a model for preparations for adult hood	To work across Childrens, Adults, Health & Education to design a preparation for adulthood operating model, including determination of resources required to manage transfer of cases between services/teams						Apr-20		Apr-22	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>						<i>Mitigating Actions</i>				
<i>Commitment from all partners and resourcing of the team and model</i>						<i>Co- production across the system &amp; senior management governance across all partners/agencies</i>				
<b>Impact on the customer/end user</b>										
<i>Seamless and avoidable cliffedge, Improvement in young peoples experience and early intervention and prevention. Co-production of the PFA/transitions plan and service model within Merton</i>										
<b>Partners / interdependencies</b>										
<i>Childrens Schools &amp; Families, Health, Service Users, Carers, Voluntary Sectors, Trust</i>										
<i>Placing this work as priority for senior management across all agencies/partners</i>										

## People

A recently published Capabilities Framework for professionals working with people with Learning Disabilities and Autism was launched in 2019. It is now mandatory for all staff to work in accordance with these guidelines and therefore training of all staff in the LD service and wider ASC will be required in 2021. The framework will help to ensure that staff working across health, social care and other sectors have the right training to understand the needs of autistic people and people with a learning disability, and make reasonable adjustments to support them. Training is a key element of improving statutory responses, especially to people who have multiple complex disabilities. The LD offer work stream project, that is focused on the integrated team, will undertake to identify training and upskill staff so that they meet the competencies, and professional standards, expected of them in all disciplines that form part of a comprehensive integrated community learning disability team. The team will need to be equipped to appropriately discharge statutory functions and empower other service areas to make reasonable adjustments and apply accessible standards.

## Technology

The team will need the means to work remotely and in an agile manner. This will involve them having devices and mobile capabilities enabling them to work more effectively and smartly whilst on the go. Mosaic will need to be revised to ensure that the health staff are able to accurately record their activities. Existing Mosaic systems will need to be developed to link with Children's Schools and Families (CSF) to ensure sharing of key records of young people move between services. Through the departmental change programme, there will be a co-ordinated effort to make use of available technologies and technological advances that enhance the services delivered to residents. Use of assistive technology to support daily living and independence will be central to this.

The team are currently working to establish new ways of working, this involves a strengthening of the front door service, and the duty processes. It also extends to establishing named worker roles and case co-ordination as new ways of working.





# Adult Social Care - Operations

Service Manager: Claire Migale

Cabinet Member: Cllr Rebecca Lanning

## Overview of the service

Merton's Adult Social Care service Operations is sited in Community and Housing. Merton Adult Social Care / Operations comprises of various social care teams. The role of the Council's adult services is to provide advice and support to people aged 18 years and over who are in need of assistance due to:

- Illness
- Old age
- Disability and/ or
- At risk of losing their independence due to their physical or health conditions

We provide short term support - intensive support also known as reablement, available for a maximum of 6 weeks and longer term support - ongoing support to adults and older people with either long term health conditions, that impacts on their physical and mental wellbeing or people with physical disabilities, learning disabilities, or mental illnesses. The support we provide is informed by an Assessment of Need under The Care Act 2014 and could be for personal care, such as ensuring people have sufficient nutrition (eating), maintaining a habitable home, and ensuring good personal hygiene and help with getting dressed or for domestic routines such as shopping. Support from Adult social care can be provided through commissioned care services such as a carer providing support in the persons own home or support with moving to a care home. Support services we provide are usually paid for by either the private funds of the recipient of care or by us as the local Council.

We provide our statutory duties (adult social care) to the standards set out under The Care Act 2014. Along with the Care Act our main legislative framework, includes the Mental Capacity Act 2005, The Mental Health Act 2007 the Human Rights Act 1998 and Equalities Act 2010. This legislation sets out how people's care and support needs should be met.

We also have initiatives that ensure that we work in integrated ways with Health to ensure better care for everyone in hospital, in a care home or receiving care at home. Everyone being discharged following a stay in hospital is considered for our successful Reablement service. We have found that 70% of people who are provided with a period of reablement support in their own home (that enables them to regain their confidence and skills), no longer needs significant care and support from Adult Social Care.

In Merton Adult Social Care, we also provide information and advice to enable individuals, carers and families to take control of, and make well-informed choices about their care and support and how they fund it. Not only does information and advice help to promote people's wellbeing by increasing their ability to exercise choice and control, it is also a vital component of preventing or delaying people's need for care and support. We have partnered with local voluntary and community based Services with the aim of helping people to access information about local services and advice about ways to keep safe and well. This has worked particularly well during the COVID-19 pandemic.

## Merton's ambitions

- Support our most vulnerable residents of all ages
- Maintain a clean and safe environment
- Create a great place to grow up and live in
- Build resilient communities
- Bridge the gap and reduce inequalities
- Continuously improve

## What do we need to do?

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p>All ASC Customers eligible for a service, will receive person centred support. For all new ASC Customers who have been discharged from hospital we aim to have them return to their own homes and be supported to remain as independent as possible, this is under our "Home First" framework of delivering care and support and includes a period of reablement, ongoing assessment and review. All ASC customers in receipt of care and support are entitled to annual review carried out by the Social Work / Occupational Therapy teams, the care and support plan is also reviewed with the individual, their family /carers and updated accordingly.</p>	<p>The teams within ASC Operations are adapting the way in which we deliver services to meet demand and to meet the needs of local residents. We are moving to increased integrated working with Health colleagues to provide a rapid response in order to prevent people from being admitted to hospital. We have also found that whilst many older people enjoy attending lunch clubs and groups, many more people and their carers are realising the benefits of organising flexible support and respite for example, accessing community activities via Direct Payments. We shall be increasing the number of people being supported through Direct Payments. Significant improvements have been made to our safeguarding data quality and the data sub-group of the board continue to work on the quality and depth of multi-agency safeguarding information and intelligence. Equally, and set up as a consequence of the Hosoipla discharge model implemented through COVID-19, we have rich data in relation to our discharge activity across the established national pathway definitions.</p>	<p>The Health and Care Bill is currently passing through the houses of parliament and this will set the future direction of integration legislation and Local authorities. Locally this is interpreted by the SWL ICS Transitions team, with the Merton DASS part of that team. The new governance arrangements will be in place from April 2022 and Local Authorities, in particular Adult Social Care, along with Public Health are critical stakeholders in the delivery of integrated care at place. We have also received the Government White Paper on Adult Social Care reforms and this reflects implementation of a lot of Care part 2. Further responsibilities for self funders, establishing care accounts for all and lifetime caps on the individual costs contributed towards one's care. Having been implemented in April 2020, the national discharge policy and guidance and discharge to assess pathways will become a local policy and funding arrangement from April 2022. Merton is working as part of the SWL regional group to develop the local pathways, processes and funding mechanisms to continue to achieve good outcomes for hospital discharges. Across London and nationally are encouraged to promote and encourage person centred support for ASC customers using Direct Payments to enable</p>	<p>Working to be London's Best Council – Adult Social Care Operations aims to provide good quality services to local people to enable them to remain safely in their own homes for as long as possible with the right care and support. We aim to provide support to people to enable them to continue to care for their loved ones.</p> <p>We aim to provide this in a cost effective and ethical manner; in partnership with local residents, their families and carers. In an way that helps people to identify their individual strengths and support networks, in order to support them self or their loved ones and upholds their rights</p> <p>We aim to have a workforce that have the right tools and infrastructure to embrace agile working. We aim to have a range of ways of working, assisted by mobile technology, that promotes productivity and enables workers to have flexible choices about where and how they work, seamlessly mobile within the office environment and away from the office.</p>

*customers, using Direct Payments to enable people to choose their own care and support. The organised activities which are in place are often commissioned from voluntary sector partners and are based in local community settings. Furthermore, during the pandemic and moving forward, key expectations of LAs and CCGs in their delivery of direct payments and personal health budgets, are to support people's continuing care and support needs and to manage and mitigate the impacts of COVID-19 via increasing the take up (and allowing the flexibility) of using direct payments.*

**Where are we now?**

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Reorganisation and alignment of the Adult Social Care access points and pathways within the context of the Care Act Principles of Wellbeing and Prevention and within the context of the principles of Merton Health and Care Together (the former being the main driver for better management of demand for more formal adult social care services). The latter has emphasis on whole system integrated working in order to provide ' <i>Right Care, Right Time, Right Place</i> ' .	In Progress: Following the consultation (delayed due to the COVID-19 Pandemic) transferring people into their expressed postshas been completed through 2021. There is residual recruitment required to fill all vacancies and this forms business as usual recruitment. Effective delivery of the agreed ASC pathways is now the focus of the next phase of the work in 2022. Progress has been made in implementing and embedding the national discharge to assess and hospital discharge policy framework ahead of these being determined locally at place, from April 2022	Carry forward
Embed a relationship based approach to working, based on identifying the individual person's strengths, developing their own network of support and helping them to identify their assets or developing community assets to meet the needs of individuals, families and carers.	In progress: Programme being developed with the SWL Teaching Partnership -draft programme is completed. Procuring and delivering training across the workforce. Developing the policy, procedural guidance and system changes required to support strengths based practice.	Carry forward
Refresh the skills and knowledge of all ASC staff in relation to the Care Act, strengths based practice and the wider legislative framework. In particular ensuring a personalised not punitive response to Safeguarding Adults and Making Safeguarding Personal. Develop a training and development plan in line with the needs of the department	Training needs analysis completed. Ongoing CPD programme has been developed with the SWL Teaching Partnership - draft programme is completed	Carry forward

Establishing a learning organisation approach.	Upskilling staff, continuous & ongoing learning and development, via a variety of means of learning opportunities and not just with standardised training.	Carry forward
Develop an online community directory and self assessment document	In Progress: - research underway to build the product.	Carry forward
Digital Transformation - Develop and streamline agile working opportunities for all service areas	In progress:- Mosac upgrade will be completed in Jan 2022. Further scoping can then take place to maximise the use of systems through remote and mobile working to increase opportunities for field based working, productivity and timeliness of outcomes for residents. Engaged in a SWL initiative in relation to tech enabled care, telecare & telehealth. Financial Assessment is the first Proof of Capability project	Carry forward
Increase the take up of Direct Payments, including accessing DP for one off bespoke equipment provision for younger people with sensory impairments and ability for the individual to "top up" the DP in order to procure enhanced / personalised technological equipment.	In progress: Targeted DP take up with individuals and carers	Carry forward
Update the offer of Assistive Technology with an increased catalogue containing products found on the general market -	In Progress to offer technological support for people who may have dementia with equipment that is on the open market or via Mascot telecare. Customers appear to be content with standard offering however, a wider offer would be more responsive to future recipients. Need to explore opportunities to exploit mainstream assistive and smart technology to support independent living. i.e. Internet of Things approach. To work with health partners on implementing telehealth.	Carry forward

Investing in staff skills; Increase resource and capacity for undertaking specialist business support roles e.g. a Safeguarding minute taker and training in Safeguarding Minute taking in order to meet our statutory duties	In progress: Working with L& D	Carry forward
Responding to upcoming demands.	With regard to COVID-19 Pandemic, Initiatives and pilots are underway to be reviewed in March 2021 (TADD and D2A, Rapid Response and community champions) In particular for people from under represented groups.	Carry forward

How will we get there?									
Service Objective 1			Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions						
Improve quality of Practice with timely interventions. Develop and embed a quality assurance framework.			Continuously improve						
			Bridge the gap and reduce inequalities						
			Statutory requirement						
Performance Measures									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
(S PI) No of Carers receiving services and/or information and advice	1893	Green	1,200	1,250	1,300	1,500		Monthly	High
(S PI) % people receiving "long term" community services	75%	Green	72%	72%	72%	72%		Monthly	High
(S PI) No. of DTOCs - Adult Social Care delays only	suspended due to COVID19	Does Not Apply	suspended due to COVID19	TBC by NHSE	TBC by NHSE	TBC by NHSE		Annually	Low
(S PI) % of older people (65 and over) still at home 91 days after discharge from hospital into reablement/rehabilitation services	TBC	Not Yet Known	78.80%	78.8% but TBC by BCF	78.8% but TBC by BCF	78.8% but TBC by BCF		Annually	High
(S PI) % of customers that are fully or partially satisfied that 'Making Safeguarding Personal' outcomes were achieved	New for 2022-23	Does Not Apply	N/A	95%	TBC	TBC		Quarterly	High
(LI) Timely Intervention -Completion time from allocation to completed assessment.	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Quarterly	Within a range
(LI) Increase % the take up of direct payments and personalised support -(benchmark against London to agree % increase)	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Monthly	High
(S PI) Safeguarding Concerns to Enquiry Conversion Rate set against the London benchmark ( <i>new approach to target for 2022-23</i> )	46%	Green	31%	46	TBC	TBC		Monthly	Benchmark
(LI) Broaden the offer of provision of community resources, support, advice and guidance in the voluntary sector to meet current demand	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Annually	High
(LI) Increased improvement on the quality of our intervention - via increased number of compliments recorded which indicate customer satisfaction	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Monthly	High
Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	



<i>Timely, good quality intervention</i>	Embed within the QA Framework, the recommended completion time from allocation to completed assessment as a measureable output.						<i>Jan-21</i>	<i>ongoing</i>	
<i>Voluntary Sector Offer</i>	Meeting with voluntary sector commissioner to review the offer of resource / provision in the voluntary sector - especially around supporting individuals with easing isolation and safely increasing social interaction						<i>Dec-20</i>	<i>ongoing</i>	
<i>Increased usage of direct payments and increased flexible support for carers</i>	No of Carers receiving services and/or information and advice and increased take up of Direct payments						<i>Jan-21</i>	<i>ongoing</i>	
<b>Potential barriers to achieving objective</b>									
<b>Description of barrier</b>						<b>Mitigating Actions</b>			
<b>Impact on the customer/end user</b>									
<i>The customer should receive a good quality, improved service. One that meets their identified needs. Customer may also feel well informed, supported and safeguarded against further incidences of abuse or harm. Thus increasing confidence in the Council ASC Department.</i>									
<b>Partners / interdependencies</b>									
<i>Working jointly with Business Intelligence.</i>									
<b>Service Objective 2</b>						<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>			
Increase the take up of Direct Payments for adults and older people						Support our most vulnerable residents of all ages			
						Bridge the gap and reduce inequalities			
						Statutory requirement			
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
(LI) Improved experience of adults customer journey for the individual - Ensure the right intervention, carried out by the right team, at the right time.	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Quarterly	High
(LI) Improved Quality Assurance - increased quality of work ensuring person centered and strengths based	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Quarterly	High
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>	<b>Proposed end date</b>	
<i>Review take up of Direct Payments</i>	<i>Engage with customers, carers, other agencies eg to ascertain the type of support our citizens want</i>						<i>Dec-20</i>	<i>Ongoing</i>	
<b>Potential barriers to achieving objective</b>									
<b>Description of barrier</b>						<b>Mitigating Actions</b>			
<i>Currently Direct Payments are delivered via commissioned agencies, this can impact of the flexible and person centered / creative approach to service delivery.</i>						<i>During COVID government guidance has been disseminated highlighting how to allow the flexible use of Direct Payments to support people during the COVID 19 pandemic. Guidance should be considered and followed. <a href="https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-for-people-receiving-direct-payments/coronavirus-covid-19-guidance-for-people-receiving-direct-payments">https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-for-people-receiving-direct-payments/coronavirus-covid-19-guidance-for-people-receiving-direct-payments</a></i>			

Currently unsure of the capability to develop a PA directory whereby individuals can safely recruit PA's with the right values and cultural matching. Potential workforce may be impacted / diminished due to the effects of Brexit and COVID19				A mixture of face to face meetings, questionnaires and video conferences will enable engagement to continue.						
<b>Impact on the customer/end user</b>										
Customers should have a person centered service with clear outcomes and opportunities to explore their community. People who need higher levels of care and support will continue to receive this in the most appropriate setting for their needs.										
<b>Partners / interdependencies</b>										
Work closely with Business Intelligence Team, Direct Payment Team as well as colleagues in health with regard to personal health budgets as well as partners in the voluntary sector ( Carers center).										
<b>Service Objective 3</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
Increased integrated working with Health Colleagues					Support our most vulnerable residents of all ages					
					Bridge the gap and reduce inequalities					
					Statutory requirement					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
(L) Maintain 7 day working arrangements until spring 2021 to reduce the number of delays attributed to social care.	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Quarterly	High	
(L) Develop pathway to reduce hospital admissions	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Quarterly	High	
(L) Maintain Reablement offer and pathway	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Quarterly	Within a range	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
Home First Project	Project focusing supporting people to return to their own homes, rather than residential or nursing care						Sep-19		Ongoing	
Blue Bird Project	Project with Health colleagues to prevent admission into hospital						Aug-20		Ongoing	
Increase Reablement Capacity	Evaluate the Team Manager Role and bring in line with other ASC Team Managers to provide improved service structure. Resulting in a more efficient run service, leading to better outcomes for people who make use of the service.						Feb-21		Ongoing	
<b>Potential barriers to achieving objective</b>										
<b>Description of barrier</b>					<b>Mitigating Actions</b>					
Organisational barriers and challenges between Health and Social Care Colleagues. Funding constraints hinder investment into the new services.					Following re-evaluation, funding the uplift to the Reablement Team Manager role.					
<b>Impact on the customer/end user</b>										
Customers are able to remain in their own homes for as long as possible, thus reducing the demand on residential and nursing care, ensuring availability for those who are most vulnerable.										
<b>Partners / interdependencies</b>										

<b>Service Objective 4</b>									
					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>				
<i>Increase take up of flexible and person centered support for carers particularly those from BAME Communities</i>					Support our most vulnerable residents of all ages				
					Bridge the gap and reduce inequalities				
					Statutory requirement				
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
(LI) Increased number of carers making / receiving contact and taking up support ( at different levels)	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Monthly	High
(LI) Increased number of carers accessing Direct Payments	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Monthly	High
(LI) Increased number of carers from BAME Communities accessing support	TBC	Not Yet Known	TBC	TBC	TBC	TBC		Monthly	Within a range
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>
<i>Review of Carers Strategy</i>	Ensure carers strategy contains meeting the needs of carers from BAME Communities						<i>Dec-20</i>		<i>Jul-27</i>
<i>Review support for individuals and carers from BAME Communities</i>	Review community assets and the offer for carers, for effectiveness, accessibility, meets the needs of the people and cost effective.						<i>Mar-21</i>		<i>Ongoing</i>
<i>Review Direct Payment PA database</i>	Review of the Database in order to target and increase the numbers of PA's from all cultural backgrounds, in order to meet the needs of all communities. Ie cultural matching.						<i>Jan-21</i>		<i>ongoing</i>
<i>Improve &amp; promote the Direct Payments service within local communities, also targetting BAME communities</i>	Focused publicity campaign						<i>Sep-21</i>		<i>ongoing</i>
<b>Potential barriers to achieving objective</b>									
<b>Description of barrier</b>						<b>Mitigating Actions</b>			
<i>PA database may require improvement/development</i>						<i>Improve/develop systems</i>			
<b>Impact on the customer/end user</b>									
<i>Provide more diverse and representative personal assistance, and imporvement to social capital and more diverse recruitment.</i>									
<b>Partners / interdependencies</b>									
<i>Local &amp; voluntary partners</i>									

## People

Most Direct Provision staff have gained experience in working across the services and have proved to be able to work flexibly with a range of customers of varying needs. During COVID we have been able to have in place flexible working with staff, not only from venues (home and office based) but also across teams. We have been able to respond to demand by workers being placed where they are most needed, for example hospital to home team or safeguarding. Having a flexible approach has meant that service delivery has evolved, for example 7 day working for hospital discharges.

Reablement - most staff are office based due to the system and process including the demand and unpredictability of working during the pandemic. Staff mostly come into the office on allocated days to undertake administrative duties. Going forward, we aim to provide smarter working methods for all staff including the ability to update electronic case recordings " on the go."

## Technology

Staff work directly with customers to undertake assessment of need, prescribe equipment, create support plans and carry out reviews. Teams have successfully worked on a rota basis either from home and in the office during the pandemic. Social Workers, Occupational Therapists and Social Care workers are able to undertake assessments remotely with customers, using variety of online platforms such as Skype or Zoom. Workers were provided with smart phones and or laptops, depending on their role and needs, to give further flexibility to work agilely across various sites and from home. An increase in PI terminals in the office is necessary to ensure desktop usage and to compliment existing laptops. In particular for reablement, as due to the nature of their roles, workers return to the office to undertake administrative tasks.

## Workers

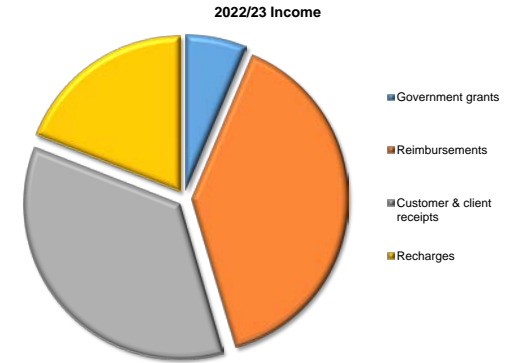
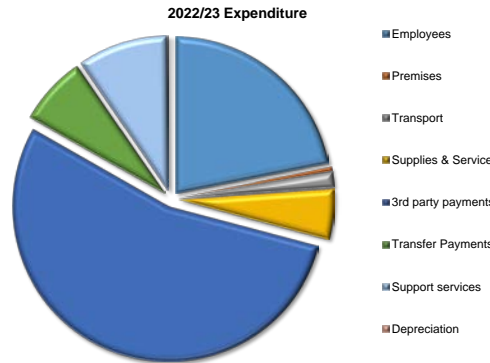
As previously set out, in terms of service improvement we are in the midst of a reorganisation this was halted due to the COVID 19 pandemic. This is due to restart and will now incorporate staff working from home to ensure they have the right tools and support to do the job well. Paying particular consideration to work / life balance and managing overall staff wellbeing. Regular online meetings and platforms such as WhatsApp groups have been well utilised to provide peer support and in order to maintain staff wellbeing and to ensure timely information is disseminated. During the height of the pandemic, managers and workers reported that they benefited from daily online meetings to share information.

Financial Summary

Adult Social Care future budget includes agreed savings for 2022/2023 & 2023/24. The service will continue to have many challenges, such as demand pressures for services, the presentation of clients with more complex needs requiring services. Local provider markets remain volatile to change and increases in provider costs such as pay and pensions.

DEPARTMENTAL BUDGET AND RESOURCES

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	<b>86,283</b>	<b>86,116</b>	<b>85,093</b>	<b>774</b>	<b>89,648</b>	<b>90,689</b>	<b>94,469</b>	<b>96,481</b>
Employees	17,820	17,791	18,275	(759)	19,627	19,579	19,596	19,613
Premises	416	92	366	(97)	398	403	409	414
Transport	1,327	1,055	1,347	90	1,404	1,424	1,444	1,464
Supplies & Services	3,817	3,965	3,189	913	4,669	4,738	4,785	4,833
3rd party payments	45,896	46,723	46,317	956	48,525	48,061	48,740	49,417
Transfer Payments	10,195	9,514	8,429	(330)	6,432	7,889	10,901	12,146
Support services	6,669	6,833	7,027	-	8,452	8,452	8,452	8,452
Depreciation	143	143	143	-	143	143	143	143
<b>Revenue £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>	<b>23,798</b>	<b>26,320</b>	<b>22,861</b>	<b>(2,497)</b>	<b>25,900</b>	<b>25,925</b>	<b>25,925</b>	<b>25,925</b>
Government grants	1,280	3,714	607	(2,918)	1,640	1,640	1,640	1,640
Reimbursements	10,080	14,402	9,759	(2,670)	10,129	10,154	10,154	10,154
Customer & client receipts	9,197	5,059	9,185	3,091	9,197	9,197	9,197	9,197
Recharges	3,241	3,145	3,310	-	4,934	4,934	4,934	4,934
Reserves	-	-	-	-	-	-	-	-
Capital Funded	-	-	-	-	-	-	-	-
<b>Council Funded Net Budget</b>	<b>62,485</b>	<b>59,796</b>	<b>62,232</b>	<b>(1,723)</b>	<b>63,748</b>	<b>64,764</b>	<b>68,544</b>	<b>70,556</b>



Summary of major budget etc. changes

2022/23

Capital Budget £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
		-	-	-	-	-	-	0
	0	0	0	0	0	0	0	0

Budget includes writeback of savings of £988k, precept £1m, additional grants for market sustainability £505k and social care £1.6m. Savings of £1.7m. Concessionary Fares adjustment of (£2.7m)

2023/24

Includes growth of £1.5m for concessionary fares and savings of £800k.

2024/25

Includes growth of £3m for concessionary fares.

2025/26

Includes growth of £1.2m for concessionary fares.

# Service Plan for : Housing Needs and Enabling

Service Manager: *Elliot Brunton* Cabinet Member: *Councillor Martin Whelton*

## Overview of the service

To fulfil statutory housing functions including the prevention and relief of homelessness and the enforcement and regulation of the private rented sector.  
To plan services in response to changes in national policies and in the housing market, and to develop innovative projects or models of delivery that maximise the use of resources and deliver services that minimise costs to the Council.

The purpose of this service is to:

- Prevent and relieve homelessness in accordance with statutory housing law, including the reduction of rough sleeping in the borough
- Provide homes to people in housing need
- Formulate and deliver statutory homelessness and rough sleeper strategy for the borough
- Maintain the housing register and choice based lettings process and nominate households to vacant housing association homes
- Maximise supply of homes with private landlords
- Provide care and housing support to vulnerable adults via Shared Lives
- Carry out a statutory duty to enforce Environmental Health (Housing) legislation
- Provide mandatory grant assistance for improvements and adaptations
- Commission and monitor Housing Related and Floating support
- Relationship management between the council and stock transfer housing associations

## Merton's ambitions

Support our most vulnerable residents of all ages  
Maintain a clean and safe environment  
Create a great place to grow up and live in  
Build resilient communities  
Bridge the gap and reduce inequalities  
Continuously improve

## What do we need to do?

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p><i>Our customers are residents of the borough who are:</i></p> <ul style="list-style-type: none"> <li>• <i>Threatened with a homeless episode</i></li> <li>• <i>Are homeless</i></li> </ul>	<p><i>Rough sleeping remains an issue post lockdown and during the pandemic and the team continues to see new reports of rough sleepers which require support and assistance.</i></p>	<p><i>The service is subject to regular and unprecedented changes to Housing law and practice.</i></p>	<ul style="list-style-type: none"> <li>• <i>C&amp;H Recovery and reset programme</i></li> <li>• <i>Increased Digital working-- new housing software system, digital scanning and archiving</i></li> <li>• <i>Working towards elimination Rough</i></li> </ul>

- Are the Council's Housing register and waiting for a social housing tenancy
- Households in temporary accommodation
- Facing harassment or illegal eviction
- Are experiencing disrepair in their homes (this extends to the private sector and housing association tenants)
- Experiencing insanitary conditions
- Require major adaptations to their home as part of a disabled facilities grant
- Are rough sleeping, or at risk of rough sleeping
- In need of care and support in shared lives accommodation
- Gypsies and travellers in need of housing assessment or a permanent pitch
- Landlords with properties in the borough

Whilst there was a small but temporary increase in private sector accommodation in the pandemic due to lack of demand due to people temporarily leaving London, this has now had returned to pre-pandemic levels of activity.

Whilst additional cases were admitted to temporary accommodation under the 'everybody in' principle, this took place against the backdrop of a fall in family admissions due to the moratorium on private sector evictions. This meant there was not a drastic increase in the overall number of cases.

The end of the moratorium on evictions has not seen the dramatic increase in the use of temporary accommodation as may have been expected. This may be due to pragmatic decision on the part of landlords and tenants, but it is too early to say whether or not there whether there are cases still waiting to be processed through the court system.

As a final point a Homelessness and Housing Need is not just driven by people's behaviours but socio-economic factors which at the present time are largely unknown.

There were changes to s21 notice periods during the pandemic and whilst these have now returned to pre-pandemic notice periods we should be mindful that there could be further changes depending on how the pandemic.

It is clear that the pandemic has led higher demand for accommodation and support, particularly for those groups who are the most vulnerable members of our society and has had an effect of the supply of housing. It is also the case that the housing service through changes to national policy has been supporting NRTPF cases which ordinarily would not be eligible for support. Housing enforcement law continues to be relatively unchanged at this time, however, given that the private sector will increasingly be the main form of supply for our residents and for this service will increase.

Through the 'Everyone In' programme during the first lock down, we have placed 150 rough sleepers into temporary accommodation to date.

Sleeping in Merton.

- Maintain position of having lowest numbers of homeless households in London
- Tackle poor housing condition through enforcement, including prosecutions and Civil Penalties
- Build upon Shared Lives to provide accommodation and support to a wider cohort of vulnerable individuals - including young people
- Continue to deliver housing support and support services and protecting vulnerable people in their homes.
- Use service insight to inform Housing Strategy by Future Merton

**Where are we now?**

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Private Sector Housing Enforcement: Develop and implement a range of Housing Enforcement measures to protect private tenants in Merton, including exploring the introduction of selective licencing/additional licencing	Ongoing service delivery. 3 prosecutions and 1x CPN.	Carry forward
<b>Rough Sleeper initiatives:</b> Deliver a range of Rough Sleeper initiatives so as to halve the number of rough sleepers in Merton by 2022.	Ongoing service delivery, supported by a range of grants to the value of £1.5m to support this work.	Carry forward
<b>Public Protection Technology Upgrade:</b> Work with IT / E&R on re-procurement / replacement of M3PP, cloud hosting and subsequent upgrade of M3PP to Assure.	This is led by the Business System Manager in IT BST. Minimal Housing involvement in 2020/21. Project ongoing.	Carry forward
<b>Housing IT software re-procurement:</b> Re-procure all IT Software solutions for Housing Needs (Homelessness, Temporary Accommodation & Rent Accounts, Housing Register and Choice Based Lettings).	Procurement process completed, supplier selected. Currently implementing. core application delivered by Qtr. 4 2020/21. Additional features being delivered throughout 2021/22. 2022/23 likely to see a series of system change requests. Project ongoing.	Carry forward
<b>Homelessness Strategy Implementation:</b> Work with stakeholders to deliver the strategy and monitor the completion of the actions arising from the Homelessness Strategy.	Draft Strategy being revised to reflect current operating environment. The final draft will be subject to funding stream and sign off through the political process.	Carry forward



**How will we get there?**

**Service Objective 1** Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions

*Prevent homelessness in the borough* Support our most vulnerable residents of all ages  
Statutory requirement

**Performance Measures**

Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Number of homelessness preventions annually	455	Green	450	450	450	450	450	Monthly	High
No. of households in temporary accommodation (monthly average)	204.4	Red	240	240	240	240	240	Monthly	Low
Average length of stay (nights) of Families in non-self-contained B&B	13.9	Green	21 nights	21 nights	21 nights	21 nights	21 nights	Quarterly	Low

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

Project / activity name	Description	Proposed start date	Proposed end date
<i>New Housing Software utilisation</i>	Embed use of new Housing "CRM" system, including processes and customer engagement, includes Business Support process work	2020/21	<i>ongoing</i>
<i>Housing Options Toolkit</i>	Staff guidance on best practice implementing our homeless duties. Kept under review.	2020/21	<i>ongoing</i>

**Potential barriers to achieving objective**

Description of barrier	Mitigating Actions
<i>Evolving demand for services during C19 pandemic</i>	<i>Maximise supply from all sources</i>
<i>Government guidance changes rapidly in response to Covid 19</i>	<i>Maintain regular contact with MHCLG and London Councils Directors group</i>
<i>Loss of Homelessness grants</i>	<i>Maintain regular contact with MHCLG to ensure they understand importance</i>

**Impact on the customer/end user**

*Prevention of homelessness*

**Partners / interdependencies**

*Will require support of landlords and Government support and grant funding*

**Service Objective 2** Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions

*Deliver on Housing Enforcement Policy* Statutory requirement  
Support our most vulnerable residents of all ages  
Bridge the gap and reduce inequalities

**Performance Measures**

Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Number of enforcement/improvement notices issued annually	128	Green	100	100	100	100	100	Quarterly	High

No. of cases resulting in a Prosecution or Civil Penalty Notice of a Landlord	0	Green	4	4	4	4	4	Annually	High	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
Issue Civil Penalty Notices/ Prosecutions	Continue to build skills in regards to successful prosecutions / CPNs						2019/20		ongoing	
explore the introduction of selective/additional licencing	As per agreed project plan						21/22		2023	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>						<i>Mitigating Actions</i>				
Disruption to enforcement due to Covid 19						PPE and risk assessments				
Polical support/data supporting the introduction of selective licencing						none				
<b>Impact on the customer/end user</b>										
<i>Delays to problem resolution.</i>										
<b>Partners / interdependencies</b>										
<i>Legal Services, Planning, Landlords</i>										
<b>Service Objective 3</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
Eliminate Rough sleeping by 2025 as per GLA strategy					Support our most vulnerable residents of all ages					
					Statutory requirement					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
To halve the number of Rough Sleepers by 2022, and reduce to zero by 2025	13	Green	14	10	7	3	0	Annually	Low	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
RS pathway to settled accommodation	Continue to work with rough sleepers and partners to ensure rough sleepers do not return to the streets and their tenancies are sustained. This includes health initiatives , debt management and mediation.						Already started		subject to ongoing funding	
RS access to training and employment	Assist clients to become more independent by assisting them to access training and employment						Already started		subject to ongoing funding	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>						<i>Mitigating Actions</i>				
Entrenched clients either refusing to go into accommodation, or abandon accommodation or get evicted						Seek continuation funding for named entrenched clients e.g. through RSI 2022/25 funding, and work with partner agencies to provide bespoke support for these clients				
<b>Impact on the customer/end user</b>										
<i>Sustainable housing options for rough sleepers including entrenched ones, help clients move off the streets and re-build their lives, and help reduce anti-social behaviour, unsightly encampments thus</i>										
<b>Partners / interdependencies</b>										
<i>We rely on intelligence provided by our partner agencies to help locate rough sleepers and to help persuade them to go into accommodation. Partner agencies include the Police, Clarion Housing, Faith in</i>										

Action, Merton Street Pastors, YMCA, Love Wimbledon and council teams such as Public Spaces, Parks, Environmental Patrol etc.

**Service Objective 4** Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions

Maximise Housing supply for residents in housing needs Support our most vulnerable residents of all ages  
Create a great place to grow up and live in

**Performance Measures**

Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Successful Nominations to HA homes (let)	Not reported corporately	Does Not Apply	250	225	225	225	225	Annually	High
Rent Deposit / Private Sector lettings	Not reported corporately	Does Not Apply	40	150	150	150	150	Annually	High

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

Project / activity name	Description	Proposed start date	Proposed end date
Greater collaboration with Future Merton	Maximise affordable housing in the borough	ongoing	ongoing
Monitor Capital Letters Performance	monitor delivery of private sectors in line with agreed targets	2020/21	ongoing
Empty Homes	Consider pros and cons of implementing an Empty Homes Strategy	2020/21	2022/23

**Potential barriers to achieving objective**

Description of barrier	Mitigating Actions
RPs compliance with nomination agreement	enforce nominations rights

**Impact on the customer/end user**

Reduced periods in Temporary Accommodation and improved suitability of properties

**Partners / interdependencies**

Future Merton, GLA, Housing Associations

**Service Objective 5** Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions

Diversify Shared Lives portfolio to include young people Support our most vulnerable residents of all ages  
Continuously improve

**Performance Measures**

Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Go Live with portfolio for young people	Not reported corporately	Does Not Apply	n/a	Plan complete	Plan complete				

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

Project / activity name	Description	Proposed start date	Proposed end date
Housing Opportunities for Young People	monitor use of the scheme for young people	2020/21	ongoing

**Potential barriers to achieving objective**

Description of barrier	Mitigating Actions
Lack of Shared Lives carers	Maintain good relationship with existing carers and advertise for others

**Impact on the customer/end user**

Increased life chances for young people

**Partners / interdependencies**

Shared Lives Plus, private sector, Legal services, Children's Schools & Families

## People

- 31 staff (23 permanent and 8 agency staff)
- 2.31 days sickness per employee (rolling period) Permanent staff
- BAME staff – 35% non BAME 56% not known 9% (permanent )
- Age Range of Employees (permanent)  
30 & Under - 8.70%, 40 - 50 - 17.39%, 50 - 60 - 52.2%, Over 60 - 21.7%

The Head of Housing is retiring and and interim Head of Housing has been appointed for 6 months. This may impact future workforce and team planning.

Workforce planning – the department has an ageing workforce, with many long serving members of staff, which brings a risk that when key staff leave, it may be difficult to fill their roles. Succession planning is vital to ensure we are confident that plans are in place to grow our own, through development, mentoring, apprentices, training etc. or recruiting pro-actively to ensure key roles. 5 posts are funded via MHCLG grants, which are subject to review and renewal. Currently some of these grants are single year and therefore forward planning , assessing delivery options and service continuity planning is restricted.

Recruitment and retention – It is becoming increasingly difficult to recruit to Housing Options Advisor posts and Housing Enforcement / Environmental Health officers.

Morale, health and wellbeing – Sickness levels in the department are significantly below the corporates target of 7 days per FTE. Public Health are responsible for rolling out the Healthy Workplace programme throughout the Council. Regular updates on action arising from the staff survey are provided to staff through annual staff seminar, Director Briefings and divisional meeting.

Leadership – The leadership of the department is key to the successful implementation of this plan.

The key issues faced include:

- Specialist / hard to recruit posts
- Discuss, engage and consult on all aspects of service delivery and planning
- Managing sickness levels
- Ensuring all staff have the right IT skills to utilise our IT fully and to support of flexible and home working.

## Technology

The Housing Needs service has completed the procurement of a new hosted Housing System and this is being delivered by Home Connections and is ongoing. This has the full support of IT. The new system combines three systems into one - incorporating the Home Connections Choice Based Lettings and Hope systems and the Housing Register and Temporary Accommodation functionality from Capita Housing. This has been on the IT implementation plan.

Our Housing Enforcement team use M3PP. The lead department for this is E&R Shared Regulatory Services. The system moved to a cloud-based environment last year, provided by Northgate. The system will upgrade to the latest iteration, Assure.

housing documents have been scanned and will be placed onto share point. Post scanning to be implemented.. The service will contribute its priorities for mobile and remote working, that enables greater efficiency in completion of processes and procedures.

## Service improvement

The Housing Team is currently in the midst of the largest ever change to work processes and procedures. We have worked with the Business Improvement Team in order to map our processes for the existing workflow. Will continue to engage and seek their support to process map how we work with the new technology, with regards to the both Home Connections and Sharepoint.

The new Home Connections system will provide an improved customer experience by the use of on-line forms and a customer portal. Additionally, the implementation of this new technology should bring improved service delivery and benefit customers and staff.

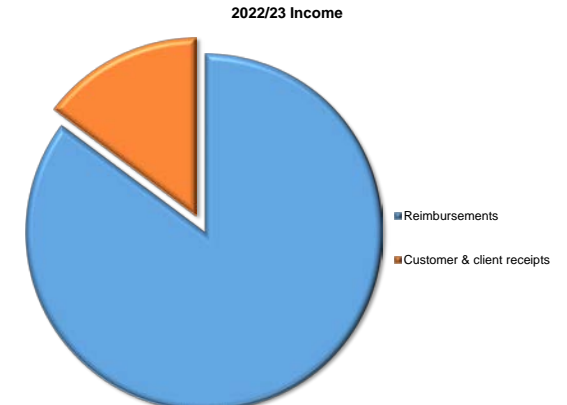
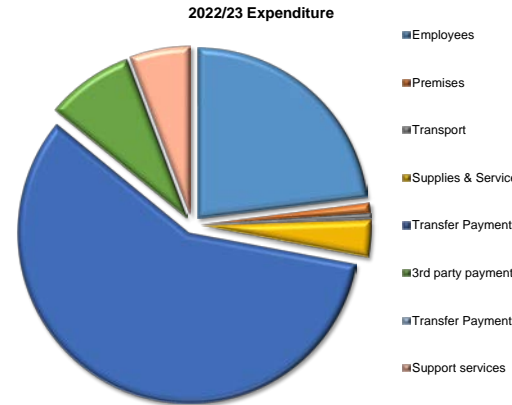
We are currently working through a procurement process for HIA for the DFG that is due for completion 2022.

Financial Summary

The housing needs and enabling service also encompasses prevention, rough sleepers and temporary accommodation. There are many challenges in this service such as the increase in demand for temporary accommodation and availability of properties in the borough. It is expected that the budget pressures experience during the current financial year will continue in future years until additional funding is identified either nationally or locally and more properties become available in the borough. Financial pressures is further compounded by the COVID-19 restrictions which has affected the services' ability to effectively perform all its duties around Homes in Multiple Occupations and the licensing thereof.

DEPARTMENTAL BUDGET AND RESOURCES

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	<b>5,547</b>	<b>8,137</b>	<b>6,548</b>	<b>2,475</b>	<b>6,470</b>	<b>6,532</b>	<b>6,593</b>	<b>6,657</b>
Employees	1,515	1,497	1,457	5	1,471	1,472	1,472	1,473
Premises	63	68	64	0	65	66	67	68
Transport	30	19	31	(16)	31	32	32	33
Supplies & Services	172	177	220	(52)	223	226	230	233
Transfer Payments	696	1,876	530	1,373	3,713	3,769	3,825	3,883
3rd party payments	2,661	4,055	3,815	1,165	530	530	530	530
Transfer Payments	0	0	0	0	0	0	0	0
Support services	342	378	363	0	369	369	369	369
Depreciation	68	68	68	0	68	68	68	68
<b>Revenue £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>	<b>3,058</b>	<b>5,124</b>	<b>2,609</b>	<b>2,123</b>	<b>2,609</b>	<b>2,610</b>	<b>2,609</b>	<b>2,610</b>
Government grants	585	1,687	136	1,568	136	136	136	136
Reimbursements	2,108	2,978	2,108	501	2,108	2,108	2,108	2,108
Customer & client receipts	365	459	365	53	365	365	365	365
Recharges	0	0	0	0	0	0	0	0
Reserves	0	0	0	0	0	0	0	0
Capital Funded	0	0	0	0	0	0	0	0
<b>Council Funded Net Budget</b>	<b>2,489</b>	<b>3,013</b>	<b>3,939</b>	<b>352</b>	<b>3,861</b>	<b>3,922</b>	<b>3,984</b>	<b>4,047</b>



Capital Budget £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
Disabled Facilities Grant		589	1,212	-	827	827	520	280
LD Affordable Housing		0	0	0	1,533	145	0	0
<b>Total</b>	<b>0</b>	<b>589</b>	<b>1,212</b>	<b>0</b>	<b>2,360</b>	<b>972</b>	<b>520</b>	<b>280</b>

Summary of major budget etc. changes 2022/23

Service expects that grant allocations will continue

2023/24

Service expects that grant allocations will continue

2024/25

Service expects that grant allocations will continue

2025/26

# Service Plan for : Library & Heritage Service

Service Manager: *Anthony Hopkins* Cabinet Member: *Councillor Brenda Fraser*

## Overview of the service

*Merton Library & Heritage Service is a high performing and low cost service. It has some of the highest usage and satisfaction rates of any service in London and has delivered a number of high profile projects that have received national attention. It is a statutory service governed by the 1964 Public Libraries and Museums Act. The service aims to remain a high performing and low cost service and to support the objectives of the Council by delivering excellent customer service in all that it does; integrating services and providing a broader offer to residents wherever possible and required; develop its online facilities to put them at the forefront of library technology; make our services even more accessible.*

## Merton's ambitions

Support our most vulnerable residents of all ages  
 Maintain a clean and safe environment  
 Create a great place to grow up and live in  
 Build resilient communities  
 Bridge the gap and reduce inequalities  
 Continuously improve

## What do we need to do?

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p>The last customer survey was conducted in November 2019 and performance is summarised as follows:</p> <ul style="list-style-type: none"> <li>- 100% of respondents were satisfied with their library experience with 97% of respondents rating the library as very good/good, a 4% increase on the previous survey.</li> <li>- 100% of respondents were satisfied with the overall customer service they experienced with 97% rating it as very good/good, a 4% increase since the previous survey.</li> <li>- 95% respondents rated the inside of the library as very good/good, up from 91% since the last survey.</li> <li>- 100% of respondents considered Merton's</li> </ul>	<p>Usage of Merton's libraries has seen a steady increase year-on-year. In 2006 only 18% of the resident population regularly used their library service and this has now increased to 36% in March 2020. Figures have dropped off a little due to the current Covid-19 pandemic and the enforced closure of buildings. Whilst online services such as e-books and online reference materials have seen a significant increase in their usage they are a small but increasing element of the overall service offering.</p> <p>66% of Merton residents are library members and usage is at its highest amongst children and young people. Diversifying the service offer and enhancing digital services are key to</p>	<p>There a number of national and regional policy documents that have implications for the service. The main documents to note are:</p> <ul style="list-style-type: none"> <li>- Public Libraries &amp; Museums Act 1964</li> <li>- 'Libraries Deliver; Ambition for Public Libraries in England' - DCMS commissioned 5-year strategy for public libraries in England</li> <li>- 'Libraries Covid-19 Recovery Toolkit' - Libraries Connected</li> <li>- 'Levelling Up Our Communities' - Dannie Kreuger MP. The report highlights libraries heavily as catalysts for community and high street recovery.</li> </ul>	<p>Merton's Library &amp; Heritage Service has played an important role in making Merton a great place to live, work and study and are an important service as highlighted in the recent Your Merton consultation. It does this by working in a collaborative manner and in delivering on corporate objectives. The objectives in this Service Plan are aligned to making Merton's Library &amp; Heritage Service an important part of the Council's ongoing continuous improvement plans and all objectives sit within the strategic themes of the Council's business planning documents.</p> <p>The impact of the Covid-19 pandemic has been significant to the service and has had an</p>

*libraries to be a safe place with 95% of respondents rating the safety of the library as very good/good, an increase of 4% from the previous survey.*

*- 83% of respondents rated the choice of books as very good/good, a 6% increase in satisfaction since the last survey.*

*- 100% of respondents were satisfied with staff helpfulness with 96% rating it as very good/good, a 2% increase from the previous survey.*

*- 88% of all respondents said that the library had helped them in some way, a 20% increase since the previous survey.*

*The service is highly regarded and receives more compliments than complaints in an average year. The main areas for complaint are usually regarding public toilet and IT facilities.*

*Libraries hold a unique place within the community as a public space that is open to all. Where customers cannot make it to libraries a Home Visits Library Service provides books and other materials to people's homes. Increasingly Library Connect (pop-up library solution) is also used as a way of engaging with underrepresented groups.*

*Residents from BAME backgrounds make the most effective use of libraries with high proportions in particular of Asian and Black British people.*

*increasing usage. A focus is also on improving the way that services report the impact of what they provide and demonstrating how they impact on wider agendas such as health, community resilience and employability.*

*impact on the way that customers have traditionally accessed services . During lockdowns the service played an important role in supporting the Council's community response to the pandemic including playing an active role in the Community Response Hub, Shielding Service and food distribution. The partnerships developed during this work has enabled new projects to be developed, which are outlined in the Delivery Plan. The service also has trained and knowledgeable staff available to support any additional corporate pressures with regards to the Covid-19 response, should they be needed.*



Where are we now?		
Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Continue to develop partnership approach to delivering services in libraries. Increase health partnerships and lead on key actions agreed within the C&H TOM relating to prevention.	Enhanced suite of health services available in libraries and delivering prevention programs in partnership with local organisations.	Carry forward
Promote the Heritage Strategy and increase community participation in heritage activities. Continue to draw in external funding, improve income streams and undertake work to revise the Heritage Strategy.	Consultation has been completed and the new Heritage Strategy has been published. Some additional funding bids have been approved and more are in the process of being developed	Carry forward
Continue to enhance the new library management system and make improvements to the customer website and app. Procure and install new self-service technology in 2021.	<p>New library management system has been implemented along with some new technological developments including the library customer app. A further development of customer facing services is expected to be released in 2022.</p> <p>Self-service technology has been procured and implemented. Libraries Plus technology is currently being piloted at 4 branch libraries before the new self-service offer is launched in April 2022.</p>	Carry forward
Continue to develop the Schools and Libraries Membership schemes for primary and high schools. Deliver the Arts Council England funded 'Project Sense' to enhance the offer for SEND children and to make physical improvements to the children's libraries at all sites.	Libraries and Schools Membership Scheme is embedded across all primary, SEND and high schools and digital elements of the offer are being expanded. The majority of the 'Project Sense' project deliverables have been achieved but some activity elements have been delayed due to the impact of the pandemic.	Carry forward

<p>Undertake customer surveys to gain user views and consult on any significant changes to service delivery. Continue to develop e-marketing services and undertake promotional activities such as Library Connect.</p>	<p>Customer Survey completed in October 2019 and showed high levels of customer satisfaction. Consultation has also recently been completed regarding developing the new Heritage Strategy.</p> <p>Online resources and e-marketing has been enhanced throughout the pandemic and further work is currently being undertaken to develop personalisation elements linked to customer accounts as part of the library services platform project. Review of promotional materials and web content also ongoing.</p>	Carry forward
<p>Implement agreed savings from the rollout out of coffee shops in libraries and further develop income sources such as Merton Arts Space whilst identifying new opportunities.</p>	<p>The service achieved its increased income targets for 2020/21 and had a good plan of activity for the following year. The pandemic has had an impact on income collection but this is slowly starting to recover and new opportunities are being developed to increase income collection.</p>	Carry forward
<p>Increase volunteer numbers and skills in supporting customers with more complex IT needs and promote 'channel shift' to online services.</p>	<p>Volunteer review completed and new roles drawn up to reflect current needs. Volunteer policies and procedures have also been revised. Ongoing work is being undertaken to further support residents into improving their digital skills.</p>	Carry forward
<p>Embed the new security services contract in libraries and monitor performance of the contract so that security guards play an active role in supporting services.</p>	<p>New contractor started in April 2020. Ongoing monitoring of performance continues. Changing in guarding arrangements linked to Libraries Plus rollout is scheduled for April 2022.</p>	Close
<p>Progress redevelopment opportunities for West Barnes Library and work collaboratively with partners to look at potential opportunities for other sites.</p>	<p>West Barnes Library redevelopment plans are being progressed subject to adequate resources being made available to project manage the procurement. Other integration opportunities regarding libraries with other services continues. Merton Arts Space has been a particular success in drawing in new audiences and developing the boroughs cultural offer.</p>	Carry forward

**How will we get there?**

<b>Service Objective 1</b>		<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>							
<i>Covid-19 Recovery Planning</i>		Build resilient communities							
		Bridge the gap and reduce inequalities							
		Statutory requirement							
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Visitor figures	153,849	Red	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	Monthly	High
No. of people accessing library by borrowing item or using a peoples network terminal at least once in previous 12 months	28,761	Red	56,500	56,500	56,500	56,500	56,500	Monthly	High
Active volunteers in libraries (rolling 12 month fig)	37	Red	230	230	230	230	230	Monthly	High
<b>Projects / key activities to support the objective</b> <i>(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</i>									
Project / activity name	Description						Proposed start date		Proposed end date
<i>Library Opening Hours</i>	Configure library opening hours to adopt new Libraries Plus technology						Oct-21		Apr-22
<i>Library Income</i>	Analyse the impact of library income and develop plans for trying to regain income somewhere						Mar-21		Mar-23
<i>Site Reconfigurations</i>	Configure library buildings so that they provide a safe experience for customers to regain trust in using them						Apr-21		Ongoing
<b>Potential barriers to achieving objective</b>									
Description of barrier						Mitigating Actions			
<i>Further national or local pandemic restrictions</i>						<i>Work closely with Public Health and Health &amp; Safety colleagues to ensure that guidance is being appropriately provided. Highlight impact of any closures and mitigations</i>			
<i>Customer confidence in using the spaces</i>						<i>Proactive marketing and engagement plans to demonstrate the safety of the spaces and the services provided</i>			
<b>Impact on the customer/end user</b>									
<i>Recovery of services to levels that customers are used to pre-pandemic whilst also developing new approaches to service delivery</i>									
<b>Partners / interdependencies</b>									
<i>The plans are dependent upon Public Health, Health &amp; Safety and Human Resources guidance</i>									

<b>Service Objective 2</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
<i>Improving residents health outcomes with a particular focus on the most vulnerable in our communities</i>				Support our most vulnerable residents of all ages						
				Bridge the gap and reduce inequalities						
				Build resilient communities						
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
% of participants reporting positive impact on their health and wellbeing as a result of attending a health focussed session	Not reported corporately	Does Not Apply	Not applicable	60%	65%	70%	70%	Annually	High	
Number of health sessions delivered in libraries	Not reported corporately	Does Not Apply	Not applicable	360	360	360	360	Annually	High	
Number of health partnerships developed	Not reported corporately	Does Not Apply	Not applicable	10	11	12	12	Annually	High	
<b>Projects / key activities to support the objective</b> <i>(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</i>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Prevention offer</i>	Continue to enhance the health prevention offer in libraries working collaboratively with partners. Improve techniques for recording and evaluating the impact of services. Launch new Mind Space health and wellbeing offer across all libraries.						<i>Apr-19</i>		<i>Mar-24</i>	
<i>Campaigns and Events</i>	Ensure that key public health messages and events are well promoted and delivered both online and in libraries						<i>Apr-19</i>		<i>Ongoing</i>	
<i>Information Offer</i>	Ensure that there are good levels of information available both online and through libraries. Deliver training to ensure that staff skills are continually developed.						<i>Apr-19</i>		<i>Ongoing</i>	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>				<i>Mitigating Actions</i>						
<i>Restrictions on access to using libraries and limits on events</i>				<i>Continue to closely follow and apply government guidance. Use other channels to deliver the offer</i>						
<i>Capacity amongst health colleagues to support programmes</i>				<i>Set out clear and realistic objectives that take into account potential scenarios</i>						
<b>Impact on the customer/end user</b>										
<i>Improved health and wellbeing of customers and better joined up approach to promoting health services in the borough</i>										
<b>Partners / interdependencies</b>										
<i>This work involves close collaboration with health colleagues and in particular Public Health and Adult Social Care colleagues</i>										

<b>Service Objective 3</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
<i>Increase community participation in heritage services and raise awareness amongst residents of Merton's rich heritage.</i>				Create a great place to grow up and live in Build resilient communities						
<b>Performance Measures</b>										
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity	
Merton Memories web visits	Not reported corporately	Does Not Apply	Not applicable	52,000	56,000	60,000	60,000	Monthly	High	
Heritage Centre volunteer numbers	Not reported corporately	Does Not Apply	Not applicable	30	32	32	32	Monthly	High	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
Project / activity name	Description						Proposed start date		Proposed end date	
<i>Heritage Strategy</i>	Publish the new strategy and monitor the delivery action plan.						<i>Jan-21</i>		<i>Dec-25</i>	
<i>Community Involvement</i>	Increase volunteering numbers for heritage services and increase community participation in services						<i>Apr-21</i>		<i>Mar-23</i>	
<i>Funding</i>	Continue to apply for external funding to improve the services available for residents						<i>Apr-21</i>		<i>Ongoing</i>	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>				<i>Mitigating Actions</i>						
<i>Limited resources to deliver outcomes</i>				<i>Apply for external funding to support projects and be clear on what can be delivered with finite Council resources</i>						
<i>Impact on the way customers access service due to pandemic</i>				<i>Expand digital channels further and develop marketing and engagement plans to support this</i>						
<b>Impact on the customer/end user</b>										
<i>Increased access and understanding of the borough's rich heritage</i>										
<b>Partners / interdependencies</b>										
<i>This objective relies a lot on community response and in particular a number of heritage organisations that the service works closely with</i>										

<b>Service Objective 4</b>			<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
<i>Improving residents economic and employment prospects</i>			Support our most vulnerable residents of all ages						
			Bridge the gap and reduce inequalities						
			Create a great place to grow up and live in						
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Number of employability events / workshops delivered	Not reported corporately	Not Yet Known	Not applicable	96	96	96	96	Annually	High
Number of participants attending IT training sessions	Not reported corporately	Not Yet Known	Not applicable	1850	1900	1950	1950	Annually	High
% of participants reporting improved skills as a result of attending an employability and / or IT session	Not reported corporately	Not Yet Known	Not applicable	80%	80%	80%	80%	Annually	High
<b>Projects / key activities to support the objective</b> <i>(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</i>									
Project / activity name	Description						Proposed start date	Proposed end date	
<i>Adult Learning offer</i>	Enhance the adult learning offer in libraries working collaboratively with all partners						<i>Apr-19</i>	<i>Mar-23</i>	
<i>Library Space</i>	Reconfigure space to facilitate residents in their search for new employment or to reskill. Develop more services in partnership with other organisations to support this and launch new						<i>Apr-21</i>	<i>Mar-23</i>	
<i>Digital Offer</i>	Enhance the digital offer through libraries and provide focussed support sessions for residents to get online. As part of this provide an IT equipment loan scheme.						<i>Sep-20</i>	<i>Mar-23</i>	
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>						<i>Mitigating Actions</i>			
<i>Capacity to be able to host events / activities</i>						<i>Be clear with partners what can be hosted. Reconfigure spaces where necessary</i>			
<i>Funding to deliver anticipated changes</i>						<i>Be clear on what can be delivered within existing budgets and apply for external funding when additional funds are required</i>			
<b>Impact on the customer/end user</b>									
<i>Improved range of services available to help improve residents economical and educational outcomes</i>									
<b>Partners / interdependencies</b>									
<i>The projects highlighted work closely with adult learning providers and employment agencies to provide the enhanced offer</i>									

<b>Service Objective 5</b>			<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
Enhance the Library & Heritage Service digital offer			Continuously improve						
			Create a great place to grow up and live in						
			Support our most vulnerable residents of all ages						
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Number of visitors accessing the library service online	236,897	Green	240,000	250,000	260,000	270,000	270,000	Monthly	High
Number of e-book / e-magazine items borrowed	New indicator for 2021-22	Does Not Apply	100,000	112,000	125,000	135,000	135,000	Monthly	High
% of self-service transactions	85%	Red	97%	97%	97%	97%	97%	Monthly	High
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Self-Service libraries	Implement new self-service offer and provide staffless library offer at the 4 branch libraries						Jan-21	Jun-22	
Library Services Platform	Launch and further develop the LSP to provide an enhanced customer online experience						Jan-21	Ongoing	
Merton Memories	Enhance the Merton Memories website and continue to provide more content online						Apr-21	Ongoing	
<b>Potential barriers to achieving objective</b>									
Description of barrier						Mitigating Actions			
Budgetary constraints to implement new systems						Ensure that budgets are profiled and in place. The majority of changes are currently included in the Capital Programme			
Capacity to maintain and improve systems including independencies with other departments						Be clear on resources required and ensure that all projects are incorporated into IT Delivery Plans			
Supplier dependencies						Ensure robust contract management is in place wit the option to enforce penalties for under performance			
<b>Impact on the customer/end user</b>									
Maintain access to library buildings whilst developing new technological platforms to improve the customer experience									
<b>Partners / interdependencies</b>									
The projects highlighted rely on close collaboration with internal and external IT providers									

<b>Service Objective 6</b>			<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>							
<i>Children and young people's offer</i>			Create a great place to grow up and live in							
			Bridge the gap and reduce inequalities							
			Continuously improve							
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
Number of schools participating in Schools and Libraries Membership Scheme	Not reported corporately	Does Not Apply	Not applicable	46	46	46	46	Annually	High	
% of Merton school children regularly accessing library services	Not reported corporately	Does Not Apply	Not applicable	72%	74%	76%	76%	Annually	High	
Number of SEND tailored events and activities delivered	Not reported corporately	Does Not Apply	Not applicable	168	168	168	168	Annually	High	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Study Space</i>	Enhance space available to children and young people for studying and provide services to support with their educational development						<i>Sep-20</i>		<i>Ongoing</i>	
<i>Schools and Libraries Membership Scheme</i>	Provide a membership and engagement offer for all Merton school children. Refine the offer to enhance the digital aspects of it						<i>Sep-20</i>		<i>Ongoing</i>	
<i>Project Sense</i>	Complete activities outlined in Arts Council funded project and continue to improve the offer for SEND children and young people						<i>Apr-20</i>		<i>Ongoing</i>	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>						<i>Mitigating Actions</i>				
<i>Take up from schools</i>						<i>Continue to enhance engagement plans with schools and act on any feedback given</i>				
<i>Customer confidence in accessing spaces</i>						<i>Ongoing marketing and engagement plans</i>				
<i>Funding</i>						<i>Be clear on what can be delivered within existing resources and apply for additional funding, should it be required</i>				
<b>Impact on the customer/end user</b>										
<i>Improved service offer for children and young people that focuses in particular on underrepresented groups</i>										
<b>Partners / interdependencies</b>										
<i>The work involved will be in close collaboration with schools and the Council's Education department</i>										



### People

The Library & Heritage Service has a comparable gender make up to other parts of the Council but is lower than most services in terms of overall age. Staff development will focus on providing staff with the skills in order to progress either through the service or develop transferable skills to make them more employable. Significant training will put into place for library staff to support the anticipated digital and operational changes highlighted in the Delivery Plan. A long standing developmental need of the service is to continue to improve staff commercial skills and this has been further highlighted due to the anticipated income challenges of the next few years.

All staff have now moved across to using Office 365 and ongoing support and training is required for some staff. The majority of staff work solely frontline but are all now set up to be able to work remotely should they need to. The Service operates 7 public libraries and a Heritage and Local Studies Centre. Some adaptations to the buildings will be required and are included in future capital plans to modernise the service offering and to adapt to resident feedback through exercises such as Your Merton. Plans to redevelop the West Barnes Library site are currently under way subject to appropriate resourcing being allocated to manage the project.

### Technology

All staff computer solutions have recently been upgraded and are fit for purpose for the foreseeable future. The most significant changes will focus on our customer facing technology and in particular the implementation of new self-service technology and staffless libraries. There is also ongoing work to enhance the customer facing online offer. The majority of IT projects identified are included in the Capital Funding programme and IT resources have been agreed. Mind Space digital elements are currently being developed in consultation with IT and procurement colleagues.

### Service improvement

Consideration for further enhancing the services processes focusses on the digital elements identified and improving the commercial skills of staff to generate additional income.

The service currently shares a number of its ICT elements such as the Library Management System with other authorities as part of The Libraries Consortium (TLC). It also shares some procurement contracts with other authorities too. It has explored further shared service options and presented various options for outsourcing previously. The decision of previous reviews was to continue to maintain the service in house and considering the additional volatility in the outsourced library market at present it is recommended that the service continues to be delivered by an in house team. The service will continue to explore options to share services to improve outcomes and efficiencies for residents.

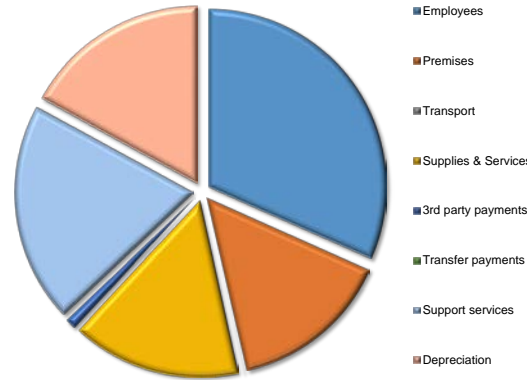
**Financial Summary**

Merton has one of the most effective library services in London. Due to the current pandemic a number of the income generation elements such as hire of spaces and PC printing have had a negative impact on budgets. In order to achieve a balanced budget libraries will need to work creatively to attempt to bring people back into using the spaces, which is a challenge facing many sectors. Further deployment of technology will also enable the service to work in a more efficient way and as outlined in future savings plans.

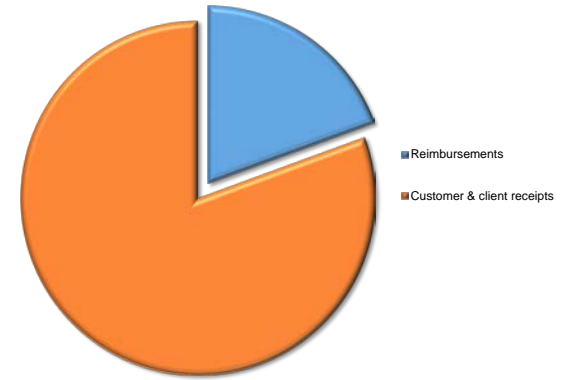
**DEPARTMENTAL BUDGET AND RESOURCES**

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	<b>3,591</b>	<b>3,683</b>	<b>3,626</b>	<b>14</b>	<b>3,651</b>	<b>3,687</b>	<b>3,723</b>	<b>3,761</b>
Employees	1,139	1,113	1,138	(28)	1,156	1,156	1,156	1,156
Premises	523	595	523	67	536	544	552	560
Transport	4	0	4	(3)	4	4	4	4
Supplies & Services	586	581	580	(4)	563	591	619	647
3rd party payments	35	0	35	(18)	36	37	37	38
Transfer payments	0	0	0	0	0	0	0	0
Support services	683	773	725	0	733	733	733	733
Depreciation	621	621	621	0	621	621	621	621
<b>Revenue £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>	<b>460</b>	<b>268</b>	<b>426</b>	<b>18</b>	<b>438</b>	<b>498</b>	<b>498</b>	<b>498</b>
Government grants	0	58	0	(65)	0	0	0	0
Reimbursements	119	36	85	23	85	85	85	85
Customer & client receipts	341	173	341	60	353	413	413	413
Recharges	0	0	0	0	0	0	0	0
Reserves	0	0	0	0	0	0	0	0
Capital Funding	0	0	0	0	0	0	0	0
<b>Council Funded Net Budget</b>	<b>3,131</b>	<b>3,416</b>	<b>3,200</b>	<b>32</b>	<b>3,213</b>	<b>3,189</b>	<b>3,225</b>	<b>3,263</b>
<b>Capital Budget £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
Libraries Buildings	0	0	0	0	0	0	200	60
Libraries IT	0	174	200	0	140	0	0	350
	0	174	200	0	140	0	200	410

2022/23 Expenditure



2022/23 Income



**Summary of major budget etc. changes**

	2022/23
Revenue savings of £60k	
	2023/24
Capital: Library Management System £140k. Revenue includes savings of £60k. □	
	2024/25
	2025/26

# Service Plan for : Merton Adult Learning

Service Manager: *Anthony Hopkins* Cabinet Member: *Councillor Brenda Fraser*

## Overview of the service

*The London Borough of Merton is committed to providing high quality and sustainable adult learning in order to improve the social, economic, health and wellbeing of our residents. This is delivered through a strategic investment approach: commissioning provision to the best providers in the field and using an evidence based approach to inform commissioning decisions.*

*The service aims to reduce inequalities across the borough by focussing investment on those most socially and / or economically disadvantaged whilst providing a broad range of learning opportunities to develop all resident's skills.*

## Merton's ambitions

Support our most vulnerable residents of all ages  
 Maintain a clean and safe environment  
 Create a great place to grow up and live in  
 Build resilient communities  
 Bridge the gap and reduce inequalities  
 Continuously improve

## What do we need to do?

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p><i>Feedback and evaluation is gathered from all learners. Learner feedback is very high with 99% of learners rating teaching and learning as good or above.</i></p> <p><i>The service was Ofsted inspected in November 2019 was rated as 'Good' under the new Education Inspection Framework. Ofsted comments that:</i></p> <p><i>"Learners gain a range of benefits from their courses. They enjoy the subjects they study. Those facing social isolation build their self-confidence and form new friendships while they study. Learners are taught valuable skills that</i></p>	<p><i>1,843 learners enrolled on adult learning courses in the last academic year. This figure is expected to increase as services are redesigned to support residents to learn new skills in response to the Covid-19 pandemic. The service has also been successful in receiving additional grant funding from the Greater London Authority (GLA) to deliver new provision.</i></p> <p><i>The new strategic objectives for the service were agreed by Cabinet in January 2020 and they align with the emerging themes of the Your Merton consultation exercise. They focus in particular on improving the social, economic and health outcomes of residents with a focus</i></p>	<p><i>Merton Adult Learning relies solely on external grants to provide its provision. From the 2019/20 academic year the majority of the grants are now administered by the GLA with a small amount of funding also allocated by the ESFA for any learners who do not live in the London area.</i></p> <p><i>The main policy documents for the sector are:</i></p> <ul style="list-style-type: none"> <li><i>'Skills for Londoners Strategy' - Greater London Authority</i></li> <li><i>'Education Inspection Framework' - Ofsted</i></li> </ul>	<p><i>Merton's Adult Learning service has transformed since becoming a commissioning service in 2016. It now provides excellent value for money, has a curriculum that addresses residents skills needs and provides excellent outcomes for learners.</i></p> <p><i>The recently agreed strategic objectives set out the ambition for the service. As part of its improvement plans the service has a Quality Improvement Plan (QIP) with its providers that sets out plans for continuous improvement.</i></p> <p><i>The service will play a key role in supporting</i></p>

*help increase their self-esteem and play a more active role in the community. Learners who are not confident with English improve their speaking and comprehension.*

*Tutors create a positive work-ethic among learners. It helps learners to develop the behaviours they need to go on to study at a higher level or increase their prospects of employment.*

*Learners receive a range of advice and guidance that enable them to make the right career and study choices. Specialist careers advisors know what learners who have been out of work for some time need to help them seek employment. Tutors help learners with learning difficulties and/or disabilities and their families find the right next step for them.*

*Learners appreciate the high-quality accommodation at the community venues in which lessons take place. They make productive use of the resources at the various community settings. Learners feel safe and know whom to approach should they have any concerns.*

*Tutors are experienced, knowledgeable and well qualified in their subjects. They have high expectations for their learners.*

*Leaders and managers ensure that learners benefit from high-quality courses. They pay close attention to planning a curriculum that*

*on supporting residents from more deprived wards.*

*The new objectives fit well with local and national strategies and the curriculum will evolve to reflect the job and skills market of Merton residents and will utilise specialist providers to enable these changes. The borough relies significantly on local data intelligence to inform future curriculum decisions.*

*the recovery of the borough by providing high quality learning to resident's to support them into improving their social, health and economic outcomes. Impact is key to demonstrating this and the service will continue to further develop its quality processes to better record and demonstrate this.*

*meets the social, economic and health priorities of the borough.*

*Leaders and managers work well with local partners to shape and deliver the curriculum offer. They work with subcontractors who offer courses that meet their curricular ambitions.*

*Effective governance has resulted in leaders working well together to improve the quality of the curriculum.*

*Leaders and managers place a suitable priority on safeguarding. Leaders are thorough in checking the safeguarding arrangements at subcontractors before working with them. Staff are appropriately trained in safeguarding and the 'Prevent' duty. When they need to act to safeguard learners and promote their welfare they do so promptly."*

**Where are we now?**

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Continue to improve quality across the provision and respond to issues identified in the last Ofsted inspection. Complete annual Self-Assessment Reports and Quality Improvement Plans and work collaboratively with providers to drive up performance.	The service has been Ofsted inspected and has moved to the status of 'Good' across all judgment areas. Significant progress has been made in improving the quality of the provision and Self-Assessment Reports are produced annually and Quality Improvement Plans updated regularly.	Carry forward
Deliver against the 3-year strategic objectives outlined in the Merton Adult Learning Strategy.	New Adult Learning Strategy agreed by Cabinet in January 2020 and all projects identified are underway. The Strategy gives a good basis to continually transform the offer to respond to resident needs especially as a result of the impact from the Covid-19 pandemic.	Carry forward
Working with providers develop robust systems for the collection of progression and destination data to better inform curriculum development and the tracking of learner's development.	Improvements have been made in the capture and analysis of progression and destination data but further work still needs to be done and the service is working closely with its providers to achieve this.	Carry forward
Deliver a range of community and family learning initiatives in the borough to increase take up and proactively market services to residents with the greatest needs.	New contracts are in place to support this with a particular focus on provision in the east of the borough. Take up on courses has increased but could be higher as providers adapt to delivering course provision in new ways.	Carry forward
Make more effective usage of learner and community data to inform the commissioning of adult learning courses whilst retaining a healthy breadth of provision.	Evidence base continues to be developed to make the most effective use of service and wider community data. This data has been used extensively to influence curriculum decisions.	Carry forward
Embed new contractor arrangements under new framework and procure main supplier contract whilst continuing to develop the provider market in the borough.	Multi-provider contracts are in place and have resulted in a more diverse curriculum offer that is improving reach into priority community groups. The main supplier contract was awarded to South Thames Group and the contract started in August 2021. Reprocurement of some of the smaller provider contracts has started for the new contracts to start in 2022/23 academic year.	Carry forward

**How will we get there?**

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<i>Covid-19 Recovery Plans</i>	Support our most vulnerable residents of all ages
	Bridge the gap and reduce inequalities
	Create a great place to grow up and live in

<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
Number of new learners per annum	Not yet provided (available end of academic year)	Not Yet Known	2,200	1,985	1,985	1,985	1,985	Annually	High
% overall success rate of accredited courses per annum	Not yet provided (available end of academic year)	Not Yet Known	90%	90%	90%	90%	90%	Annually	High
% of learners from deprived wards	Not yet provided (available end of academic year)	Not Yet Known	32%	33%	34%	35%	35%	Annually	High

**Projects / key activities to support the objective** *(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)*

<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>	<b>Proposed end date</b>
<i>GLA Level 3 and new curriculum areas</i>	Implement new curriculum areas now permitted by GLA funding	<i>Sep-21</i>	<i>Ongoing</i>
<i>Provider Engagement</i>	Work with providers to increase curriculum offer in the community and deliver a blended offer of physical and online courses to meet resident demand	<i>Apr-20</i>	<i>Apr-23</i>
<i>Equipment loan scheme</i>	Operate an equipment loaning scheme so that disadvantaged learners have access to good quality ICT to support with remote learning	<i>Aug-20</i>	<i>Aug-22</i>

**Potential barriers to achieving objective**

<b>Description of barrier</b>	<b>Mitigating Actions</b>
<i>Ability for providers to respond swiftly to changing priorities</i>	<i>Work closely with providers and agree scope of what needs to be achieved</i>
<i>Covid-19 Government Restrictions</i>	<i>Monitor government guidance closely and work collaboratively with Public Health and Health &amp; safety colleagues</i>

**Impact on the customer/end user**

*This objective will mean that learners have access to a more diverse curriculum offer that is offered through different formats (e.g. class room, online) to assist them with improving their life chances*

**Partners / interdependencies**

*The projects are dependent on government guidance and will follow advice from colleagues in Public Health and Health & Safety. The service is fully funded by the Greater London Authority and the Education and Skills Funding Agency. As a result there are particular requirements of the funding that need to be met when delivering provision.*

<b>Service Objective 2</b>			<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
<i>Embed new contractual arrangements</i>			Continuously improve						
			Bridge the gap and reduce inequalities						
			Build resilient communities						
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Number of new learners per annum	Not yet provided (available end of academic year)	Not Yet Known	2,200	1,985	1,985	1,985		Annually	High
Total enrolment numbers	Not yet provided (available end of academic year)	Not Yet Known	3,800	3,500	3,500	3,500		Annually	High
Cost per learner	Not yet provided (available end of academic year)	Not Yet Known	£375	£375	£375	£375		Annually	High
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
Project / activity name	Description						Proposed start date		Proposed end date
<i>Main Services Contract</i>	Award new contract for main services contract and embed new arrangements						<i>Aug-21</i>		<i>Ongoing</i>
<i>Contract Monitoring</i>	Continue to embed new contract arrangements with other providers and develop the offer						<i>Apr-20</i>		<i>Apr-23</i>
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
<i>Choice of suppliers available</i>					<i>Continue strategy of market development to encourage a more diverse range of providers to be able to deliver services</i>				
<i>Capacity</i>					<i>Be clear on what can be achieved within funding available and set realistic timescales</i>				
<i>Customer expectations of provision</i>					<i>Be clear on the priority curriculum areas whilst seeking to provide a broad course offer</i>				
<b>Impact on the customer/end user</b>									
<i>By improving the provider base learners should expect a higher quality and more diverse range of courses available that more effectively meet residents needs whilst providing good value for money.</i>									
<b>Partners / interdependencies</b>									
<i>The service works closely with Legal and Procurement colleagues to ensure that robust contracts are in place and that they are monitored effectively. As a commissioning service it is largely dependent on the good performance of its providers to deliver the desired outcomes.</i>									



<b>Service Objective 3</b>			<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>							
<i>Continue to drive up the performance and quality of the service</i>			Continuously improve							
			Bridge the gap and reduce inequalities							
			Support our most vulnerable residents of all ages							
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
% overall success rate of accredited courses per annum	Not yet provided (available end of academic year)	Not Yet Known	90%	90%	90%	90%		Annually	High	
% of learners progressing onto another learning opportunity or career path	Not applicable - new 2021-22 indicator	Does Not Apply	60%	62%	65%	67%		Annually	High	
Retention rate of students on courses	Not applicable - indicator re-activated for 2021-22	Not Yet Known	95%	96%	97%	98%		Annually	High	
<b>Projects / key activities to support the objective</b> <i>(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</i>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Quality Improvement Plan</i>	Embed Quality Improvement Plans across the provision and drive up performance and quality within providers.						<i>Sep-20</i>		<i>Ongoing</i>	
<i>Learning &amp; Development</i>	Ensure that Adult Learning team and providers receive appropriate training to support with development plans						<i>Apr-21</i>		<i>Ongoing</i>	
<i>Self-Assessment Report (SAR)</i>	Publish annual SAR to demonstrate the impact of the service and how performance is improving						<i>Apr-21</i>		<i>Ongoing</i>	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
<i>Ability of providers to adapt to increased demands</i>					<i>Be clear on expectations and ensure that they are closely aligned to the Ofsted Education Inspection Framework and other national, regional and local strategies</i>					
<i>Impact on performance due to current pandemic restrictions</i>					<i>Adapt provision to accommodate new approaches and work closely with providers to embed these new arrangements</i>					
<b>Impact on the customer/end user</b>										
<i>Improving the quality of the provision will mean that learners have a more diverse and tailored offer that will better to support them to achieve their outcomes</i>										
<b>Partners / interdependencies</b>										
<i>The service is dependent upon the delivery of its commissioned providers to achieve this objective and will do so through robust contract management processes.</i>										

<b>Service Objective 4</b>			<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
<i>Improve data quality and capture to better inform decision making</i>			Continuously improve						
			Bridge the gap and reduce inequalities						
			Create a great place to grow up and live in						
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% monthly data returns submitted within deadlines	Not reported corporately	Does Not Apply	Not applicable	99%	100%	100%		Monthly	High
Accuracy of monthly data reports	Not reported corporately	Does Not Apply	Not applicable	99%	100%	100%		Monthly	High
<b>Projects / key activities to support the objective</b> <i>(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</i>									
Project / activity name	Description						Proposed start date		Proposed end date
<i>Management Information System</i>	Embed new management information system across the whole of the provision						<i>Apr-20</i>		<i>Aug-22</i>
<i>Data Reporting</i>	Improve the timeliness of performance reporting to support with improving quality judgments						<i>Jan-21</i>		<i>Ongoing</i>
<i>Progression and Destination Data</i>	Improve systems for the recording and monitoring of progression and destination data to better demonstrate impact						<i>Apr-20</i>		<i>Ongoing</i>
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>						<i>Mitigating Actions</i>			
<i>Provider unable to deliver the required technical solution</i>						<i>Robust contract management procedures and seek to learn from best practice elsewhere in the sector</i>			
<i>Single person dependencies</i>						<i>Develop the skills and knowledge of all service staff to better support this</i>			
<b>Impact on the customer/end user</b>									
<i>Not having up-to-date and qualitative data means that the service will struggle to monitor learner progress and quickly identify any improvement actions required</i>									
<b>Partners / interdependencies</b>									
<i>The service depends upon its commission providers to provide timely data submissions with little or no errors. The service also use an external company to host all of its data capture through the MIS</i>									

<b>Service Objective 5</b>			<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
<i>Deliver against the strategic objectives of the Merton Adult Learning Strategy</i>			Bridge the gap and reduce inequalities						
			Continuously improve						
			Build resilient communities						
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Number of new learners per annum	Not yet provided (available end of academic year)	Not Yet Known	2,200	1,985	1,985	1,985		Annually	High
% overall success rate of accredited courses per annum	Not yet provided (available end of academic year)	Not Yet Known	90%	90%	90%	90%		Annually	High
% of learners from deprived wards	Not yet provided (available end of academic year)	Not Yet Known	32%	33%	34%	35%		Annually	High
<b>Projects / key activities to support the objective</b> <i>(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</i>									
Project / activity name	Description						Proposed start date		Proposed end date
<i>Adult Learning Strategy</i>	Embed new Adult Learning Strategy across whole provision						Jan-20		Sep-23
<i>Reporting</i>	Produce annual scrutiny reports and updates to the Advisory Panel on the delivery of the strategy						Apr-20		Ongoing
<i>Curriculum Development</i>	Utilise the services evidence base to better inform commissioning and curriculum decisions. Evolve the curriculum so that it adapts to the needs of Merton residents						Apr-21		Ongoing
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
<i>Ability of providers to respond to the Strategy</i>					<i>Embed the Strategy as a key part of contracts and provider Quality Improvement Plans. Adapt plans in the event of priorities changing</i>				
<b>Impact on the customer/end user</b>									
<i>A clear strategy for improving the quality of adult learning means that learners will benefit from a more tailored provision in high quality settings with high quality tutors</i>									
<b>Partners / interdependencies</b>									
<i>This is a commissioning service and relies on its providers to embed the strategic objectives of the service and drive up quality amongst its teams</i>									

### People

Merton Adult Learning has a Quality Improvement Plan (QIP) that incorporates all key training required by the commissioning team and its providers. Key to the QIP is keeping abreast of all developments from Ofsted and our funders the GLA and the ESFA. Training is incorporated into the plan to reflect this and individual CPD plans are in place for all staff, including those managed by providers. Core training around safeguarding is delivered annually.

Due to the Covid-19 pandemic providers are working in a more dynamic way delivering a blended mix of provision both online and in the classroom. Staff, and in particular tutors, are being supported to adapt to these new ways of working and funding from the GLA has been received to support with these changes. This is also a key feature of the QIP.

Staff development will also be undertaken within the team to reduce the dependency on individuals. An example of this is the work being undertaken with the MIS provider to provide more automated and timely performance information.

The commissioning team predominantly work remotely and these arrangements are working well. Regular monitoring visits to providers and classroom observations are important to ensure that quality standards are being met.

### Technology

The services' IT requirements broadly meet the standard corporate ICT offer. The one exception is the specialist software used to manage learner data and for submissions to funders, which is the MIS system provided by Tribal.

Whilst already deployed a key element of that will be further work this year with the MIS. The work being undertaken will be by the commissioning team with the supplier and in collaboration with providers. This is to ensure that timely reports and performance information are produced and more fit for purpose. Work will also be undertaken to better report and analyse progression and destination data of learners. No other significant technological updates have been identified apart from ongoing staff use of online platforms.

### Service improvement

The service has good plans in place to continually drive up improvement within the provision and as demonstrated via the recent Ofsted inspection that moved the overall status of the service to 'Good'. Building on these platforms the service is now working towards 'Outstanding' in some of its areas of work and these will be clearly demonstrated in the QIP and SAR.

Key areas for improvement are in improving the way the service uses data to inform the curriculum and adapts to the new requirements of residents in a post Covid-19 skills world. Other areas include the better use of management information and reducing one person dependencies within the team.

A full service review was concluded in 2016 with the move to the current commissioning model. This move has achieved the main aims of achieving financial sustainability and in developing a more dynamic curriculum that better meets the needs of Merton residents. The model is continually reviewed and best practice is viewed from across the sector.

**Financial summary**

This is a commissioning model which has proved to be successful in delivering an efficient service to Merton residents and was rated as good by OFSTED in 2019. In class delivery has been impacted by the pandemic but providers have become creative in blending in class and online provision. The service has recently been successful in receiving significant grants from the GLA to support residents with retraining and to develop their employability skills in a post-Covid environment.

DEPARTMENTAL BUDGET AND RESOURCES									Additional Expenditure Information
Revenue	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	An annual grant anticipated that grant receivable from the GLA (Greater London Authority) of 2022/23 will be the same as 2021/22 £ 1.47m.
<b>Expenditure</b>	<b>1,893</b>	<b>1,353</b>	<b>1,498</b>	<b>0</b>	<b>1,501</b>	<b>1,501</b>	<b>1,501</b>	<b>1,501</b>	
Contractor's Fee	1,538	1,051	1,228	3	1,228	1,228	1,228	1,228	
Employees (Commissioning Team)	200	200	200	(3)	201	201	201	201	
Employees (LDD Curriculum Manager)	0	0	0	0	0	0	0	0	
Support Service	32	35	32	0	33	33	33	33	
Other Costs	122	67	38	0	38	38	38	38	
<b>Revenue</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	
<b>Income</b>	<b>1,861</b>	<b>1,382</b>	<b>1,466</b>	<b>0</b>	<b>1,468</b>	<b>1,468</b>	<b>1,468</b>	<b>1,468</b>	
Adult Education Block Grant	1,861	1,382	1,466	0	1,468	1,468	1,468	1,468	
Adult Apprenticeships Grant	0	0	0	0	0	0	0	0	
Other Income	0	0	0	0	0	0	0	0	
<b>Council Funded Net Budget</b>	<b>32</b>	<b>(29)</b>	<b>32</b>	<b>0</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	
<b>Capital Expenditure</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	
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# Service Plan for : Public Health

Service Manager:	Dagmar Zeuner	Cabinet Member:	Cllr Rebecca Lanning
Peer review date:	01-Dec-21	Name of peer:	Phil Howell
Date created:	Dec-21	Date of next review:	Dec-22

## Overview of the service

Main statutory duties for Public Health in Local Authority comprise:

- -Strategy/system leadership for health – Health and Wellbeing Board, JSNA and Health and Wellbeing Strategy, independent Annual Public Health Report (all mandatory).
- -Commissioning/securing provision of a defined range of Public Health Services (including the following mandatory services: sexual health, NHS health checks, healthy child 0-5 services, National Child Measurement Programme) and commissioning support to the NHS (mandatory) and Council.
- -Health protection oversight (mandatory), including screening, infection control, emergency preparedness and immunisations.
- COVID-19 Pandemic response and recovery is the major public health priority in Merton, including:
  - Outbreak control and containment/living with COVID - active outbreak control will continue until at least end of Spring 2022; living with COVID, including vaccination, will continue for the foreseeable future and recovery from COVID may require focussed work over a number of years
  - Recovery/learning from COVID - including addressing the disproportionate impact of COVID, this will apply to all statutory public health duties outlined above.

## Merton's ambitions

Support our most vulnerable residents of all ages  
 Maintain a clean and safe environment  
 Create a great place to grow up and live in  
 Build resilient communities  
 Bridge the gap and reduce inequalities  
 Continuously improve

## What do we need to do?

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
The service plan is informed by customer insights from a programme of community engagement on COVID, including COVID community champions; BAME Voice and Mencap engagement findings; Voluntary	The Joint Strategic Needs Assessment/Merton Story provides evidence on demographic trends and will focus on the impact of COVID in Merton, including the disproportionate impact on the east of the borough, BAME and other	Rapidly changing National policy and guidelines on COVID-19 will have a significant impact on how the public health service will operate. London guidelines through the London COVID Response Cell will have an impact. Sub-	The Public Health service plan will contribute to continuous improvement and implementation of public health strategies (diabetes, healthy weight, sexual health) and development of integrated commissioned

<p>organisation outreach engagement. In addition, young people and parent engagement on commissioned services and strategy development, including surveys, focus group and young inspectors.</p> <p>Equality impact assessment will be undertaken on any service developments, including 0-19 Healthy Child services.</p>	<p>groups, and health inequalities. This will inform the objective for COVID recovery.</p> <p>Public health intelligence contributes to LBM modernisation, through the development of intelligence streams and data sets.</p>	<p>regional work across SW London will also be important.</p> <p>National changes in the NHS will have an impact including the development of Integrated Care Systems (ICS) and changes to strategic commissioning across the NHS, and the embedding of United Kingdom Health Security Agency (UKHSA) and Office for Health Improvement and Disparities (OHID) following disestablishment of Public Health England.</p>	<p>services, to deliver improved outcomes.</p> <p>The service plan will contribute to modernisation and recovery through its objective on COVID recovery, which includes prevention, early help and healthy places.</p>
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Where are we now?		
Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
<p><b>Objective 1: Service integration and transformation</b> - support SID and MHCT boards to further develop and implement their respective programmes including: integrated community health and care services (children and adults); a personal prevention offer for adults; whole system approach to diabetes and potentially other long-term conditions; life-course sexual health strategy.</p>	<p>The impact of COVID-19 pandemic has resulted in a change to the timelines of integrated commissioning. NHS providers have been fully engaged in COVID response; staff have been redeployed to acute NHS roles; some services were halted and others adapted and shifted on-line, as providers worked under NHS command and control. In response to this, service integration and transformation of community services was postponed by 12 months.</p> <p>This objective will be taken forward under new Service Objective 2 in 2022/23 with the ambition of further service integration and transformation, including links to C&amp;H Recovery and Reset Programme, by 2022.</p>	Carry forward
<p><b>Objective 2: Deliver Health and Wellbeing Strategy</b> - embed health &amp; wellbeing into council and partner business; with a focus on implementing healthy workplaces programme linking health and climate change; supporting whole system approach to tackling childhood obesity and diabetes (see above); strengthen CYP leadership for healthy place, i.e. through school neighbourhood action plans (SNAP).</p>	<p>Progress towards the delivery of the Health and Wellbeing Strategy has been adapted in light of the impact of the COVID-19 pandemic, including the disproportionate impact on BAME groups, older people, young people, carers and people with learning disabilities. Work on childhood obesity shifted to focus on food poverty; schools based activity was paused due to lockdown. Work on healthy workplaces focused of mental wellbeing, ensuring staff had flu vaccination and engagement of businesses in our Business Improvement Districts. There is a refreshed suicide prevention strategy.</p> <p>This objective will be taken forward under new Service Objective 2 in 2022/23.</p>	Carry forward



<p><b>Objective 3: Strengthen commissioning and commissioning support</b> – develop integrated commissioning for children; public health strategic commissioning (end-to-end) &amp; public health support to commissioning for health and wellbeing outcomes in order to deliver integrated service models.</p>	<p>The impact of COVID-19 pandemic has meant that commissioning and commissioning support has focused on supporting providers in adapting service models in response to COVID, to deliver safe services, shifting to on-line where appropriate and continuing to support most vulnerable service users. The long term nature of the pandemic and winter pressures increase the risks to service quality and safety.</p> <p>This objective will be taken forward under new Service Objective 3 in 2022/23.</p>	<p>Carry forward</p>
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**How will we get there?**

<b>Service Objective 1: COVID-19 Response</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
COVID 19 - Effective Outbreak Control and developing flexible and scalable infrastructure to contain COVID in the future, in collaboration with Public Protection: including strategic leadership, working in partnership with NHS, UKHSA and OHID; providing the underpinning intelligence function; delivery of the Merton Local Outbreak Management Plan; developing scalable local contact tracing partnership (including case finding, backwards tracing); testing (including symptomatic and asymptomatic) and vaccination support; and engaging residents, including BAME communities, older people, carers, young people and residents with learning disabilities.	Support our most vulnerable residents of all ages
	Bridge the gap and reduce inequalities
	Statutory requirement

<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
Service Objective 1. will be performance measured through local programme governance.									

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>	<b>Proposed end date</b>
<i>Project / activity 1: Support Care Homes, Schools and High Risk settings.</i>	Provide outbreak management advice and infection prevention and control support to care homes, schools and other education settings and other high risk settings.	<i>on-going</i>	<i>Mar-23</i>
<i>Project / activity 2: Delivery of community engagement activity.</i>	Continue programme of proactive community engagement to build community trust and compliance with COVID-19 restrictions; to understand lived experience of residents; to understand and respond to the disproportionate impact of COVID. Building on COVID community champions; small grants to Voluntary sector; youth engagement, to support communities role in outbreak control.	<i>on-going</i>	<i>Mar-23</i>
<i>Project / activity 3: Support the development of infrastructure to contain COVID.</i>	Working in close collaboration with Public Protection (RSP), support the scalable development of targeted local testing approach and capacity (symptomatic and asymptomatic) and contact tracing partnership with NHS T&T, including case finding and backward tracing; support to NHS on preparation and delivery of COVID vaccination.	<i>on-going</i>	<i>Mar-23</i>
<i>Project / activity 4: Development of COVID intelligence and surveillance functions.</i>	Continue to develop COVID surveillance functions and health intelligence, and disseminate key intelligence to stakeholders to inform and support COVID approach.	<i>on-going</i>	<i>Mar-23</i>
<i>Project / activity 5: Ensure Effective Governance of the Outbreak Control Plan.</i>	Maintain effective Governance through Merton Outbreak Control Officers Group (MOCOG), Borough Resilience COVID Core Group and Health and Wellbeing Board community sub-group.	<i>on-going</i>	<i>Mar-23</i>

**Potential barriers to achieving objective:**

<b>Description of barrier</b>	<b>Mitigating Actions</b>
<i>Impact of increase in COVID on NHS provider capacity (Command and control)</i>	<i>Work in partnership with SWL CCG</i>
<i>Lack of Contain Outbreak Management Fund (COMF) to support Merton response, including community engagement and outbreak control staffing</i>	<i>Raising impact of lack of funding at CMT, London and National level.</i>
<i>Capacity in PH Team - ability to recruit and retain interim staff to work on COVID</i>	<i>Close liaison with HR, ongoing recruitment</i>

<b>Impact on the customer/end user</b>										
<p>-Residents supported to understand and comply with COVID 19 measures and restrictions through engagement approach</p> <p>-High-risk settings and Voluntary Organisations enabled to manage risk, comply with guidelines and communicate with stakeholders effectively</p> <p>-Schools able to respond effectively to guidance and undertake risk assessment and infection control and prevention</p>										
<b>Partners / interdependencies</b>										
<p>PH works in strong collaboration with public protection (Regulatory Services Partnership, E&amp;R).</p> <p>Adult Social Care Team, C&amp;H, School Improvement Team, CSF, SWL ICS, LCRC, UKHSA, OHID, SWL LAs, Voluntary Sector/Merton Connected, Schools and Education settings, Housing providers</p>										
<b>Service Objective 2: COVID-19 Recovery</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<p>COVID Recovery - Healthy, fair and green in context of COVID 19: this includes addressing inequalities that have been exacerbated by the disproportionate impact of COVID; prevention and early help, promoting healthy and green place (focus on interventions with co-benefits for health and sustainability such as active travel); staff wellbeing.</p>					Bridge the gap and reduce inequalities					
					Create a great place to grow up and live in					
					Build resilient communities					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2021 / 22 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
Number of NHS health checks delivered by primary care	409 (Q2 2021/22)	Red	2754	pending new contract	pending new contract	pending new contract		Quarterly	High	
Percentage of dependent drinkers who have engaged in treatment (New indicator replacing the one on residents dependent on alcohol but not in treatment system)	27.3% (Q2, 2021/22)	Green	20%					Quarterly	High	
Proportion of all in treatment, who successfully completed treatment and did not re-present within 6 months - Alcohol	49% (Q2 2021/22)	Amber	50%					Quarterly	High	
Gap in childhood obesity between east and west Merton at Y6 (to halt then reduce the gap by levelling up in east)	10.4% (2017/18-2019/20)	Green	12%	11%	10%	9%		Annually	Low	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	

<i>Project / activity 1: Prevention and early help.</i>	Revise and continue to embed Prevention Priorities and influence wider aims and objectives of the C&H Recovery and Reset Programme and Health and Care Together Board priorities. Implement the '5 Prevention Priorities' model which focuses on: directory of services; network of connectors; staff training; healthy settings and embedding prevention into health and care pathways. Enhance this work with added focus on tobacco, physical activity, healthy diet, alcohol & other behaviours. Expanding priorities to include prehabilitation and early intervention and prevention. Delivery will be aligned with C&H Recovery and Reset and MHCT themes, with PH leads to support delivery planning, co-ordination, support and do-once tasks.	<i>Ongoing</i>	<i>Mar-23</i>
<i>Project / activity 2: Delivery of public health strategies including whole system approach to diabetes and childhood obesity; Sexual health strategy implementation; substance misuse and mental health.</i>	Work with partners to implement public health strategies, which will be adapted for COVID-19 recovery, including: <ul style="list-style-type: none"> <li>• Whole systems Diabetes Action Plan in context of COVID-19 - 3 key themes: clinical oversight and service improvement; holistic individual care; and healthy place.</li> <li>• Child Healthy Weight Action Plan - 3 key themes: making childhood obesity everybody's business; supporting children young people and their families; and healthy place, which includes healthy food and the physical environment.</li> <li>• Sexual health strategy - 3 priorities: education and training; easy access to sexual health and wellbeing services; comprehensive sexual health and wellbeing, including support for vulnerable groups.</li> <li>• Substance misuse and mental health.</li> </ul>	<i>Ongoing</i>	<i>Mar-23</i>
<i>Project / activity 3: Healthy place, including workplaces and staff wellbeing.</i>	Working with partners to scale up healthy places and healthy work places across Merton. Reviewing the Health in All Policies action plan to consolidate the alignments with the climate change action plan and post COVID challenges, embedding equity. Particular areas of focus include housing retrofit schemes, air quality and active travel in collaboration with E&R. Work with Corporate Services around the Workforce Strategy. Continue work of the Dementia Action Alliance.	<i>Ongoing</i>	<i>Mar-23</i>
<i>Project / activity 4: Addressing health and social impacts of COVID-19 in Merton</i>	Building on insights from the JSNA/ Merton Story, to address health inequalities and the disproportionate impact of COVID in Merton.	<i>Ongoing</i>	<i>Mar-23</i>
<b>Potential barriers to achieving objective</b>			
<i>Description of barrier</i>		<i>Mitigating Actions</i>	
<i>Impact of increase in COVID on capacity in LA and NHS</i>		<i>Work in partnership with E&amp;R, CSF and SWL ICS</i>	
<b>Impact on the customer/end user</b>			
<i>Disproportionate impact of COVID is a priority in recovery plans and services, with a focus on addressing inequalities in east of the borough.</i>			
<b>Partners / interdependencies</b>			
<i>PH works in strong collaboration with public protection (Regulatory Services Partnership, E&amp;R), Adult Social Care Team, C&amp;H, School Improvement Team, CSF, Corporate Services, SWL ICS, and LCRC/PHE, SWL LAs, Voluntary Sector/MVSC, Schools and Education settings, Housing providers</i>			

Service Objective 3: Strengthen commissioning and commissioning support				Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions					
Strengthen commissioning and commissioning support, making best use of our resources and benefits of integrated commissioning with partners: develop integrated commissioning for children; public health strategic commissioning (end-to-end) & public health support to commissioning for health and wellbeing outcomes in the context of NHS integrating care agenda and strategic commissioning reforms. ☑				Support our most vulnerable residents of all ages					
				Build resilient communities					
				Continuously improve					
Performance Measures (these are from last year)									
Indicator	2021 / 22 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Health Visiting - % of New Birth Reviews in 14 days of birth	95% (May 2021/22)	Green	90%	90%	95%	95%		Monthly	High
Breastfeeding at the 6-8 weeks review (partially or totally)	82.5% (May 2021/22)	Green	70%	70%	70%	70%		Monthly	High
% of participation in National Child Measurement Programme at age 10-11 years (Year 6) for the academic year	Data collection paused due to COVID	Does not apply	95%	95%	95%	95%		Annually	High
% young people (under 25) leaving treatment where substance misuse has reduced or client become drug free.	92% (Q2 2021/22)	Green	85%	85%	85%	85%		Quarterly	High
Percentage of total attendances of eligible service users within the 15-24 age group who accepted and received a Chlamydia test	58.9% (Q1 2021/22)	Red	80%	80%				Quarterly	High
New Dementia action alliance members (cumulative)	9 (Q2 2021/22)	Red	30	30				Quarterly	High
New service users matched with volunteers for befriending service (New indicator replacing the one on falls)	20 (Q2 2021/22)	Green	80	80				Quarterly	High
% of eligible people offered an HIV test and who accept the test	86.7% (Q1 2021/22)	Amber	90%	pending new contract	pending new contract	pending new contract		Quarterly	High
Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Project / activity 1: Development of Integrated Community Services	Support the long term ambition to develop integrated community health and care services, contributing to the NHS integrating care agenda and strategic commissioning reforms and Public Health England reforms. Contribute to NHS/ICS and UKHSA/OHID reform at London and sub-regional level.						Ongoing	Mar-23	

<i>Project / activity 2: Development of CYP Integrated Commissioning</i>	Continue the development of CYP Integrated commissioning, across PH, CSF and SWLCCG, working jointly to secure quality services and value for money in context of financial pressures. Priorities include community health services 0-19; risk and resilience; and employability.	<i>Ongoing</i>	<i>Mar-23</i>
<i>Project / activity 3: Sexual Health Services:</i>	Extend contract for integrated sexual health services from Sept 2022 -March 2024. Develop and agree an approach to the commissioning of integrated sexual health services from April 2024 in order to improve outcomes and secure value for money.	<i>Ongoing</i>	<i>Mar-23</i>
<i>Project / activity 4: C&amp;H Commissioning Review</i>	Input to the C&H review of commissioning, identifying lessons from elsewhere and implement agreed changes.	<i>Ongoing</i>	<i>Mar-23</i>
<b>Potential barriers to achieving objective</b>			
<i>Description of barrier</i>		<i>Mitigating Actions</i>	
<i>Ongoing impact of COVID on provider capacity and services including NHS</i>		<i>Work in partnership with SWL CCG, Prioritise high risk services for quality assurance</i>	
<i>Ongoing impact of COVID on SWL ICS</i>		<i>Careful review of options around integrated community services</i>	
<i>Financial pressures</i>		<i>Work with CCG and providers to maximise efficiency</i>	
<b>Impact on the customer/end user</b>			
<i>Improved quality and access to services for residents</i>			
<i>Improved health outcomes</i>			
<b>Partners / interdependencies</b>			
<i>PH works in strong collaboration with Adult Social Care Team, C&amp;H, CSF, SWL CCG, and Voluntary Sector/Merton Connected</i>			

### People

*Additional staff have been funded from the COVID-19 Outbreak control funds to expand capacity to deliver the Merton Outbreak Control Plan, support mapping and risk assessment of high risk settings, undertake Infection Prevention and Control, undertake surveillance and engage with residents and vulnerable groups. The ability to recruit and retain interim staff has been challenging and lack of clear direction of COMF, means that staff may find alternative employment.*

*The core Public Health team workforce numbers have remained static (add WTE) however there are a number of new staff members and staff have taken on additional roles in response to COVID-19 requirements, including enhanced health protection ; increase staff management etc. Like many other teams, the PH team have performed admirably throughtout the pandemic and have a general feeling of exhaustion, which will be closely watched by PH SLT.*

*The whole Public Health Team is mostly remotely which adds pressures on management and team development needs. In particular a number of new and interim posts find creation of new partnerships difficult remotely and need effective remote management and support, and efficient HR processes.*

### Technology

In the move to remote working all staff in the PH team have been provided with Laptops, and mobile phones as appropriate. This enables the team to work collaboratively using Office 365; skype, Microsoft teams; access to I-Trent and E5.

The main technology need is to ensure that remote working is effectively supported by efficient technology, in particular virtual meetings via skype and teams, to ensure productivity. Skype is often not working. We have a need for easy syncing with the cloud. We require additional support and training around Sharepoint, E5, corporate procurement systems. We also are seeing new technology needs as part of population health management, for example our analysts are learning to use R (an open source analytics tool) as part of a regional capacity building programme.

For commissioned services COVID-19 has resulted in a move to greater use of technologies, through an increase on-line virtual service delivery, and increase use of London e-service for sexual health. This will remain under review to assess which virtual approaches should be adapted in the longer term.

### Service improvement

*The main area of service improvements is the management of COVID-19 and COVID-19recovery, which includes outbreak prevention and control, surveillance and intelligence and working with partners to support the development of infrastructure to contain COVID.*

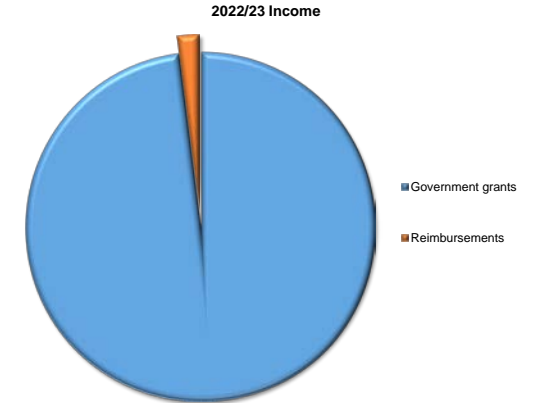
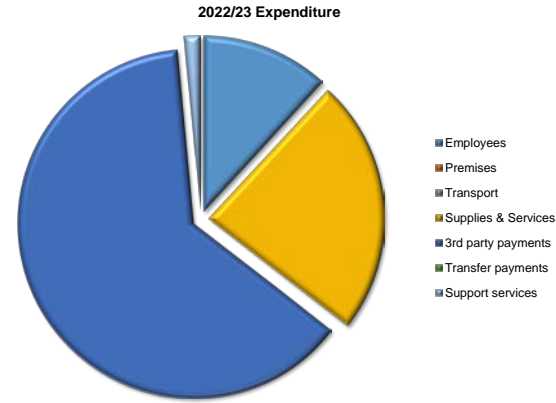
*Service improvements in commissioned services include increase use of digital and remote technology, including addressing digital exclusion, to improve service access; and service modernisation through innovation and development of service models, such as development of skill mix.*

**Financial Summary**

Public Health has many challenges and an increased role as a result of the COVID pandemic. The current grant allocation is insufficient to meet the increasing demands on this service coupled with the annual pressures from to the increases in cost as a result agenda for change, pension costs and commissioned contracts.

**DEPARTMENTAL BUDGET AND RESOURCES**

Revenue £'000s	Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	<b>10,350</b>	<b>12,154</b>	<b>10,766</b>	<b>6,643</b>	<b>11,007</b>	<b>11,007</b>	<b>11,007</b>	<b>11,007</b>
Employees	1,299	2,331	1,298	3,601	1,298	1,298	1,298	1,298
Premises	2	86	2	31	3	3	3	3
Transport	2	1	2	0	2	2	2	2
Supplies & Services	2,584	3,001	2,605	2,545	2,607	2,607	2,607	2,607
3rd party payments	6,305	6,561	6,696	465	6,936	6,936	6,936	6,936
Transfer payments	0	0	0	0	0	0	0	0
Support services	157	174	163	0	162	162	162	162
Depreciation	0	0	0	0	0	0	0	0
<b>Revenue £'000s</b>	<b>Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>	<b>15,823</b>	<b>17,627</b>	<b>10,766</b>	<b>6,643</b>	<b>11,007</b>	<b>11,007</b>	<b>11,007</b>	<b>11,007</b>
Government grants	15,597	17,366	10,546	6,572	10,786	10,786	10,786	10,786
Reimbursements	227	260	220	71	221	221	221	221
Customer payment receipts	0	0	0	0	0	0	0	0
Recharges	0	0	0	0	0	0	0	0
Reserves	0	0	0	0	0	0	0	0
Capital Funded	0	0	0	0	0	0	0	0
<b>Council Funded Net Budget</b>	<b>(5,473)</b>	<b>(5,473)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital Budget £'000s</b>	<b>Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
n/a		0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0



**Summary of major budget etc. changes**

Please Note: Public Health includes Covid-19 Public Health grants. Assuming same level of funding as in years 2020/21 and 2021/22, pending confirmation from Government on funding distribution or business rates retention scheme. Underpend in 2020/21 relates to Covid-19 relates grants

2022/23

2023/24

2024/25

2025/26

P8304



# Corporate Services

# Service Plan for : Corporate Governance

Service Manager: *Louise Round* Cabinet Member: *Councillor Tobin Byers*

## Overview of the service

*Corporate Governance provides a number of services underpinning the democratic functions of the Council (Democracy Services, Information Governance and Electoral Services ) and which are designed to assist it in upholding the highest standards of governance, as well as some outward facing services, namely complaints and local land charges. It also acts as the host for the South London Legal Partnership (SLLP) which provided legal services for the 5 South West London Councils.*

## Merton's ambitions

Support our most vulnerable residents of all ages  
 Maintain a clean and safe environment  
 Create a great place to grow up and live in  
 Build resilient communities  
 Bridge the gap and reduce inequalities  
 Continuously improve

## What do we need to do?

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p><i>SLLP asks its clients, who are officers in the five partner councils, to complete customer satisfaction questionnaires at the completion of each matter. They consistently return ratings of excellent or very good across all categories.</i></p>	<p><i>The demand in most parts of Corporate Governance is driven by the demands on other council teams. In SLLP there has been a large increase in requests for employment and procurement advice and the backlogs in the courts will keep pressure on the social care and litigation teams for the foreseeable future. The significant increase in land charges searches seems likely to continue well into next year. The local elections will be run on new ward boundaries, it is as yet unknown to what extent safeguards will need to be put in place to run the poll in a Covid secure way.</i></p>	<p><i>SLLP will need to remain alive to legislative changes attributable to Covid-19, Brexit and other policy reform, including to the planning system.</i></p>	<p><i>The provision of high quality proactive legal advice across the whole range of local authority functions will enable Merton to be forward looking and efficient in the delivery of its business plan. That plan is underpinned by the democratic accountability of elected members so the support provided to them is crucial. When things do go wrong, it is important that residents receive an empathetic and swift response to their concerns and that lessons are learned. The Complaints team has a critical role to play in improving customer experience.</i></p>

Where are we now?		
Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
<p><b>Efficiency Programme:</b> To further reduce spend on printing committee agendas by moving CMT members to paperless agendas for LSG, Council, Cabinet and other committees. To encourage Cabinet Members and level 2 managers to follow suit. To encourage the Mayor and Group Leaders to produce electronic Christmas cards to save money on print and postage. To continue to monitor and review the impact of the Service Level Agreement in the Mayor's office, in particular in relation to the spend on drivers, and negotiate further changes as required to achieve manageable levels of activity and further reduction in spend. To promote online event bookings to save staff time and improve service for customers.</p>	<p>Achieved paperless agendas for officers, some progress made with members but limitations in the modern.gov application make this a little difficult.</p>	<p>Close</p>
<p><b>Scrutiny Improvement Programme:</b> To build on the recommendations of the review carried out by the Centre for Public Scrutiny in order to improve effectiveness and impact of the scrutiny function and to engage all non-executive councillors in scrutiny activities. The action plan will be developed by a cross party councillor working group and agreed by the Overview and Scrutiny Commission and reviewed each year when it receives the Annual Member Survey. Increase public involvement and use of external expert witnesses.</p>	<p>Protocol for external scrutiny has been revised and will be in place for the next municipal year.</p>	<p>Close</p>
<p><b>Creation of centralised Local Land Charges Register:</b> Review of LLC service delivery; dependent on national directive.</p>	<p>Ongoing- scoping work just beginning on project work to put in place foundations for transfer to HM Land Registry - preparation stage 22/23. Migration 23/24.</p>	<p>Carry forward</p>

<p><b>2018/22 Administer statutory elections, referendums and ballots.</b> Administer full borough council elections in 2022, Mayor of London and London Assembly elections in 2020, and the next parliamentary General Election (currently scheduled for 2024) together with any other referendums and ballots that may be required.</p>	<p>Mayoral election run successfully in 2021 in a Covid Secure way. Preparations on going for full borough council elections in May 2022. These elections will be run on new ward boundaries.</p>	<p>Carry forward</p>
<p><b>Work with Local Government Boundary Commission on planned Electoral Review of Merton - implementation for 2022 Council elections</b></p>	<p>Polling district review completed and agreed by SGP Committee in November 2021. Register of electors will be re-published on new ward boundaries on 1 Feb 2022 in preparation for local elections in May.</p>	<p>Close</p>
<p><b>Data Protection Act (DPA18) / General Data Protection Regulation (GDPR)</b> Refresh of all information governance related policies and strategies and promote to all staff.</p>	<p>Ongoing.</p>	<p>Carry forward</p>
<p><b>Increase 3rd party income</b> To increase income from fees and charges of 3rd parties across all partner councils and explore generating income from providing legal advice and support to other authorities. Target: £230k .</p>	<p>Target reduced mid-year but looks likely to be achieved GB agreed increase in s106 charges in October .</p>	<p>close</p>
<p><b>Further expansion of SLLP</b> To provide an expanded legal support and advice service to Achieving for Children. Income target for 2019/20 - £50k; target for 2020/21: £80k.</p>	<p>Royal Borough Windsor &amp; Maidenhead work did not proceed.</p>	<p>Close</p>
<p><b>Develop Transactional Team</b> To establish a transactional team for high volume routine matters to deliver efficiency savings.</p>	<p>Partially complete. Property notices being dealt with by PM team.</p>	<p>Carry forward</p>

How will we get there?									
<b>Service Objective 1</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
To implement the boundary commission review in time for the May 2022 elections and to prepare to run those elections in a safe and efficient manner				Continuously improve					
				Statutory requirement					
<b>Performance Measures</b>									
Indicator	2020/12 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
Project / activity name	Description						Proposed start date	Proposed end date	
Project / activity 1	Work with the GIS team to review the ward boundaries, carry out a polling district review allocate polling places						Jun-21	Feb-22	
Project / activity 2	Produce project plan for elections and implement it						Nov-21	May-22	
<b>Potential barriers to achieving objective</b>									
Description of barrier				Mitigating Actions					
Re-emergence of Covid restrictions				Use lessons learnt from re-scheduled 2020 elections for running of poll.					
<b>Impact on the customer/end user</b>									
Process is accessible for electors and candidates, election is perceived to be well run									
<b>Partners / interdependencies</b>									
All council staff									
<b>Service Objective 2</b>									
<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>									
Prepare the local land charges function for migration to the Land registry in 23/24				Continuously improve					
				Statutory requirement					
<b>Performance Measures</b>									
Indicator	2020-21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
LLC Official searches completed within 5 days	99.24%	Green	95%	95%	95%	95%	95%	Monthly	High
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
Project / activity name	Description						Proposed start date	Proposed end date	
Project / activity 1	Carry out data quality assurance review						Jan-22		
Project / activity 2	Transfer function to E&R						Dec-22		
Project / activity 3	Draw up project plan in conjunction with the Land Registry						Spring 22		
Project / activity 4	Monitor turnaround time for land charges searches						Spring 22		
<b>Potential barriers to achieving objective</b>									
Description of barrier				Mitigating Actions					
Quality of current data				Commission data improvement support					
Skills and capacity to oversee the project				Commission bespoke project support					
<b>Impact on the customer/end user</b>									
This work should improve the quality of the information being given to the end user and enable a more effective electronic solution									
<b>Partners / interdependencies</b>									
E & R planning and building control team, IT M3 manger, the Land Registry									

<b>Service Objective 3</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
Develop Members Induction Programme for new intake of Cllrs in May 2022.				Continuously improve						
				Statutory requirement						
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020-21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
High member satisfaction with induction programme	N/A	Does Not Apply	85%	N/A	N/A	N/A	N/A	Annually	High	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
Project / activity 1	Members moved into fully paperless environment						May-22		May-23	
Project / activity 2	Working group established to produce high quality members induction programme						Dec-21		May-22	
<b>Potential barriers to achieving objective</b>										
<b>Description of barrier</b>					<b>Mitigating Actions</b>					
Poor cooperation between partners					Regular working group meetings					
<b>Impact on the customer/end user</b>										
Members receive a good quality induction programme enabling them to perform their role of Cllr to a high standard. Members use of paper is reduced in line with environmental targets.										
<b>Partners / interdependencies</b>										
HR, ICT, Policy, Scrutiny, Facilities										
<b>Service Objective 4</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
				Continuously improve						
				Select						
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020/21 Actual</b>	<b>RAG</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25 Target</b>	<b>2025/26</b>	<b>Frequency</b>	<b>Polarity</b>	
% FOI requests dealt with in time (20 days)	85.81%	Red	90%	90%	90%	90%	90%	Monthly	High	
No formal reports issued by the LGO	N/A	Does Not Apply	0	0	0	0	0	Annually	Low	
Subject Access Requests which are answered in time or given an extended deadline	NEW FOR 2021-22	Does Not Apply	90%	90%	90%	90%	90%	Monthly	High	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
Project / activity 1	Cross skilling team members and building up knowledge in specialist areas						26th JULY 2021		Ongoing	
Project / activity 2	Pilot of using Visual Files as a case management system to manage FOI/EIR/SAR requests						Jan-22		Mar-22	
Project / activity 3	Implementing using VF as a case management system						Apr-22		ongoing	
<b>Potential barriers to achieving objective</b>										
<b>Description of barrier</b>					<b>Mitigating Actions</b>					
If VF proves not to be as useful as first expected					Procure a bespoke case management system					
<b>Impact on the customer/end user</b>										
Faster response time to FOI/EIR/SAR requests										
<b>Partners / interdependencies</b>										
Highlight any interdependencies where other council services or partner organisations are linked to the delivery of this objective. If referring to another council service, please include the name of the team and department.										

<b>Service Objective 5</b>				Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions					
Ensureing compliance Re: IG/Data Protection				Statutory requirement					
				Continuously improve					
<b>Performance Measures</b>									
Indicator	2020-21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
n/a									
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
Project / activity name	Description						Proposed start date	Proposed end date	
Project / activity 1	Reviewing & strengthening the role, & output of the IG board						Nov-21	ongoing	
Project / activity 2	Reviewing & updating council IG/date protection policies and privacy notices						Aug-21	Mar-22	
Project / activity 3	making more use of key compliance documents/processes IAR and IG register							ongoing	
Project / activity 4	create a user friendly DPIA						Nov-21	Jan-22	
Project / activity 5	review and apply council records retention schedules						Jan-22	Jul-22	
<b>Potential barriers to achieving objective</b>							<i>Mitigating Actions</i>		
Lack of understanding of IG issues, differing levels of engagement across the council, small team									
<b>Impact on the customer/end user:</b>									
better awareness of information security requirements, fewer data breaches.									
<b>Partners / interdependencies</b>									
<b>Service Objective 6</b>				Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions					
Implement SLLP Audit/Service Plan agreed by the Governance Board				Continuously improve					
<b>Performance Measures</b>									
Indicator	2020-21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
n/a									
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
Project / activity name	Description						Proposed start date	Proposed end date	
Increase business opportunities	Increase work carried out for non-partner councils and review fees and charges to external bodies						01/04/2022	31/03/2023	
<b>Potential barriers to achieving objective</b>							<i>Mitigating Actions</i>		
Description of barrier									
<b>Impact on the customer/end user</b>									
<b>Partners / interdependencies</b>									
<b>Service Objective 7</b>				Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions					
Improve recruitment & retention of staff				Continuously improve					

Performance Measures									
Indicator	2020-21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
n/a									
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Review pay structure of SLLP	Engage Kornferry to carry out market comparison of roles and make recommendations to SLLP Governance Board						01/04/2022	31/03/2023	
Raise awareness of equality issues	Engage Black Thrive Global to consult staff and produce report and implement improvement plan						01/04/2022	31/03/2023	
Career development/talent management	Develop a programme for coaching & mentoring						01/04/2022	31/03/2023	
<b>Potential barriers to achieving objective</b>									
Description of barrier					Mitigating Actions				
<b>Impact on the customer/end user</b>									
Build more resilient and motivated workforce to provide a more effective service to partner councils									
<b>Partners / interdependencies</b>									
<b>Service Objective 8</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate</b>				
Ensure IT systems robust Use Merton's Azure tenancy for case management system					Continuously improve				
<b>Performance Measures</b>									
Indicator	2020-21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
n/a									
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Move location of case management system	Use Merton's Azure tenancy						01/04/2022	31/03/2023	
HMCTS Public Law automation	Work with HMCTS to digitise family law proceedings						01/04/2022	31/03/2023	
<b>Potential barriers to achieving objective</b>									
Description of barrier					Mitigating Actions				
<b>Impact on the customer/end user</b>									
Will reduce time lost due to unreliability of citrix, improve staff morale and make the service more effective.									
<b>Partners / interdependencies</b>									



### People

SLLP has carried out a significant amount of recruitment this years using Penna and more innovative deployment of social media and on line targeting but has still struggled to recruit to senior posts . We have converted a number of agency staff into permanent posts but are still reliant on locum support especially in the children's social care and procurement teams. We have initiated a pay and structure review in order to reduce reliance on locums and market supplements and to provide more career development opportunities. We will be supported by external bechmarking advice and colleagues in HR. We recruited 3 new trainees and 2 kickstart staff and have launched a mentoring scheme - 25 colleagues now have mentors from within the practice. We have commissioned an analysis of our approach to race equity and the findings have been shared with all staff. The full report is due by the end of December and we wil co design an action plan with all staff. The newly merged Democratic Services and election teams are working well together and will provide resilience for May's elections. The information governance team has been restructured, with the head of the team taking redundancy, leading to a saving. Both the information team and the land charges team are now being managed within SLLP. The complaints team has moved to Communications and Engagement.

### Technology

The Democratic Services team continued to run virtual and hybrid Council meetings. Sharepoint is increasingly in use to enable collaborative working, for instance in the information asset register. There will be close working with IT to understand the requirements of migration of the land charges function to HM Land Registry and a scoping exercise to produce a business case for a case management system to manage complaints. Consideration will be given to using tablets in polling stations for 2022 elections. In SLLP, we are working with the courts service to implement an automated single justice procedure and with the county court to allow for bulk uploads of debt recovery work. An upgrade to the legal case management system is in progress to facilitate this. We are developing a rolling programme of workflows in high volume cases to optimise the system functionality.

### Service improvement

*SLLP passed its ISO inspection with no non compliances and several areas of good practice were noted. The whole constitution has been reviewed and updated and the Council has adopted a new code of Conduct based on the LGA model code.*

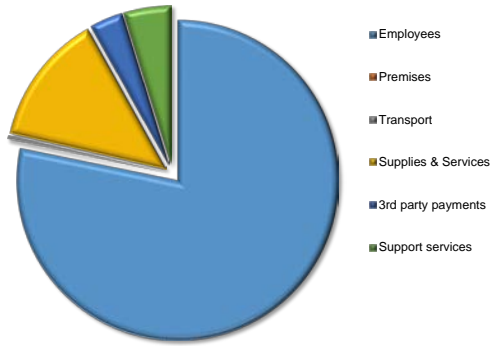
**Financial Summary**

The Corporate Governance division figures below are inclusive of the South London Legal Partnership (SLLp), though SLLp has a net nil budget overall after recharges to internal and external customers. Three savings (totalling £115k) relating to reducing legal demand which were built in to 2020/21 budgets have not been achieved to date and have been removed from the 2022/23 budget as shown below.

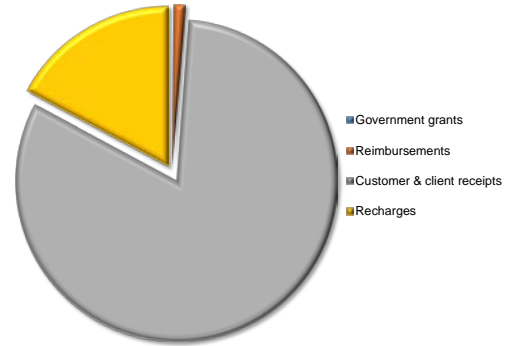
**DEPARTMENTAL BUDGET AND RESOURCES**

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	<b>10,964</b>	<b>15,141</b>	<b>11,924</b>	<b>(92)</b>	<b>12,397</b>	<b>12,427</b>	<b>12,457</b>	<b>12,487</b>
Employees	8,466	8,650	9,376	(144)	9,698	9,698	9,698	9,698
Premises	5	31	5	11	5	5	5	5
Transport	43	9	43	(31)	43	44	44	45
Supplies & Services	1,470	5,228	1,462	71	1,641	1,664	1,687	1,710
3rd party payments	402	553	408	2	418	424	430	436
Support services	578	670	631	0	593	593	593	593
Depreciation	0		0		0	0	0	0
<b>Revenue £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>	<b>10,586</b>	<b>14,727</b>	<b>11,625</b>	<b>170</b>	<b>11,638</b>	<b>11,978</b>	<b>11,978</b>	<b>11,978</b>
Government grants	0	35	13	(104)	13	13	13	13
Reimbursements	485	3,821	130	(256)	130	130	130	130
Customer & client receipts	7,889	8,497	9,142	530	9,776	9,781	9,781	9,781
Recharges	2,212	2,374	2,340	0	2,054	2,054	2,054	2,054
Reserves	0		0	0	(335)	0	0	0
Capital Funded								
<b>Council Funded Net Budget</b>	<b>378</b>	<b>414</b>	<b>300</b>	<b>79</b>	<b>759</b>	<b>449</b>	<b>479</b>	<b>509</b>
<b>Capital Budget £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
		0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0

**2022/23 Expenditure**



**2022/23 Income**



**Summary of major budget etc. changes**

**2022/23**

Saving 2022-23 CS9 Reduce various AD budget running expenses -£3k  
 Saving 2022-23 CS10 Electoral services - reduction in canvass expenses and postage -£15k  
 Saving 2022-23 CS12 Delete Head of Information Governance post (£29k saving shown in Corporate Governance and £15k shown in CPI) -£29k  
 Reverse saving 2018-19 CS12 SLLp - reduction in legal demand +£50k  
 Reverse saving 2019-20 CS14 impose criminal litigation cap at 20k +£20k  
 Reverse saving 2019-20 CS15 reduce civil litigation legal support by 50% +£45k

**2023/24**

Saving 2022-23 CS11 Increase legal third party income, eg s.106 agreements -£5k

**2024/25**

**2025/26**

CPI 314

# Service Plan for: Customers, Policy and Improvement

Service Managers: *John Dimmer, Sean Cunniffe and Matt Burrows*

Cabinet Member:

*Cllrs Owen Pritchard and Tobin Byers*

## Overview of the service

Providing strategic and policy direction to shape the vision, we are facilitators, supporters and advocates of change. As a team we ensure connections are made that promote partnership building and collaboration with the voluntary sector, communities, residents, councillors and wider stakeholders to achieve the aims of the council and Merton's ambition. Collectively, we have a diverse mixture of skills, backgrounds, experience, and ways of thinking. We are the glue which sticks the different departments of the organisation together and turns plans into deliverables through a flexible, adaptable, and responsive approach. Our team is in a unique position and we play an important role in horizon scanning both internally and externally. We use the insights we gain to provide positive leadership for change and to get things done! We are also responsible for the first contact with the Council through multi channels providing excellent service to our residents and customers.

### Policy, Strategy and Partnerships:

- Develop cross cutting corporate strategies
- Support the council's partnership framework including the Merton Partnership Executive Board, Compact Board and annual meeting of the partnership
- Commission community advice and voluntary sector support services
- Manage the councils performance framework and reporting on the councils performance on Key Performance Indicators (KPIs)
- Provide advice on equalities and preventing terrorism
- Provide policy support to CMT including facilitation of the forward plan

### Scrutiny:

- Maintain an independent Scrutiny function, providing advice and support to Councillors as well as officer and partner witnesses

### Continuous Improvement:

- Develop and support a Recovery and Modernisation Programme (RMP)
- Support DMTs to embed a culture of continuous improvement within the organisation through the provision of tools, techniques, advice and support
- Ensure change is effectively planned for and managed across the organisation, embedding change management principles and methodology

### Communications:

- To develop, own and drive the Council's internal and external narrative among key stakeholder groups and audiences
- To manage delivery of core campaigns to deliver the narrative, as well as communications & engagement improvement via the 2021 Communications & Engagement Strategy

### Customer Contact:

- Through Merton Link provide a first point of contact for most council customers and visitors, both face-to-face and by the telephone, ensuring first contact resolution wherever possible or signpost to the most appropriate team
- Provide a high quality contact service, regardless of channel used, wherever possible using a 24/7, 365 days a year digital solution
- Deliver the statutory Registration Service for Births, Deaths and Marriages while also marketing and maximising the income generation at Morden Park House.
- Procure and deliver a hosted, outsourced Translation Service
- Discharge the Concessionary Travel Scheme and review mechanism
- Act as a client for the multi-Borough Coronial Service

**Merton's ambitions**

Support our most vulnerable residents of all ages  
 Maintain a clean and safe environment  
 Create a great place to grow up and live in  
 Build resilient communities  
 Bridge the gap and reduce inequalities  
 Continuously improve

**What do we need to do?**

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p>Customers: All Council departments &amp; Senior Officers, CMT, Councillors, Statutory Partners, Voluntary and Community Sector Groups, sub-regional and pan London networks. Service delivery feedback is taken from: Annual Councillor Scrutiny survey, Residents Perception Survey &amp; Bi-annual Merton Partnership Executive Awayday.</p>	<p>The Your Merton engagement has delivered insight from residents, partners and wider stakeholders through a borough wide engagement approach, including a Residents Perception Survey; which will improve the use of data in Merton to drive informed decision making</p> <p>Merton Partnership performance data (Thematics)</p> <p>Annual funding database</p> <p>For commissioning/recommissioning: evidence of service provision/demand; service user feedback; wider needs data e.g. JSNA</p> <p>BREXIT preparations driven by stats from central government on the EUSS (EU Settlement Scheme) take-up</p>	<p>Brexit regulations and legislation; pan-London and sub-regional VCS (Voluntary &amp; Community Sector) funding policy changes; PREVENT regulations and related anti-terrorism policy updates</p>	<p>The joint team works collaboratively across all parts of Policy, Strategy and Partnerships, Scrutiny and Continuous Improvement to lead the Recovery and Modernisation programme. They drive the development of key projects that shape the council's future direction, including creating the conditions for mobile and remote working practice, a strategic long-term place based ambition; and an integrated, strength base approach to early intervention practice.</p>

Where are we now?		
Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Manage the workstreams implementing the recommendations from the Internal Review and LGA Peer Challenge. Provide programme, project and policy support to the workstreams.	Recovery and modernisation programme well established with key projects under delivery. Development of a strategic ambition and priorities is nearing completion, with Cabinet sign off in January 2022.	Carry forward
Ensuring the council is aware of the key risks arising from the UK's departure from the EU and that mitigating actions are in place. To play our part in the regional planning for Brexit working with London Councils and The Ministry of Housing, Communities and Local Governments (MHCLG).	Monitoring of immigration support for Merton residents who have not achieved settled status.	Carry forward
To build on the recommendations of the review carried out by the Centre for Public Scrutiny in order to improve effectiveness and impact of the scrutiny function and to engage all non-executive councillors in scrutiny activities. The action plan will be developed by a cross party councillor working group and agreed by the Overview and Scrutiny Commission and reviewed each year when it receives the Annual Member Survey. Increase public involvement and use of external expert witnesses.	Continuing to implement new and innovative ways to develop the Scrutiny function as part of delivering the Improvement Action Plan.	Carry forward
Redesign of Merton Link. Implement the redesign of Merton Link to improve the customer experience and increase self-service.	Outline design principles explored and indicative costings given. Clear that requirements were too costly to implement and would not have been fit for purpose given lessons learned during pandemic. Adapt a differing approach and utilise experiences and actions of neighbouring boroughs and align with the review of office accommodation within the Civic Centre (strand 3 of the project)	Carry forward

**How will we get there?**

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<i>Develop a future ambition for Merton setting out priorities, principles and a clear set of plans for delivery</i>	Support our most vulnerable residents of all ages
	Bridge the gap and reduce inequalities
	Create a great place to grow up and live in
	Maintain a clean and safe environment
	Build resilient communities
	Continuously improve

<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 /21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
n/a									

**Projects / key activities to support the objective** *(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)*

<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>	<b>Proposed end date</b>
<i>Project / activity 1</i>	Produce a clear place-based future ambition for Merton, based on robust and transparent engagement with communities, partners, staff & wider stakeholders.		<i>Jul-22</i>
<i>Project / activity 2</i>	Develop an evidence led approach to data and intelligence that supports delivery of Merton the Place ambition; and drives a culture of evidence based decision making		<i>Jul-22</i>
<i>Project / activity 3</i>	Develop plans to delivery this ambition and monitor delivery.		<i>Jul-22</i>

**Potential barriers to achieving objective**

<b>Description of barrier</b>	<b>Mitigating Actions</b>
<i>Ambition and priorities are not adopted by Cabinet</i>	<i>Draft Ambition and priorities shared with LSG and CMT for comment</i>
<i>Financial pressures on the council and its partners to deliver</i>	<i>Performance monitoring to CMT</i>

**Impact on the customer/end user**

*Transparent priority setting through a clear and engaged identification of Merton's ambition*

**Partners / interdependencies**

*All departments across the council need to embrace the opportunity to shape and develop the ambition; Partner organisations and wider stakeholders have contributed to the development of the ambition through various routes of engagement as part of the conversation.*

<b>Service Objective 2</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<i>Develop a collaborative approach to building long term strength based community resilience that uses learning from the COVID-19 response and embeds strategic system-led decision making</i>				Build resilient communities					
				Support our most vulnerable residents of all ages					
				Bridge the gap and reduce inequalities					
<b>Performance Measures</b>									
Indicator	2020 /21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Number of volunteers recruited through MVSC	1211	Green	367	385	404	424	445	Quarterly	High
<b>Projects / key activities to support the objective</b> <i>(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</i>									
Project / activity name	Description					Proposed start date		Proposed end date	
<i>Project / activity 1</i>	Merton Partnership governance review to streamline reporting and strengthen system-led priority setting					Apr-21		Oct-22	
<i>Project / activity 2</i>	Develop a strength-based commissioning model for preventative services that builds on evidence and intelligence from the community response hub model					Jan-22		Mar-23	
<i>Project / activity 3</i>	Support community capacity building through facilitation of the Strategic Partners Programme - Infrastructure Support and Information and Advice elements					Mar-22		Mar-23	
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
<i>Capacity and strengths of the VCS to respond to the preventative model</i>					<i>State of the sector mapping as part of the design phase</i>				
					<i>Performance monitoring of current funding agreements for pressure points and risks</i>				
<i>Financial challenge to Year 3 SPP funding</i>					<i>Financial planning and cost analysis</i>				
<b>Impact on the customer/end user</b>									
<i>Streamlined services that provide clear access to early intervention models delivered from within the community</i>									
<b>Partners / interdependencies</b>									
<i>Departmental commissioners and grant funders (minimum of Adults, Children's, Public Health and Housing); dependency on partnership funding to commission state of the sector report</i>									
<b>Service Objective 3</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<i>Lead an effective and adaptable Scrutiny function that promotes and underpins service improvements that matter to local people. Using a range of methods that support strong collaboration with officers and partners and drives a focus on impact.</i>				Continuously improve					
				Bridge the gap and reduce inequalities					
				Create a great place to grow up and live in					
<b>Performance Measures</b>									
Indicator	2020 /21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% Councillors who agree scrutiny function is effective	64%	Red	75%	75%	80%	80%	80%	Annually	High

<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Project / activity 1	Continuing to implement the improvement action plan with a renewed focus on governance and outcome focused task groups						Ongoing	end March 2023	
Project / activity 2	Exploring new delivery models and use of technology to build a portfolio of techniques to support effective scrutiny panels and task groups						Ongoing	end March 2023	
Project / activity 3	Refreshing and raising the external profile of Scrutiny to increase local knowledge, engagement and interaction with residents, partners and stakeholders including through the inductino programme for new Members						Ongoing	end March 2023	
<b>Potential barriers to achieving objective</b>									
Description of barrier					Mitigating Actions				
Impact of reduced scrutiny resources					Embed scrutiny within wider policy team exploit synergies and provide support to scrutiny officers				
Demand for additional scrutiny activities in light of financial pressures									
Lack of engagement by partners, officers and stakeholders					Revitalise external scrutiny protocol and raise positive profile with partners				
<b>Impact on the customer/end user</b>									
That scrutiny work programmes reflect the concerns of the public and work undertaken in the Commission, Panels and task group reviews can demonstrate tangible outcomes and improved services for local									
<b>Partners / interdependencies</b>									
All departments, partners and wider stakeholders being called to present or as witnesses to in-depth inquiries; all Councillors including Cabinet.									
<b>Service Objective 4</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
Lead the council's modernisation programme, building on evidence and feedback to establish effective new ways of working; managing delivery through clear project management and evidential staff engagement and participation.				Continuously improve					
<b>Performance Measures</b>									
Indicator	2020 /21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
n/a									
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Project / activity 1	Develop and embed hybrid working as part of the organisation's long-term business operating model						Ongoing	Mar-23	
Project / activity 2	Explore options and develop proof of concepts to digitally enhance and redesign end to end service delivery across key customer facing services						Ongoing	Mar-23	
Project / activity 3	Redesign approach to passenger transport						Ongoing	Sep-22	
<b>Potential barriers to achieving objective</b>									



<i>Description of barrier</i>				<i>Mitigating Actions</i>						
Staff changes/turnover resulting in lack of continuity, skills and organisational intelligence				Reduce number of fixed term posts and embed function with joint Policy & Improvement Team						
Project capacity				Weekly team catchups and monitoring/alignment of tasks and deadlines through a team dashboard						
Organisational understanding of and capacity to respond to the projects effectively				Clear communication and engagement plan for staff						
<b>Impact on the customer/end user</b>										
Delivery of a modernisation programme that fully supports and enables the council to work effectively and efficiently into the immediate future.										
<b>Partners / interdependencies</b>										
All departments and staff across the council will need to embrace the opportunities presented by the modernisation programme. Particular dependencies for delivery are with HR & ICT.										
<b>Service Objective 5</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the</b>						
To deliver an updated communications & engagement strategy, in order to align communications to council priorities, deliver a consistent narrative, and deliver internal change				Continuously improve						
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 /21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
% of positive and neutral media coverage	94.71%	Green	75%	75%	75%	75%		Monthly	High	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
Project / activity 1	Deliver Comms Strategy proposal in first quarter 2021						ongoing		ongoing	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>				<i>Mitigating Actions</i>						
<b>Impact on the customer/end user</b>										
<b>Partners / interdependencies</b>										
<b>Service Objective 6</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the</b>						
To continue to deliver public health communications & engagement in line with emerging trends, data and announcements, as part of Keep Merton Safe				Support our most vulnerable residents of all ages						
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 /21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	

n/a										
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Project / activity 1</i>	Monthly CMT evaluation report						<i>ongoing</i>		<i>ongoing</i>	
<i>Project / activity 2</i>	Alignment with London communications standards						<i>ongoing</i>		<i>ongoing</i>	
<i>Project / activity 3</i>										
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>						<i>Mitigating Actions</i>				
<b>Impact on the customer/end user</b>										
<b>Partners / interdependencies</b>										
<b>Service Objective 7</b>										
<i>Customer Contact</i>						<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the</b>				
						Continuously improve				
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 /21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
First contact resolution (Merton Link)	97.61%	Green	75%	76%	77%	78%		Monthly	High	
Income from Registrars' events	£397,559	Amber	400,000	400,000	400,000	400,000		Monthly	High	
Digital take up (CRM services)	73.32%	Green	61%	63%	65%	67%		Monthly	High	
Ease of use of website - %	53.26%	Green	46%	47%	48%	49%		Monthly	High	
Appointment availability of Registration Services	100%	Green	95%	95%	95%	95%		Monthly	High	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Merton's Translation Service</i>	Move to an outsourced solution offering a better and more accessible service						<i>2021</i>		<i>Jun-22</i>	
<i>Registration Services</i>	Explore the potential to increase the venue offering and market to become the best wedding venue in South London.						<i>Nov-21</i>		<i>Mar-22</i>	
<i>Concessionary Travel</i>	Review to digitilise the offering and improve the customer experience.						<i>Feb-22</i>		<i>Sep-22</i>	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>						<i>Mitigating Actions</i>				
<b>Impact on the customer/end user</b>										
<b>Partners / interdependencies</b>										

<b>Service Objective 8</b>			<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the</b>						
<i>Increased efficiency in complaints handling and response</i>			Select						
<b>Performance Measures</b>									
Indicator	2020 /21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% of Complaints dealt with in time	75.51%	Red	90%	90%	90%	90%	90%	Monthly	High
% of Complaints progressed to Stage 2	11.57%	Red	9%	9%	9%	9%	9%	Quarterly	Low
% of Ombudsman investigations answered in time	69.23%	Red	90%	90%	90%	90%	90%	Quarterly	High
% of Ombudsman contact answered in time	95.83%	Green	90%	90%	90%	90%	90%	Monthly	High
% of Ombudsman complaints partially or fully upheld	26.00%	Green	60%	60%	60%	60%	60%	Quarterly	Low
<b>Projects / key activities to support the objective</b> <i>(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</i>									
Project / activity name	Description						Proposed start date		Proposed end date
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
<b>Impact on the customer/end user</b>									
<b>Partners / interdependencies</b>									

**People**

*HR input and support is a key dependency for delivery of this service plan, with particular focus on outcome 4 and the modernisation programme.*

**Technology**

*ICT input and support is a key dependency for delivery of this service plan, with particular focus on outcome 4 and the modernisation programme.*

**Service improvement**

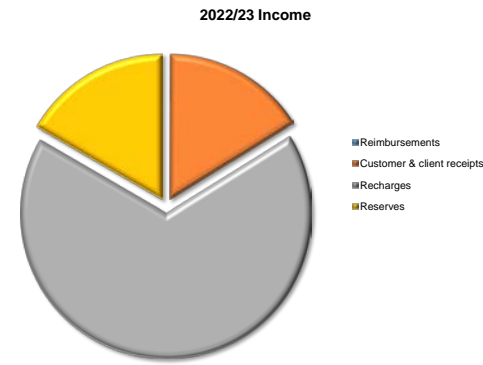
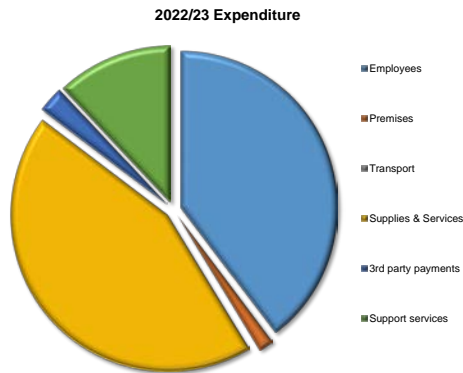
*Continuous improvement is a key theme throughout this service plan. The team continues to work from the corporate centre to support and challenge the organisation and its departments to deliver ongoing improvements through the objectives detailed in the delivery plan.*

Financial Summary

The CPI division has savings multiple savings built in to the MTFS over the next 2 years, as detailed below. The financial performance of the division has been impacted by Covid-19 in recent years, particularly in the Registrars Service. Recovery in the division has been strong, though there could a negative impact again depending on the how the situation with covid develops and any possible restrictions re-introduced as a result.

DEPARTMENTAL BUDGET AND RESOURCES

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	<b>5,397</b>	<b>5,939</b>	<b>6,058</b>	<b>(220)</b>	<b>6,202</b>	<b>6,177</b>	<b>6,222</b>	<b>6,267</b>
Employees	2,345	2,255	2,312	(94)	2,462	2,412	2,412	2,413
Premises	117	82	94	128	97	98	99	101
Transport	1	1	1	(2)	2	2	2	2
Supplies & Services	1,995	2,889	2,732	(58)	2,731	2,751	2,792	2,832
3rd party payments	233	195	195	(195)	167	169	172	175
Support services	705	713	724	0	744	744	744	744
Depreciation								
<b>Revenue £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>	<b>4,359</b>	<b>5,053</b>	<b>4,071</b>	<b>4</b>	<b>4,201</b>	<b>5,247</b>	<b>5,247</b>	<b>5,247</b>
Government grants	0	42	0	(19)	0	0	0	0
Reimbursements	3	178	3	3	3	3	3	3
Customer & client receipts	982	449	982	19	1,014	1,014	1,014	1,014
Recharges	3,571	4,384	4,234		4,230	4,230	4,230	4,230
Reserves	(198)		(1,148)		(1,046)	0	0	0
Capital Funded								
<b>Council Funded Net Budget</b>	<b>1,038</b>	<b>886</b>	<b>1,987</b>	<b>(216)</b>	<b>2,001</b>	<b>929</b>	<b>975</b>	<b>1,020</b>



Summary of major budget etc. changes

2022/23

Saving 2019-20 CS04 Reduce strategic partner grant by 10% -£78k  
 Saving 2019-20 CS28 cash collection reduction -£13k  
 Saving 2020-21 CS7 Staff reductions -£75k  
 Saving 2022-23 CS5 Increase income budget in Registrars service -£32k  
 Saving 2022-23 CS6 Reduction in cash collection costs -£20k  
 Saving 2022-23 CS8 Delete Head of Information Governance post (£29k saving shown in Corporate Governance and £15k shown in CPI) -£15k

2023/24

Saving 2018-19 CS15 Policy and Partnership - Reduce headcount by 1fte -£50k  
 Saving 2022-23 CS7 Rationalisation of Merton Link budgets -£20k

2024/25

2025/26

# Service Plan for : Human Resources

Service Manager: *Liz Hammond* Cabinet Member: *Cllr. Tobin Byers*

## Overview of the service

The HR Service's objective is to ensure that:

- There is an agile workforce, which is responsive to changing needs
- Managers are able to manage remote teams and are sensitive to the needs of all individuals in the team
- The workforce is representative of and sensitive to the community which it serves
- HR policies are clear and consistent, and are focussed on a manager-led approach to managing staff issues

We will achieve this by ensuring that we can attract and retain the very best talent, that we can grow and develop internally the skills that we need by maximising the apprenticeship levy and encourage our staff to grow and develop and progress within the organisation. The HR Service aims to provide the strategic advice and support that Merton needs in order to meet its objectives.

## Merton's ambitions

Support our most vulnerable residents of all ages  
 Maintain a clean and safe environment  
 Create a great place to grow up and live in  
 Build resilient communities  
 Bridge the gap and reduce inequalities  
 Continuously improve

## What do we need to do?

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p>70 of the most senior managers were surveyed in July 2020 in order to influence the HR Operating model review. The work on this was put on hold pending the retirement of the CEO and recruitment of a new CEO. This work will resume once the new CEO has reviewed their senior team structure.</p> <p>The Workforce Strategy was reviewed in June 2020 as a result of the pandemic as an element of how we deliver has clearly been impacted by the pandemic. As an example, all face to face training had to stop with immediate effect and move to online and we have quickly had to adapt our advice and guidance for the large majority of staff who are now home working and will be for the foreseeable future. This included survey results, consultations, complaints/compliments and set how the way in which you are planning to deliver your service reflects feedback from customers/service users. The current workforce strategy is due for renewal in December 2021 and CMT have received a paper with a proposed bottom up approach which they have agreed</p>	<p>Black Lives Matters and the COVID related issues have shown that B.A.M.E staff are at higher risk of COVID and this has focused our need for enhanced data and intelligence on our B.A.M.E staff workforce. Equality and diversity monitoring across all the main protected characteristics have been increased, culminating in an Annual Equalities and Diversity in Employment Report which is now run annually and which focuses on all protected characteristics. The REN Staff forum are a key source of intelligence for the HR team concerning policy reviews, training, Staff Pulse survey on RACE and many other initiatives that we seek their support and guidance on. The bi-annual staff survey ran in December 2020 which was enhanced with equality questions. The survey responses are broken down into all the equality strands and the Equalities Steering Group will be responsible, together with the REN staff forum, for designing an action plan that addresses and responds to any key themes arising. CMT are regularly updated with progress on all actions. Merton is also part of the WRFS pilot which</p>	<p>COVID 19 has clearly impacted on our ability to deliver face to face training with the majority of training now being delivered online. We have also had to continually keep updating all our COVID related guidance as the pandemic and the Government's approach to it has changed. We have also had to put in place a lot of guidance and support for Managers and staff who are now predominately home working. Health and wellbeing has been prioritised. We are currently working with external consultants to help us redesign our workplace setting to accommodate a hybrid working approach that is now very much embedded as the future way of working across the UK.</p>	<p>HR are contributing to and/or leading on a number of workstreams that support our desire to be London's Best Council. Hybrid Working, new Workforce Strategy, Apprenticeship Strategy, revised HR Operating Model. We are also in the process of changing our iTrent and payroll provider which enables us to utilise new and enhanced functionality in iTrent. Streamlining processes, enhanced self-service and a new Learning Management System. We will also be implementing a new on line appraisal process with an embedded link to enabling Merton to enhance and grow its talent. HR has been a team that has continually been looked to for advice and to lead the way on supporting the council's COVID response and our recovery as we move into a new RAIL working environment</p>

<p>proposed bottom up approach which they have agreed. This will include engagement with DMT's and the wider Leadership Group. Directors will be accountable for leading on a part of the strategy and running focus groups with staff in order to enable a staff led approach to designing the new strategy. The aim is for the new strategy to go live in April 2022.</p> <p>The key customers of the service are the Directorates of the Council, the Members and Merton Schools. EIA assessments are undertaken at all appropriate times.</p>	<p>actions. Merton is also part of the WRLES pilot which focuses on race equality within the social care workforce. In December 2021 we are running an ED&amp;I survey, which whilst incorporating the broader view of protected characteristics has a heavy weighting towards RACE. Results will be available by January 2022 and will provide us with important insight and intelligence on inclusion within the Council. We also rely heavily on data to monitor the impact of COVID on the workforce, provide senior management with intelligence and analysis of trends in workforce health and wellbeing, the impact of training and training needs and the data from customer insight in how to design our service offering. All of this intelligence has influenced the support and training provided to staff around mental and physical health and will influence the design of our new Workforce Strategy.</p>		<p>and working environment.</p>
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**Where are we now?**

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
<p>Developing Our Talent - this includes Induction, Being a Manager in Merton training, New Appraisal process, Procurement frameworks for Apprenticeship, Essential Skills training, Adult Social Care training, Kickstart, Embedding talent management and succession planning. Schools L3 cohort</p>	<p>Excellent progress has been made in putting in place procurement frameworks for Apprenticeships, Essential Skills training and Adult Social Care and this work is complete. Induction has been reviewed and is now an on line training course and we also have revised the New Managers Induction. We have successfully recruited 27 new Kickstarts with a view to having 40 by the time the initiative closes. The paper appraisal process was reviewed and rolled out in April 21 and we aim to have a new on line appraisal process in place in readiness for April 2023. This will link with the work on Talent management and succession planning. Work on developing our talent will be a recurring theme in the 2022/23 service plan</p>	<p>Carry forward</p>
<p><b>Member Development</b></p>	<p>A lot of work has been undertaken towards member development but we have an election next year and we will be continuing to prepare for new members coming on board and therefore this will remain an ongoing objective</p>	<p>Carry forward</p>
<p><b>Health and Wellbeing</b></p>	<p>All activities in last year's plan have been achieved (with the exception of the accreditation for the London Healthy Workplace Charter). However health and wellbeing plays a major part within our strategy moving forward and therefore remains an ongoing objective.</p>	<p>Carry forward</p>



<b>Remote Working</b>	All the activities in last years' service plan have been delivered but we are now embedding Hybrid working as a permanent way of working moving forward and therefore will be an ongoing action for 2022/23 Service Plan	Carry forward
<b>Equalities and Diversity</b>	We have implemented the Annual Equalities in Employment Report. We are participating in the WRES pilot and have now submitted two data returns and an action plan. We have in place a Black Lives Action plan that is being progressed and monitored through the Equality Steering Group. We are in the process of conducting an ED&I survey which will provide valuable intelligence to the type of anti-racism training we being into Merton. We will have launched in January 2022 Bystander training for all staff. The mutual mentoring programme will also commence once the survey results have been received as these will also benefit the mutual mentoring programme roll out.	Carry forward

**How will we get there?**

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<i>The performance measures below are corporate as opposed to measuring HR performance. Therefore Service Objective 1 has been left deliberately blank and service objectives will commence at no. 2 below.</i>	Continuously improve

<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020/21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
No. of working days per FTE lost to sickness absence excluding schools	8.04	Red	7	8.5	TBC	TBC	TBC	Quarterly	Low
Length of time from Job being advertised to offer being made (REVISED SCOPE)	37.6 days	Green	45 days	45 days	45 days	45 days		Monthly	Low
Completion of all performance appraisals	71%	Red	100%	100%	100%	100%		Annually	High
Voluntary turnover rate (the rate of resignations)	5.26%	Green	12%	12%	12%	12%		Quarterly	Low
No. of Apprenticeship starts excluding schools (Govt Apprenticeship Levy Scheme)	5	Red	60	60	60	60		Quarterly	High
No. of Apprenticeship starts in schools (Govt Apprenticeship Levy Scheme)	13	Red	30	30	30	30		Quarterly	High

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>	<b>Proposed end date</b>
<i>Project / activity 1</i>			

**Potential barriers to achieving objective**

<b>Description of barrier</b>	<b>Mitigating Actions</b>
<i>Many of these indicators are corporate indicators for Merton Council and are not owned by HR</i>	<i>Regular report on indicators and review at CMT</i>

**Impact on the customer/end user**

**Partners / interdependencies**


<b>Service Objective 2</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
<b>Developing our Talent (this links to and forms part of the Workforce Strategy action plan)</b>				Bridge the gap and reduce inequalities						
				Continuously improve						
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020/21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
Retention of staff who score 4 in their performance review - therefore indicated as a high performer	To be measured from 22/23		No target as not an indicator in 20/21	75%	75%	75%	75%	Annually		
Reduction of Apprenticeship levy underspend	£415,571		No target as not an indicator in 20/21	£300,000	£100,000	£50,000	£0			
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Project / activity 1</i>	New Online Appraisal Process						<i>Apr-22</i>		<i>Apr-23</i>	
<i>Project/activity 2</i>	Embed our Apprenticeship Strategy and increase take up of Apprenticeships and thus maximising our Apprenticeship levy						<i>Jan-22</i>		<i>Mar-23</i>	
<i>Project / activity 3</i>	Develop and Embed Talent Management programme						<i>Apr-22</i>		<i>Mar-23</i>	
<i>Project / activity 4</i>	Develop and Embed Succession Planning Programme						<i>Apr-22</i>		<i>Mar-23</i>	
<i>Project/activity 5</i>	Design and roll out of the Workforce Strategy Action Plan for 2022 to 2025						<i>Jan-22</i>		<i>May-22</i>	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
<i>Managers who do not engage with the talent management and succession planning frameworks and do not actively try to support and bring on their staff</i>					<i>Pending reintroduction of appraisals</i>					
<i>insufficient funding to recruit supernumerary apprentices into the business to support long term succession planning goals</i>					<i>CMT paper</i>					
<b>Impact on the customer/end user</b>										
<b>Partners / interdependencies</b>										
<b>Service Objective 3</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
<b>Members Development (this links to and forms part of the Workforce Strategy action plan)</b>				Continuously improve						
				Support our most vulnerable residents of all ages						
				Build resilient communities						

Performance Measures									
Indicator	2020/21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
80% of Members attendance at mandatory training (Local Indicator)	Not baseline during this year	Not Yet Known	80%	80%	80%	80%	80%	Annually	High
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description					Proposed start date		Proposed end date	
Project / activity 1	Develop Members Training Programme & Material for remainder of 22-23					Dec-21		Jul-22	
Project / activity 2	Deliver Members Training Programme & Material for remainder of 22-23					Dec-21		Jul-22	
Project / activity 3	Deliver "Being a Councillor" engagement programme and events					Jan-22		Apr-23	
Project / activity 4	Develop Members Training Programme & Material for 2022 Cohort					Dec-22		Mar-23	
Project / activity 5	Deliver Monthly Newsletters promoting Members Training and Business updates					May-22		Ongoing	
<b>Potential barriers to achieving objective</b>									
Description of barrier					Mitigating Actions				
Despite providing a comprehensive list of training that members have identified that they need there is still a poor take up of training on offer					Online training offer will provide members with more flexibility of when then can complete mandatory training				
L&D budget (i.e. average £100 pp / pa) limits the capacity to procure external trainers and encourage participation on paid for events					Move to more online learning to train more people for the same budget				
<b>Impact on the customer/end user</b>									
<b>Partners / interdependencies</b>									
<b>Service Objective 4</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>				
<b>Health and Wellbeing (this links to and is part of the Workforce Strategy Action plan)</b>					Bridge the gap and reduce inequalities				
					Continuously improve				
					Build resilient communities				
Performance Measures									
Indicator	2020/21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Completion of bi-annual staff survey	48%		n/a	56%	n/a	60%	n/a	Biennially	High
Reduction in mental health absence in terms of working days lost per FTE (this includes stress, depression, anxiety and other mental health categorisations)	2.55		n/a	2.50	2.40	2.30	2.20	Quarterly	Low

Accreditation against the Healthy Workplace charter	No measurement for this year			Foundation	Achievement	Excellence	TBC	Annually	Yes/No
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
<b>Project / activity name</b>	<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
Project / activity 1	Develop Training timetable of MHFA/MHFA awareness for managers					Nov-21		May-22	
Project / activity 2	Continue to support Network Group of Trained MHFA Network support for staff					Jan-22		May-22	
Project / activity 3	Develop and manage Cohort of Trained First Aiders					Nov-20		Ongoing	
Project/activity 4	Achieve Foundation level of the London Healthy Workplace Charter					Apr-22		Mar-23	
Project/activity 5	Create a network of "Wellbeing Champions" and actively support their development and activity					Dec-21		ongoing	
Project/activity 6	Create a specific Health & Wellbeing strand for the new Workforce strategy					Dec-21		ongoing	
Project/activity 7	deliver "wellbeing Mondays" available to all staff on a wide range of wellbeing topics					Dec-21		ongoing	
Project/activity 8	Purchase new eLearning catalogue focussed on health & wellbeing resources					Dec-21		May-22	
Project/activity 9	Staff who are unwell are actively referred to occupational health					Dec-21		ongoing	
Project/activity 10	Revitalisation of the promotion of Employee Assistance Programme and associated benefits					Apr-22		ongoing	
Project/activity 11	Reduction in wait times for staff referred to occupational health, so that employees are seen quicker and can return to work earlier. This will also reduce the length of time it takes for new starters to be cleared to start.					Apr-22		Ongoing	
Project/activity 12	Refresher training sessions for managers on the OH and EAP referral processes, so that managers feel self-sufficient to be able to refer their own staff.					Apr-22		Ongoing	
Project/activity 13	Creation of quarterly reporting on OH and EAP to be sent to Directors/AD's so they are more aware of what is happening throughout the organisation.					Apr-22		Ongoing	
Project / activity 14	Continued promotion of Flu Vaccination programme					Annually		Annually	
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
Despite our best endeavours staff not engaging with the help and support that they are being provided with					Staff engagement				
<b>Impact on the customer/end user</b>									
<b>Partners / interdependencies</b>									
<b>Service Objective 5</b>									
					Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions				
<b>Hybrid Working</b>					Bridge the gap and reduce inequalities				
					Continuously improve				
					Select				
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020/21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>

Engagement with the Remote Working pulse survey		Not Yet Known	50%	50%	50%	50%	50%	Annually	High
Continued lower level of sickness than pre-covid	Pre covid 9.3 working days lost per FTE		8.5	8.5	9.0	9.0	9.0	Annually	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
<b>Project / activity name</b>	<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Project / activity 1</i>	Continued updating of material on the HUB to support Managers and Staff to manage Hybrid Working					<i>Ongoing</i>		<i>Ongoing</i>	
<i>Project / activity 2</i>	Continued roll out of Purplephish Training to help reduce our vulnerability to Cyber Attacks					<i>Ongoing</i>		<i>Ongoing</i>	
<i>Project / activity 3</i>	Continued roll out of health and wellbeing support initiatives					<i>Ongoing</i>		<i>Ongoing</i>	
<i>Project / activity 4</i>	Creation and implementation of the "Being a Manager in Merton" initiative for all managers					<i>Ongoing</i>		<i>Ongoing</i>	
<i>Project / activity 6</i>	Procure and deliver a specific eLearning "future of work" catalogue with a range of specifically designed tools to help staff and managers work in this new hybrid world					<i>Dec-21</i>		<i>Ongoing</i>	
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
<i>Managers who fail to manage remote teams well and do not respond to training interventions</i>					<i>CMT paper to propose management objective concerning management of remote teams</i>				
<b>Impact on the customer/end user</b>									
<b>Partners / interdependencies</b>									
<b>Service Objective 6</b>									
					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>				
<b>Equalities Diversity and Inclusion</b>					Bridge the gap and reduce inequalities				
					Continuously improve				
					Build resilient communities				
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020/21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
Equality & Diversity in Employment Report	Produced annually in May each year	Not Yet Known	100%	100%	100%	100%	100%	Annually	High
									High
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
<b>Project / activity name</b>	<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Project / activity 1</i>	Continue to produce the Annual Equalities and Diversity in Employment Report					<i>May - annually</i>		<i>Annually</i>	
<i>Project / activity 2</i>	Adoption of the WRES Standards (reported in the above report)					<i>Ongoing</i>		<i>Ongoing</i>	
<i>Project / activity 3</i>	The development of an up to date and fit for purpose ED&I Action Plan					<i>Jan-21</i>		<i>Ongoing</i>	

Project / activity 4		Continuation of the Policy Review (prioritised to those policies which could impact disproportionately on BAME staff)					Jan-21	Dec-22	
Priority/activity 5		Undertake a Merton-wide Equality, Diversity & Inclusivity people survey, analyse its results and develop a series of appropriate training					Dec-21	Aug-22	
Project / activity 6		Commission a programme of CMT-led anti-racist/anti-discriminatory education for the Council - e.g. Bringing in the Bystander Training					Jan-22	Aug-22	
Project / activity 6		Develop cohort of mutual mentors and mentees and deliver training programme with senior leaders					Jan-22	Ongoing	
Project / activity 7									
<b>Potential barriers to achieving objective</b>									
Description of barrier					Mitigating Actions				
Some individuals perceive there is racism present within Merton					Staff engagement				
<b>Impact on the customer/end user</b>									
<b>Partners / interdependencies</b>									
<b>Service Objective 7</b>									
					Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions				
<b>HR Operating Model</b>					Continuously improve				
<b>Performance Measures</b>									
Indicator	2020/21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
n/a									
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
Project / activity name	Description					Proposed start date		Proposed end date	
Project / activity 1	Deliver an HR Structure that is fit for purpose for the next 3 - 5 years					Apr-22		Sep-22	
Project / activity 2	Deliver proposals for a new HR Operating Model; Provide CMT options paper					Apr-22		Sep-22	
Project / activity 3	Deliver a new HR Operating Model; Conclude Implementation of recommendations					Apr-22		Sep-22	
Project/activity 4	Review Merton's branding and recruitment and attraction strategies to enable us to attract hard to recruit and scarce skills to Merton, together with maximising potential talent					Apr-22		Dec-22	
<b>Potential barriers to achieving objective</b>									
Description of barrier					Mitigating Actions				
CMT need to decide what the HR Operating Model will be					Pending CMT decision				
<b>Impact on the customer/end user</b>									
<b>Partners / interdependencies</b>									





<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Project / activity 1	Promotion of Apprenticeship programme as an alternative to agency resource, in particular for administration resources.						Apr-22	Ongoing	
Project / activity 2	Education for managers around different recruitment processes.						Apr-22	Ongoing	
Project / activity 3	Actively promoting and chasing managers for moving temporary staff to permanent contracts.						Apr-22	Ongoing	
Project / activity 4	Promotion of Statement of Works process, which is a new way of paying agency staff upon completion of milestones instead of by hour/daily rate.						Apr-22	Oct-22	
Project / activity 5	Running 'Lunch and Learn' sessions for Statement of Works process, RAF process.						Apr-22	Ongoing	
Project / activity 6	Work with Commensura to create a quarterly report on agency stats that compares the current spend to the spend in the previous year/quarter, to identify areas which have increased agency usage/spend, to send to Directors/AD's.						Apr-22	Ongoing	
<b>Potential barriers to achieving objective</b>									
Description of barrier						Mitigating Actions			
Unwillingness of line managers to embrace the change in the way they recruit new staff, and the ongoing need to implement the temp to perm policy.						Pending CMT decision			
<b>Impact on the customer/end user</b>									
<b>Partners / interdependencies</b>									
<b>Service Objective 10</b>						<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the</b>			
Generate recruitment revenue (look to sell the Comensura service to Merton schools which will increase consistency as well as revenue)						Bridge the gap and reduce inequalities			
						Continuously improve			
<b>Performance Measures</b>									
Indicator	2020/21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
To have successfully onboarded schools to the Commensura contract (specific target will be determined following engagement with schools during 2022/2023)	£0		tbc	tbc	tbc	tbc		Quarterly	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Project/activity 1	CMT paper to get support to market this service to schools						Apr-22	Sep-22	
Project / activity 2	Work with Comensura to source agencies that recruit staff for schools						Apr-22	Aug-22	
Project / activity 3	Create SLA document and agree cost that schools will be charged for buying in to the service						Apr-22	Aug-22	

<i>Project / activity 4</i>		Create a presentation to take to schools showing the benefits and cost savings that could be achieved by buying in to the Comensura contract					<i>Apr-22</i>		<i>Oct-22</i>	
<i>Project / activity 5</i>		Once schools have agreed to buy in, create an implementation plan to map out the process of 'onboarding' them to the contract. This will include system training and create of user accounts.					<i>Apr-22</i>		<i>Ongoing</i>	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
<i>Schools not being willing to sign up.</i>					<i>Pending CMT decision</i>					
<i>Not being able to source adequate agencies that will agree to supply.</i>										
<b>Impact on the customer/end user</b>										
<b>Partners / interdependencies</b>										
<b>Service Objective 11</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the</b>					
<b>Workforce Strategy</b>					Continuously improve					
					Bridge the gap and reduce inequalities					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020/21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
n/a								Select	Select	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
<b>Project / activity name</b>	<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>		
<i>Project / activity 1</i>	facilitate working groups across all directorates and staff groups to gather ideas on how the strategy should look and best serve the Merton workforce					<i>Jan-22</i>		<i>Sep-22</i>		
<i>Project / activity 2</i>	Gather feedback and produce consolidated workforce strategy					<i>Jan-22</i>		<i>Sep-22</i>		
<i>Project / activity 3</i>	The workforce strategy creation is merely the beginning of the work. We will therefore create workforce champions and workstream leads responsible for delivery of the various strands of the strategy					<i>Apr-22</i>		<i>ongoing</i>		
<i>Project/activity 4</i>										
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
<b>Impact on the customer/end user</b>										
<b>Partners / interdependencies</b>										

### People

*In order to deliver on the extensive work programme that HR have to support the delivery of the Workforce Action plan, the response to COVID-19 and the move to remote working and the Modernising Merton programme, HR have asked for the additional support of an Learning and development (L&D) Officer and an L&D Administrator. We also have another L&D Officer interim post that may require to be further extended. In order to deliver the Remote Working element of the Modernising Merton programme we will provide extensive tools and guidance to be made available on a dedicated page on the HUB, together with support and training for Managers in managing remote teams. The Workforce Strategy action plan has been reviewed and updated to take into account the changes in service delivery that have been brought about by the rapid move to Remote/Home working as a result of the COVID-19 pandemic. The HR Operating Model has also been reviewed with initial proposals ready for presentation to CMT.*

### Technology

*IT are actively supporting the work of the payroll move to iTrent provided by Midland HR and the introduction of a new LMS system. They will also provide any technical support that may be required as we move to an on line appraisal system.*

### Service improvement

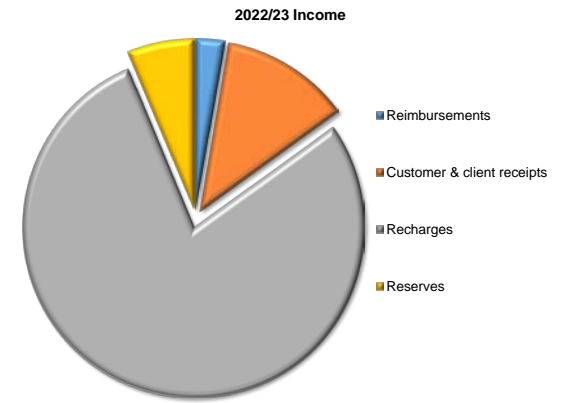
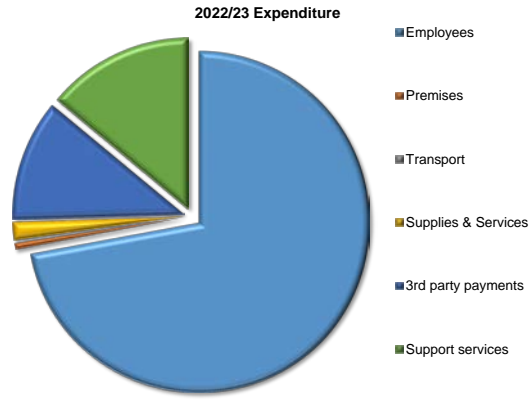
*HR will be reviewing their HR Operating model during 2022 and if it remains in-house (accepting that payroll, iTrent and DBS are all currently outsourced at the moment), would like to grow the commercial model already in place with 52 Schools and some charities who already purchase HR services as satisfied customers. The plan would be to expand the client base and bring in a modest income into the Council. The process that requires the most improvement is the Appraisal process which is currently paper based and very resource intensive to administer. It is proposed that this process will be automated through an on-line appraisal software which will be live and ready from April 23.*

Financial Summary

Financial pressure within the HR division is predominately around the use of interim staff and the shared Itrent service, though this is expected to reduce from 2022/23 onwards with the introduction of a new contract for the Itrent system.

DEPARTMENTAL BUDGET AND RESOURCES

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	2,841	3,047	2,734	245	2,831	2,836	2,842	2,847
Employees	1,970	2,196	2,023	153	2,041	2,042	2,042	2,042
Premises	16	7	16	(0)	16	17	17	17
Transport	4	2	4	(1)	5	5	5	5
Supplies & Services	49	110	52	74	48	49	50	50
3rd party payments	364	268	249	18	325	329	333	336
Support services	438	464	390	0	396	396	396	396
Depreciation								



Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Income</b>	2,768	3,163	2,734	(10)	2,807	2,944	2,944	2,944
Government grants	0	7	0	(3)	0	0	0	0
Reimbursements	87	101	87	(13)	87	87	87	87
Customer & client receipts	396	390	396	6	396	396	396	396
Recharges	2,447	2,665	2,293	0	2,525	2,525	2,525	2,525
Reserves	(152)		(32)		(201)	(65)	(65)	(65)
Capital Funded								
<b>Council Funded Net Budget</b>	73	(116)	0	234	25	(107)	(102)	(97)

Capital Budget £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
		0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0

Summary of major budget etc. changes

2022/23

Saving 2022-23 CS4 Increased schools payroll buy-back income and reduced payroll postage spend -£15k  
Reverse saving 2019-20 CS26 Review of contract arrangements +£70k

2023/24

2024/25

2025/26

# Service Plan for : Infrastructure and Technology

Service Manager:

Mark Humphries - Assistant Director Infrastructure & Technology

Cabinet Member:

CLlr Tobin Byers & CLlr Owen Pritchard

## Overview of the service

Infrastructure & Technology Division (I&T) is made up of seven functions:

IT Service Delivery - IT (SD) supports the Councils operations by providing IT infrastructure, desktop equipment and associated software. Fixed and mobile telecommunications, Service Desk facility, IT Disaster Recovery and Business Continuity arrangements together with IT governance and data security.

IT Business Systems - IT (BS) works with the organisation to establish and deliver the IT strategy and associated implementation plan, ensure a coordinated and planned approach for the implementation and support of technology whilst complying with the agreed corporate IT strategy and standards to support business efficiency and improve service delivery.

Facilities Management - FM provides the infrastructure to deliver services through accommodation, building repairs and maintenance for the portfolio of 110 corporate buildings, energy management and conservation, cleaning, catering, print and postal services, security and other associated hard and soft FM services.

Transactional Services - Incorporates Accounts Payable, Accounts Receivable, Mosaic administration and vendor maintenance. Ensuring prompt and accurate payment for all goods and services provided by the Council. It raises and issues invoices promptly and accurately to maximise revenue received. Furthermore, it ensures that the Vendor Maintenance database is controlled, accurate and up to date.

Safety Services- Provides Health and Safety, Emergency Planning and Business Continuity services across the Council as required by duties imposed under the Health and Safety At Work Regulations 1999, The Civil Contingencies Act 2004 and all associated regulations.

Client Financial Affairs - Act as court appointed deputies for vulnerable clients who do not have the capacity to make their own decisions or manage their own personal financial affairs. These decisions are for issues involving the person's property, financial affairs and health and welfare working in accordance with the statutory principles set out in the Mental Capacity Act code of practice to ensure that they act in the best interests of the person who lacks capacity.

Commercial Services- Are the strategic centre for procurement and category management, guidance training and advice including ownership of the Councils Procurement Strategy, involvement in key tender processes, identification of savings opportunities and commercial benefits, compliance with procurement legislation, benchmarking and best practice including ownership of the Councils contracts register.

## Merton's ambitions

Support our most vulnerable residents of all ages

Maintain a clean and safe environment

Create a great place to grow up and live in

Build resilient communities

Bridge the gap and reduce inequalities

Continuously improve

**What do we need to do?**

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p><i>The Infrastructure &amp; Technology division is responsible for providing internal support services across the Council, which in turn supports the delivery of business critical services to residents, external customers and the wider community. Each individual team collects customer satisfaction information about the quality of service being provided, some of which is then feed into strategic performance reports that are reviewed at both a departmental and corporate level. The customer satisfaction information is analysed by the divisional management team in order to identify any specific issues or longer term trends and used to drive continuous service improvement. No specific key customers identified.</i></p>	<p><i>Generally demand for services provided by the division increase year on year, but with some specific areas such as IT experiencing more significant increases in demand, due to an ever increasing reliance on IT, which is being utilised in order to reduce operating costs, improve service delivery and efficiency. The Covid-19 pandemic has seen a significant shift in the way that the Council has traditionally operated, with a massive shift towards remote working and a requirement to provide more online services. This situation has created some significant increases in demand for every team within the division who have been heavily involved in supporting the Councils wider response to the Covid situation.</i></p>	<p><i>The Covid-19 situation has created a unique situation where over a very short period of time, the Council has had to make a shift to remote and home working, virtual meetings and delivering more online services. This has resulted in a reduction in the Councils need for office accommodation and longer term potentially the number of operational premises that it operates is likely to reduce quite significantly. This will create opportunities to work collaboratively with other public sector organisations to share resources and reduce operating costs through initiatives like 'The One Public Estate'.</i></p>	<p><i>The division is heavily involved in the Council's Covid recovery planning activities and also the Modernising Merton programme, which is made up of a number of individual work streams and specific projects that are being lead and delivered by teams within I&amp;T. In addition the division is also taking a lead role in the delivery of both central Government's initiatives aimed at reducing carbon emissions, which are complemented by the Councils pledge to reduce carbon emissions across the borough. The challenging target of making all of the Councils operational buildings carbon neutral by 2030 and the whole borough by 2050 requires a large input from the Facilities Management Energy &amp; Sustainability team who are working to identify and deliver projects and national initiatives that will reduce our use of carbon based fossil fuels within Councils premises and schools.</i></p>

Where are we now?		
Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Implementation of IT Strategy and Plan	Partly achieved but an ongoing objective.	Carry forward
Implementation of 4P's project	Partly achieved but an ongoing objective.	Carry forward
Upgrade to O365	Upgrade completed	Close
Undertake 'Make/Buy/Share' reviews of key service provision	Partly achieved but an ongoing objective.	Carry forward
Implement SMART working programme.	Currently developing options for providing 'Re-imagined' office space within the Civic centre which will be used to pilot the new SMART working principals	Carry forward
Energy Invest to Save' initiatives	Partly achieved but an ongoing objective which will support the Council's wider carbon reduction strategy.	Carry forward

How will we get there?										
<b>Service Objective 1</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<i>Complete planned statutory Health &amp; Safety workplace inspections</i>					Statutory requirement					
					Maintain a clean and safe environment					
Performance Measures										
Indicator	2020/21 Target	2020/21 Actual	RAG	2021/21 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Complete planned statutory Health & Safety workplace inspections		0	Red	100	100	100	100	100	Quarterly	High
Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
Project / activity name	Description						Proposed start date		Proposed end date	
<i>Project / activity 1</i>	Development and implementation of a Health & safety assessment tool enabling building managers to complete inspections which will then be subject to verification by the Safety Services team and therefore avoiding the need for numerous site visits.						<i>Jan-22</i>		<i>Dec-22</i>	
Potential barriers to achieving objective										
Description of barrier					Mitigating Actions					
Impact on the customer/end user										
<i>Building managers will become responsible for undertaking H&amp;S assessments of their own premises using a purpose made template and user guidance.</i>										
Partners / interdependencies										
<b>Service Objective 2</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<i>Develop detailed Category Management plans</i>					Continuously improve					
Performance Measures										
Indicator	2020/21 Target	2020/21 Actual	RAG	2021/21 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% of influencible spend published on the contract register	95%	94%	Red	96%	97%	98%	98%	98%	Quarterly	High
Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
Project / activity name	Description						Proposed start date		Proposed end date	



Project / activity 1		Commercial Services Category Managers working collectively with each of the service departments to determine and agree the key strategic procurement activities across the Council and then use this to identify opportunities to consolidate spend and drive savings based on economies of scale. This is an ongoing activity that will continue over a number of financial years.							Apr-22		Apr-23	
<b>Potential barriers to achieving objective</b>												
Description of barrier						Mitigating Actions						
Potential unwillingness for directorates to adequately engage with the process, due to a perceived lack of time or resources.						Detailed plans are being developed identifying the potential areas where strategy category plans could be of most benefit to the business, and progress is being reviewed by the Procurement Board on a quarterly basis to ensure that agreed timescales are achieved.						
<b>Impact on the customer/end user</b>												
<b>Partners / interdependencies</b>												
<b>Service Objective 3</b>												
						Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions						
Implement agreed IT Infrastructure Roadmap						Continuously improve						
<b>Performance Measures</b>												
Indicator		2020/21 Actual		RAG	2021/21 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency		Polarity
First time fix rate for IT Service Desk		75%		Red	75%	75%	75%	75%	75%	Monthly		High
Customer satisfaction - incident resolution rated good or excellent		98.07%		Green	91%	92%	93%	94%	95%	Monthly		High
IT Systems availability		99.87%		Green	99%	99%	99%	99%	99%	Monthly		High
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>												
Project / activity name		Description							Proposed start date		Proposed end date	
Project / activity 1		Complete works identified within Year 1 (2021/22) of the IT Infrastructure Roadmap							Apr-21		Apr-22	
Project / activity 2		Complete works identified within Year 2 (2022/23) of the IT Infrastructure Roadmap							Apr-22		Apr-23	
Project / activity 3		Complete works identified within Year 3 (2023/24) of the IT Infrastructure Roadmap							Apr-23		Apr-24	
<b>Potential barriers to achieving objective</b>												
Description of barrier						Mitigating Actions						
<b>Impact on the customer/end user</b>												
<b>Partners / interdependencies</b>												

<b>Service Objective 4</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
The challenging target of making all of the Councils operational buildings carbon neutral by 2030.				Maintain a clean and safe environment						
<b>Performance Measures</b>										
Indicator		2020/21 Actual	RAG	2021/21 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
The level of CO2 emissions from the Council's buildings	3,684	3,101	Green	3,315	2947	2579	2210	1842	Annually	High
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
Project / activity name	Description							Proposed start date	Proposed end date	
Project / activity 1	Completion of various energy 'Invest to Save' projects and undertake energy audit surveys for all of the Councils buildings.							2022	2026	
Project / activity 2										
Project / activity 3										
<b>Potential barriers to achieving objective</b>										
Description of barrier					Mitigating Actions					
Lack of funding to complete the necessary works required to make the Councils buildings carbon neutral by 2050.										
<b>Impact on the customer/end user</b>										
Please highlight the anticipated impact on the customer/end user of carrying out the activity in your service plan										
<b>Partners / interdependencies</b>										

## People

*Staff Development - Using information collected from the annual appraisals, the I&T division has developed a detailed plan which identifies any specialist training that is required, in order to ensure that team members acquire and maintain a suitable level of specialist knowledge for both statutory and CPD requirements.*

*Retention/Recruitment/Vacancies - Due to the very specialist nature of some of the work undertaken within the division, staff retention and recruitment is a constant issue, with people regularly leaving to join private sector organisations, where pay rates historically are higher than in the public sector. This situation then creates a constant churn of resources in areas such as IT and Procurement, which due to their specialist nature make recruitment to fill vacancies very challenging.*

*SMART Working - The Covid-19 pandemic has meant that a large proportion of the staff have been working very effectively from home, with a small number of people continuing to work in the office providing physical support to the wider business and maintaining business critical systems/operations. On that basis work it is clear that the office space currently occupied by the division is not required and therefore work has started to consolidate the our operations into a smaller space which will subsequently allow the vacant space to be let commercially to one of the Councils key service providers and generate additional income.*

## Technology

*The I&T division is responsible for working across the Council to develop an IT strategy and associated implementation plan. This includes the roll out of new technology, equipment and systems identified by each the service departments, and to undertake planned replacements in accordance with recognised industry good practice.*

## Service improvement

*An external review of the Council's IT Service was undertaken by Agilisys in August 2020 to determine if there was a case for increasing IT capacity and capability, and whether the service was able to provide the required strategic visioning and support that was required by the council, and a detailed report was presented to CMT in May 2021. As a result of the recommendations made, a second phase of work commissioned with Agilisys to look at the prioritisation of projects which is due to be presented to CMT in December 2021. Amongst other things the report will outline some options for potential future operating models for the service.*

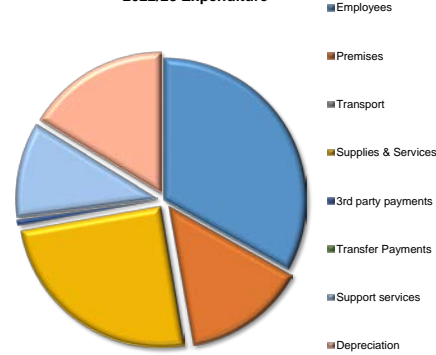
**Financial Summary**

Whilst there have been favourable variances for the I&T division over recent years, the current financial position is a forecast overspend which is reflective of the impact of Covid-19. The division continues to be impacted by the recovery from Covid in terms of both external demand for services and the altered ways of working in the medium to long term, such as around the level of remote working and the potential effects on the IT services and building facilities required.

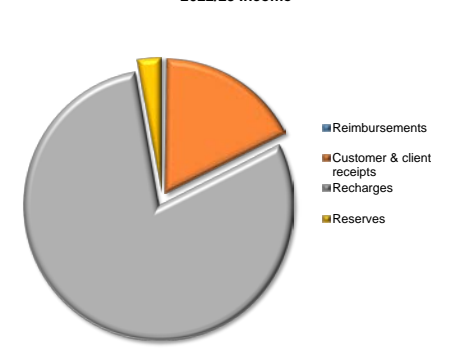
**DEPARTMENTAL BUDGET AND RESOURCES**

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	<b>16,236</b>	<b>15,621</b>	<b>17,012</b>	<b>(932)</b>	<b>17,208</b>	<b>17,060</b>	<b>17,158</b>	<b>17,256</b>
Employees	5,540	5,287	5,755	(320)	5,704	5,604	5,605	5,606
Premises	2,368	2,415	2,355	15	2,414	2,303	2,338	2,372
Transport	23	18	26	(12)	27	27	28	28
Supplies & Services	3,916	3,502	4,070	(516)	4,279	4,339	4,399	4,460
3rd party payments	101	5	103	(103)	105	107	108	110
Transfer Payments	10	15	10	4	10	10	10	10
Support services	1,843	1,574	1,888		1,865	1,865	1,865	1,865
Depreciation	2,436	2,805	2,805		2,805	2,805	2,805	2,805
<b>Revenue £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>	<b>15,705</b>	<b>16,059</b>	<b>16,784</b>	<b>1,063</b>	<b>16,840</b>	<b>17,341</b>	<b>17,341</b>	<b>17,341</b>
Government grants	0	0	0	0	0	0	0	0
Reimbursements	36	611	36	(74)	36	36	36	36
Customer & client receipts	2,826	1,064	3,000	1,137	3,099	3,099	3,099	3,099
Recharges	13,370	14,384	14,183	0	14,206	14,206	14,206	14,206
Reserves	(528)		(435)	0	(501)	0	0	0
Capital Funding								
<b>Council Funded Net Budget</b>	<b>532</b>	<b>(438)</b>	<b>228</b>	<b>131</b>	<b>368</b>	<b>(281)</b>	<b>(183)</b>	<b>(85)</b>
<b>Capital Budget £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
Capital Building Works		626	800	0	1,329	1,375	650	650
Invest to Save		38	570	0	624	300	300	300
Business Systems		426	868	0	1,215	325	700	420
Social Care IT System		89	157	0	0	1,100	1,000	0
Disaster Recovery Site		0	333	0	0	0	0	0
IT Planned Replacement Programme		1,350	1,146	0	905	770	1,405	1,060
	0	2,530	3,874	0	4,073	3,870	4,055	2,430

**2022/23 Expenditure**



**2022/23 Income**



**Summary of major budget etc. changes**

**2022/23**

Saving 2020-21 CS11 Restructure of the Commercial Services (Procurement) team and deletion of 1 permanent FTE post -£50k.

**2023/24**

Saving 2019-20 CS18 Closure of Gifford House and relocation of SLLP to the Civic centre -£69k  
 Saving 2019-20 CS17 Closure of Chaucer centre and relocation of operational teams at the Civic centre -£77k  
 Saving 2020-21 CS10 Further restructuring of the Transactional Services team -£100k

**2024/25**

**2025/26**

# Service Plan for : Resources

Service Manager: *Roger Kershaw* Cabinet Member: *Councillor Tobin Byers*

## Overview of the service

Accountancy - manage the financial health of the Council through advice & support to officers and Members, revenue & budget setting, profiling and reporting & monitoring. Over the next four years, we will transform by improving use of technology /reviewing processes /how information is stored in our financial systems.

Financial Strategy and Capital - manage Financial Strategy & Capital Strategy/Monitoring, Financial Systems Liaison & Development & Strategic and Operational Risk Management. The team facilitate multi-year planning, targeting resources, manage risk & integrate financial and business information. Over the next four years we will improve the robustness of our systems & projections, challenging services to improve their risk management. The Team is also responsible for the support and maintenance of e5 in accordance with legislation and best practice.

Treasury and Pensions - manage the Council's treasury (including the day to day cashflow, banking and cash), production of council's financial accounts, pension and insurance funds and oversee the contract for pensions administration.

## Merton's ambitions

- Support our most vulnerable residents of all ages
- Maintain a clean and safe environment
- Create a great place to grow up and live in
- Build resilient communities
- Bridge the gap and reduce inequalities
- Continuously improve

## What do we need to do?

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p>Senior management including Councillors, CMT and DMTs.</p> <p>Budget, Project and Risk Managers.</p> <p>A survey of budget managers undertaken in Autumn 2019 found that at least 87.5% of respondents rated professional support as good/very good.</p>	<p>Demand - It is envisaged that the level of budget managers (160 individuals) and standard financial/risk reporting will remain constant over the planning period. Covid-19 continues to place considerable pressure on staff. Generally, as resources become tighter this requires additional input from financial staff to improve the accuracy of forecasting.</p>	<p>Required to meet International Accounting Standards for Local Authorities, Regulations and Best Practice. It has proved challenging for local authorities to respond to changes in requirements in the past.</p> <p>There will be changes in leasing legislation that need to be accounted for in 2022-23 account closure and also we need to account for VAT</p>	<p>The Council's continuous improvement programme - officers will be involved in supporting the continuous improvement programme and helping with the assessment of make or buy decisions.</p> <p>The long term recovery &amp; modernising Merton programme - officers are spending considerable time ensuring that the impact of</p>

		<p>digitally by 1 April 2021.</p> <p>A considerable amount of staff time continues to be spent fully assessing the impact of Covid 19 and the additional savings required from it.</p> <p>The general uncertainty on Central Government's funding of Local Government provides significant challenges for medium term financial planning. Treatment of the Deficit on the Dedicated Schools Grant remains an issue to all local authorities.</p>	<p>Covid 19/Brexit are estimated and that the Authority remains a going concern.</p>
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**Where are we now?**

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Closing Accounts by the due date	Lessons learned review to improve next year's closing processes. Attention paid to the valuations required for closing. Experienced severe resource constraints with our external auditors EY which adversely impacted on their ability to issue their audit opinion on time.	Carry forward
Compiling a Medium Term Financial Strategy (MTFS) with a balanced budget for at least the next financial year by the March Council Meeting for approval.	Cabinet has agreed a timetable to ensure that a balanced budget and MTFS can be agreed by Council in March. The MTFS is reviewed throughout the Business Planning process and Members have been advised of progress at Cabinet meetings in September, November and December.	Carry forward
Regular monitoring of the ongoing financial position of the Council.	Forecasting accuracy of outturn and savings achievement was lower this year than previous years in part due to the initial impact of Covid-19.	Carry forward
Develop and maintain the Financial Information System.	Moved to e5.5 and Collaborative Planning 9. There were also developments on interfaces regarding payroll and moving towards making tax digital Exacom system for CIL recording, reporting and accounting implemented along with an interface to e5. Response times through e5 mailbox have reduced and considerable work was undertaken regarding the Dunning Cycle for the impact of Covid-19.	Carry forward
Develop and maintain risk registers throughout the authority ensuring that processes and practices are in accordance with best practice.	Risks were reviewed at least quarterly throughout the year with 100% of red risks mitigated with current control measures.  Separate register established for Covid-19 which is reviewed every two weeks and reviewed and reported to CMT, DMT and CMRG as appropriate. Where possible items are being moved onto departmental registers	Carry forward

**How will we get there?**

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
Closing Accounts by the due date (publish draft accounts by 31 May, and external auditor sign off by 31 July)	Statutory requirement

<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
Closing Accounts by the due date (Publish draft accounts by 30 June, and External Auditor sign off by 30 September)	Due January 2022 due to auditor delays.	Red	Yes	Yes	Yes	Yes		Annually	Yes/No
Accuracy of P10 Revenue Forecast (compared to outturn)	73%	Red	90%	90%	90%	90%		Annually	High
Accuracy of P8 (P9 to 2013/14) Capital Forecast	73.53%	Red	90%	90%	90%	90%		Annually	High

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>	<b>Proposed end date</b>
Property Valuations	Working with Property Team regarding the delivery of Valuations Information	Sep-21	31-Mar-22
Fixed Asset System	Working with Property and Facilities Management to re-tender the computerised system	Sep-21	Mar-22
Lessons Learned	Reviewing issues arising during closing to minimise or resolve for next year	Sep-21	Dec-22

**Potential barriers to achieving objective**

<b>Description of barrier</b>	<b>Mitigating Actions</b>
Material Variance on Property Valuations	Property valuations project above
Efficient Processes	Lessons Learned above

**Impact on the customer/end user**

Breach of the statutory duty to close the accounts also provides key information

**Partners / interdependencies**

This activity involves Budget Managers, Senior Management, CHAS , the Housing Company and Merton and Sutton Joint Cemetery Board

<b>Service Objective 2</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
Compiling a Medium Term Financial Strategy (MTFS) with a balanced budget for at least the next financial year by the March Council Meeting for approval	Statutory requirement

<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>



Compiling a MTFS with a balanced budget for at least the next financial year by the March Council Meeting for Approval	TBC			Yes	Yes	Yes	Yes	Annually	Yes/No	
Accuracy of P10 Revenue Forecast (compared to outturn) <i>Cited under Objective 1</i>	73%	Red	90%	90%	90%	90%	90%	Annually	High	
Accuracy of P8 (P9 to 2013/14) Capital Forecast <i>Cited under Objective 1</i>	73.53%	Red	90%	90%	90%	90%	90%	Annually	High	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
Updating MTFS Model and providing regular reports to Senior Management, Cabinet and Council	Modelling MTFS position for current year plus 4 and options to aid decision making and updating this model appropriately - including the impact of Covid 19 and Brexit						Summer/Early Autumn		End January	
Updating the Capital Forecasting Model and production of the Capital and Treasury Management Strategies	Modelling MTFS position for current year plus 4 and options to aid decision making and updating this model appropriately - including the impact of Covid 19 and Brexit						Summer/Early Autumn		End January	
Delivery against current year Medium Term Financial Strategy Savings Targets	Monthly monitoring of delivery of savings targets and forecast delivery at year end by RAG rating - including the impact of Covid 19 and Brexit						Summer		February	
<b>Potential barriers to achieving objective</b>										
Description of barrier					Mitigating Actions					
Impact of Covid 19/Brexit					Monitoring additional costs and impact on savings					
Incorrect forecasting					Refine forecast information monthly with debt and cashflow revised quarterly					
<b>Impact on the customer/end user</b>										
Provides key decision making information to meet statutory requirements to set a balanced budget, maintain a going concern and detailed budget information										
<b>Partners / interdependencies</b>										
Requires liaison with budget managers and senior management to incorporate all budget information for all services and the delivery of all objectives										
<b>Service Objective 3</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
Regular monitoring of the ongoing financial position of the Council.					Statutory requirement					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
Delivery against current year MTFS savings targets	59%	Red	100%	100%	100%	100%		Quarterly	High	
Accuracy of P10 Revenue Forecast (compared to outturn) <i>Cited under Objectives 1 &amp; 2</i>	73%	Red	90%	90%	90%	90%		Annually	High	
Accuracy of P8 (P9 to 2013/14) Capital Forecast <i>Cited under Objectives 1 &amp; 2</i>	73.53%	Red	90%	90%	90%	90%		Annually	High	

<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
Cash Flow and Debt Monitoring undertaken Quarterly	Quarterly update of Cash Flow and Debt levels, debt levels to be included in the monitoring report - including the impact of Covid 19 and Brexit						Summer		February	
Delivery against current year Medium Term Financial Strategy Savings Targets	Monthly monitoring of delivery of savings targets and forecast delivery at year end by RAG rating - including the impact of Covid 19 and Brexit						Summer		February	
Continuous Improvement	Supporting the continuous improvement programme and helping with the assessment of make or buy decisions						Ongoing		Ongoing	
<b>Potential barriers to achieving objective</b>										
Description of barrier						Mitigating Actions				
Impact of Covid 19/Brexit						Monitoring additional costs and impact on savings				
Incorrect forecasting						Refine forecast information monthly with debt and cashflow revised quarterly				
<b>Impact on the customer/end user</b>										
Provides key decision making information to meet statutory requirements to maintain a going concern and detailed budget information										
<b>Partners / interdependencies</b>										
Requires budget managers to review their financial position and forecast to year end and the resulting information is then utilised by senior management for decision making information.										
<b>Service Objective 4</b>										
						<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>				
Develop and maintain the Financial Information System						Statutory requirement				
						Continuously improve				
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
System should be available 24 hours a day 365 days per annum	100%	Green	99%	99%	99%	99%		Monthly	High	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
Re-tendering the Financial Management System	Current contract ceases on 6-2-21, with the two year extension will cease 6-2-23 the re-tendering process has just started						Dec-21		Feb-23	
Business Process Manager	BPM has a similar functionality to e-forms as and interfaces, module and support has been purchased						Dec-21		31-Jul-22	
Making Tax Digital	Digital determination of input and output tax due by 1-4-21						Dec-21		31-Mar-22	
<b>Potential barriers to achieving objective</b>										
Description of barrier						Mitigating Actions				
<b>Impact on the customer/end user</b>										
Anyone staff member who enters or extracts information from the system										
<b>Partners / interdependencies</b>										
System is used by CHAS (apart from Stripe), Housing Company and Merton and Sutton Joint Cemetery Board										

<b>Service Objective 5</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
Develop and maintain risk registers throughout the authority ensuring that processes and practices are in accordance with best practice				Continuously improve					
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% of red risks with current control measures	100%	Green	90%	90%	90%	90%		Quarterly	High
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description					Proposed start date		Proposed end date	
Bi-annual review of risk/issue classification	Risk/Issue Classification incorrect on the risk register					Summer 22		Autumn 22	
Ensuring use and consistency in application of risk management to projects	OPG training to ensure consistency in risk management and scoring and discussion of the difference between standard and Covid risk management					TBC		TBC	
<b>Potential barriers to achieving objective</b>									
Description of barrier				Mitigating Actions					
Omission of a key risk or issue form the register				Processes established to review the register and report to DMTs and CMT and officers are currently considering the best way to make inter authority comparisons of Risk Registers					
All projects should have a risk register and this register fails to identify key risk/issues that undermine the success of the project.				OPG training to ensure consistency in risk management and scoring and discussion of the difference between standard and Covid risk management					
<b>Impact on the customer/end user</b>									
Effective risk management should minimise the impact of occurrence and maximise the effectiveness of change									
<b>Partners / interdependencies</b>									
Appropriate identification, classification and mitigation of risks and issues impacting on strategic and operational activity is an essential management tool									
<b>Service Objective 6</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
96% of Insurance Claims responded to within 5 working days				Other (insert text)					
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% of Insurance Claims responded to within 5 working days	59.75%	Red	96%	96%	96%	96%		Quarterly	High
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description					Proposed start date		Proposed end date	

<b>Potential barriers to achieving objective</b>	
<i>Description of barrier</i>	<i>Mitigating Actions</i>
<i>Resource capacity within insurance section</i>	<i>Service now shared with LB Sutton</i>
<b>Impact on the customer/end user</b>	
<b>Partners / interdependencies</b>	

### People

On the job training is provided to all new appointees, this is supplemented with internal training to ensure all staff have the appropriate professional and technical skills to undertake their jobs efficiently. In addition, key staff attend essential external training sessions for key areas such as account closure, forecasting and legislative change to ensure that processes and outputs reflect best practice and legislation.

In recent years officers have struggled to appoint suitably qualified staff from outside the organisation, this difficulty is not unique to Merton. To ease this difficulty the Resources has re-instigated it's trainee programme. The Trainee Programme currently has 3 trainees working towards a CCAB accounting qualification under the Apprenticeship scheme.

Smarter working works particularly well for Resources as long as staff have adequate access to the internet/IT equipment.

### Technology

Financial Management Information System including General Ledger, Accounts Receivable, Accounts Payable and Purchasing Management ( e5.5 moving to 5.6 ) and Collaborative Planning @CP9 (moving to CP11).Fit for Purpose]. Also require a budgeting and forecasting element (Collaborative Planning) [Fit for Purpose]

In addition require a Cash Receipting System (Currently Adelante) [Fit for Purpose], Payments and Collections System (Paygate) [Fit for Purpose] and also use Lloyds SMARTCARDS for Authentication. [Fit for Purpose]

Require an Asset Accounting System it is essential that its operation reflects the requirements of Local Authority Accounting and that the company providing the system is capable of responding to legislative change in a timely manner (System currently provided by CIPFA just entering into a tendering process) This is an off the peg solution guaranteed to be updated for legislative change in a timely manner.

Making Tax Digital is currently underway and will come under the Advanced (e5) Umbrella through December 2020/January 2021.

The current 4 year contract expires with ADV in February 2021, therefore the contract for ADV for the e5 Family of products is to be extended and is under discussion within LBM and with ADV.

This will be for the agreed plus 2 years with the potential for a 3rd year to be added. Within this proposal, LBM are proposing to introduce Spend Analysis and eSupplier, to upgrade to CP11 from CP9, and potentially review the eMarketplace product which would bring in the opportunity to punch out to Amazon, Office depot ( we do this today ) and open up an eshop to 450 further suppliers.

Also have a number of detailed spreadsheets for MTFs, Capital Modelling, SEN Placements and School Advances for which it would be advantageous to provide an alternative IT Solution

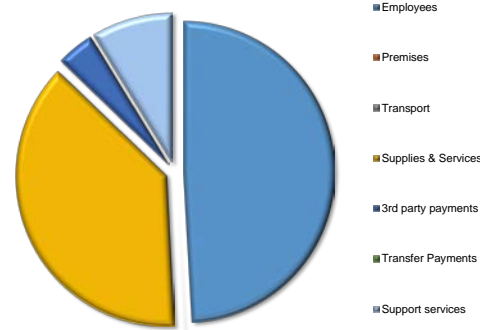
### Service improvement

**Financial Summary**

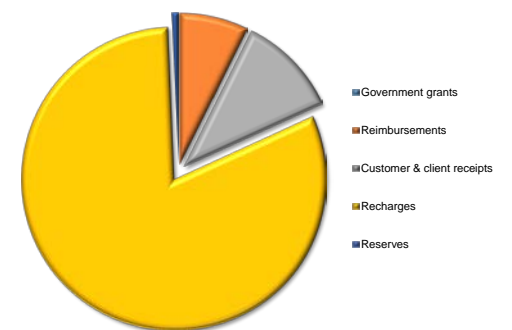
The Resources division (excluding the Revenues & Benefits service areas) financial information is shown below. Currently the budget pressures within the division are largely around the use of agency staff, proposed audit fee increases and the insurance service which has recently been outsourced to the London Borough of Sutton which is expected to improve service and financial performance.

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	<b>6,279</b>	<b>7,374</b>	<b>6,362</b>	<b>278</b>	<b>6,506</b>	<b>6,543</b>	<b>6,580</b>	<b>6,617</b>
Employees	2,981	3,413	3,056	150	3,195	3,195	3,196	3,196
Premises	2	1	2	(2)	2	2	2	2
Transport	2	3	3	1	3	3	3	3
Supplies & Services	2,463	2,867	2,393	119	2,473	2,510	2,547	2,583
3rd party payments	303	530	335	10	264	264	264	264
Transfer Payments	0	0	0		0	0	0	0
Support services	529	560	572		569	569	569	569
<b>Revenue £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>	<b>6,272</b>	<b>7,255</b>	<b>6,431</b>	<b>(7)</b>	<b>6,462</b>	<b>6,506</b>	<b>6,506</b>	<b>6,506</b>
Government grants	0	0	0	0	0	0	0	0
Reimbursements	465	863	472	(66)	481	481	481	481
Customer & client receipts	710	679	710	59	710	710	710	710
Recharges	5,098	5,713	5,249		5,315	5,315	5,315	5,315
Reserves	0	0	0		-43	0	0	0
<b>Council Funded Net Budget</b>	<b>7</b>	<b>119</b>	<b>(69)</b>	<b>271</b>	<b>43</b>	<b>37</b>	<b>75</b>	<b>112</b>
<b>Capital Budget £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
Financial Systems	0	0	0	0	0	700	0	0
Multi Function Device	0	0	0	0	0	0	600	0
Acquisition Budget	0	0	200	0	0	0	0	6,785
Capital Planning Fund	0	0	0	0	0	0	0	1,000
Housing Company	100	0	0	0	0	0	0	0
Westminster Coroners Court	0	60	(60)		802	0	0	0
Corporate Capital Contingency	0	0	0		0	0	0	1,681
CPOs Clarion	0	0	4,079	(4,079)	2,422	0	0	0
	<b>0</b>	<b>100</b>	<b>4,339</b>	<b>(4,139)</b>	<b>3,224</b>	<b>700</b>	<b>600</b>	<b>9,466</b>

**2022/23 Expenditure**



**2022/23 Income**



**Summary of major budget etc. changes**

**2022/23**

Reverse part one-off saving 2021-22 CS12 Miscellaneous savings within Resources (eg. Consultancy) +£34k  
 Saving 2022-23 CS1 Reduction to consultancy held within Director's budget -£10k  
 Saving 2022-23 CS2 Reduction to Resources AD various running cost budgets, eg subscriptions -£15k  
 Saving 2022-23 CS3 Reduce contribution to the insurance provision -£25k  
 Reverse saving 2018-19 CS07 Retender of insurance contract +£68k

**2023/24**

**2024/25**

**2025/26**

# Service Plan for : Revenues and Benefits

Service Manager: David Keppler Cabinet Member: Councillor Tobin Byers

## Overview of the service

Administration and collection of council tax and business rates. Administration and payment of housing benefit and council tax support. Administration of Local Welfare Support Scheme. Inhouse shared enforcement service (Bailiffs).

## Merton's ambitions

Support our most vulnerable residents of all ages  
 Maintain a clean and safe environment  
 Create a great place to grow up and live in  
 Build resilient communities  
 Bridge the gap and reduce inequalities  
 Continuously improve

## What do we need to do?

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p>Customers are council tax and business rate payers benefit claimants. The shared enforcement service provides service to Merton Parking and Sutton Council. Demand in some areas will increase. The service receives the most complaints within the department and each year the complaints details are reported to CMT and General Purposes Committee.</p>	<p>Demand for some services is likely to increase i.e business support, welfare support scheme, council tax support scheme. In addition, collection of council tax and business rates is likely to be more challenging and therefore see an increase in staff time required. When the furlough scheme ends there is likely to be a large increase in work. The one service that will see a reduction of workload is the shared enforcement service.</p>	<p>The Covid-19 situation has created a unique situation where, over a very short period of time, the service has had to provide numerous additional and support schemes to residents and businesses. It is not known at this stage how many of these schemes will continue into 21/22. Early indications indicate further business rate reliefs to be implemented in 22/23</p>	

**Where are we now?**

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Procurement and implementation of new revenues and benefits system	Soft market testing commenced in January 2020 and was then put on hold following the Covid-19 crisis. Engagement with procurement and the existing supplier recommenced in January 2021 to explore a possible way forward. Consultatnt to be engaged to undertake a review of system and options available to the service	Carry forward
Deliver Council Tax Scheme	2022/23 scheme agreed and approved. Undertake work on possible changes to scheme for 2023/24 to reduce spend	Carry forward



**How will we get there?**

**Service Objective 1** Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions

*Deliver Performance Indicators* Statutory requirement

**Performance Measures**

Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% of Council tax collected	96.81%	Red	97.25%	97.50%	97.50%	97.75%		Monthly	High
% Business Rates collected	90.08%	Red	97.50%	97%	97.25%	97.50%		Monthly	High
Number of processing days for new Housing Benefit claims	9.86 days	Green	14 days	14 days	14 days	14 days		Monthly	Low
Number of processing days for Housing Benefit change of circumstances	7.77 days	Green	8 days	8 days	8 days	8 days		Monthly	Low
Accuracy of benefit payments over £1500	95.72%	Green	95%	95%	95%	95%		Quarterly	High

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

Project / activity name	Description	Proposed start date	Proposed end date
<i>Project / activity 1</i>	Business as normal	Apr-22	Mar-23

**Potential barriers to achieving objective**

Description of barrier	Mitigating Actions
<i>Impact of Covid-19 on residents and businesses to pay</i>	<i>Additional resource to target collection - however recruiting is a challenge</i>
<i>Increase in demand</i>	<i>Initiative to retain apprentices beyond original contracts</i>

**Impact on the customer/end user**

*Impact on residents and businesses in the borough - supporting the most vulnerable - raising income for the Council*

**Partners / interdependencies**

*Collect council tax and business rates for GLA and Government - administer housing benefits for Department of Work and Pensions*

**Service Objective 2** Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions

*Deliver Government support and grant schemes* Build resilient communities

**Performance Measures**

Indicator	2020 / 21 Actual	RAG	2020/21 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
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n/a											
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)											
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>		
Deliver Business Support Schemes	Deliver business rates reliefs in 22/23						Feb-22		Mar-23		
	Deleiver any new government initiatives						Apr-22		Mar-23		
	Deliver Test and Trace grants						Apr-22		Not known		
<b>Potential barriers to achieving objective</b>											
<i>Description of barrier</i>						<i>Mitigating Actions</i>					
Demand higher than funds available						Communications					
Time pressures on delivering support						Communications and clear plan to manage expectations					
<b>Impact on the customer/end user</b>											
Support for businesses - both short to medium and longer term impacts on Merton businesses											
<b>Partners / interdependencies</b>											
Support schemes are Government initiatives - but some schemes are discretionary so the Council can determine priorities											
<b>Service Objective 3</b>											
						Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions					
Review Council Tax Support Scheme						Support our most vulnerable residents of all ages					
<b>Performance Measures</b>											
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>		
n/a											
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)											
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>		
Deliver CTS scheme as required	Understand what type of scheme members want to introduce and identify possible savings						Apr-21		Nov-22		
Project / activity 2	Provide examples of alternative schemes						Apr-21		Mar-22		
<b>Potential barriers to achieving objective</b>											
<i>Description of barrier</i>						<i>Mitigating Actions</i>					
Reduced funding to maintain existing scheme											
<b>Impact on the customer/end user</b>											
A revised scheme that does not support residents to current level will result in possible hardship for residents and impact on council tax collection rate											
<b>Partners / interdependencies</b>											
GLA - as they contribute to part of the cost of the scheme											

### People

The service has utilised working from home for 20 years. We have permanent homeworkers and up until the recent crisis staff were able to work from home up to 4 days a week. Working from home is business as usual. The age profile of the staff is high and so succession planning is needed in the near future. However, the service has made good use of apprentices and where possible has retained them into permanent or fixed term contract positions. Recruitment is a challenge, trying to recruit experienced staff has been difficult.

### Technology

As mentioned above there may be the need to invest in laptops to provide for all the staff working at home. The Revenues and Benefits system is on a rolling one year contract and this needs to be addressed in the next year. The Council will look for a hosted solution. The system supplier has enabled the service to react quickly to all the different government support schemes for businesses and residents implemented this year. A consultant will be engaged to undertake an independent review of the system and options available to the council.

### Service improvement

A Make or Buy review has been completed on the Revenues and Benefits service.

A review of the Enforcement service/shared service has been undertaken. The impact of Covid-19 has resulted in reduced workloads and as a result a restructuring reducing staffing levels was completed. The DWP continue to place more work on to benefit services.



# Environment & Regeneration

# Service Plan for : Development & Building Control

Service Manager:	Lesley Barakchizadeh	Cabinet Member:	Councillor Martin Whelton
Peer review date:		Name of peer:	
Date created:	16/11/2020	Date of next review:	

## Overview of the service

*Provide a brief overview of your service and the outcomes it seeks to provide for residents/service users, including any statutory duties that impacts on this*

Planning and Building Control legislation is a major component of national , regional and local policy driving actions to support the Climate Emergency. Future sustainable regeneration of the borough is a key component of the Council's strategy to create a clean and safe environment, build more homes and to create more resilient communities. Another priority across the team is to ensure income generation opportunities are maximised wherever possible. The main priority from the last TOM revolved around mobile and electronic working. This has progressed slower than was hoped but the main starting component, the M3 database upgrade, is imminent.

Planning Applications which were expected to reduce across the board during the pandemic, have increased within the team and nationally, putting an increased pressure on the team to improve and maintain performance. Income generated has increased and savings can be generated by moving away from the current heavy reliance on agency staff to filling vacancies on a permanent basis. Reviewing salaries to ensure they are competitive as current roles and job titles are out of date in comparison to other London Boroughs. A light restructuring of the team is underway with new Principal Planning Officer posts being created to assist with retention and recruitment of staff.

Building Control provides an increasingly important and high profile service, following proposed changes to legislation after Grenfell. A recent dangerous buildings incident demonstrated the importance of the need for the service to be fully equipped to take action against developers who are not acting in compliance with building regulations. In this instance, through team working with highways, legal and others, building control was able to successfully and speedily resolve a situation which led to a dangerous situation for the public and road and pavement closures. However, it has highlighted the continuing and increasing importance of the service. Now that the Building Safety Bill has been published, and recommendations have been received from the LABC, a review of the service will be undertaken. The other impact of this will be to ensure that market share which has been steadily declining will be strengthened and increased, resulting not only in increased income generation but in a reduction of the complaints and problems that arise through the use of Approved Inspectors.

The Enforcement Team has increased its backlog of cases and an Action Plan has been started which will focus upon staffing, the recording and use of statistics to inform and improve the service as well as concentrating on reducing the current backlog. An interim Enforcement Team Leader post has been brought in to assist and temporary funding has been allocated for an additional enforcement officer. Improvements to both our webpage and M3 are required to enable both this and the easy reporting of complaints by the public. We will have to work closely with IT to achieve this. Another important aspect of the enforcement team is trees and conservation both of which sit under this umbrella. There is an increased focus on both activities in an area where the posts are hard to fill. These will be addressed and we have brought in an agency tree officer to concentrate on reducing the backlog.

## Merton's ambitions

*It is important that the activity in your service plan has a clear link to helping achieve the council's overall ambitions. Please consider these ambitions when developing your plan and ensure that activity and projects are matched against them:*

- Support our most vulnerable residents of all ages
- Maintain a clean and safe environment
- Create a great place to grow up and live in

Build resilient communities  
 Bridge the gap and reduce inequalities  
 Continuously improve

**What do we need to do?**

*In developing your plan it is important to understand the wider context in which the service and the council operates. Please refer to Merton Data as a tool to help you understand the present and future demands on your service and the views and needs of its customers. This should be combined with local intelligence held by your service.*

[Merton Data](#)

[The Merton Story](#)

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p><i>Our customers comprise residents, councillors, other council service areas and businesses both inside and outside the borough. Applications and accordingly, the number of customers is continuing to rise given the increase in population growth and new housing delivery targets as well as people focussing on home improvements during the pandemic. There is still significant and steadily increasing competition in building control from approved inspectors. The only way to claw back market share will be to ensure the Building Control team has adequate resources to deal with inspections and to improve the level of service provided to customers. New legislation following Grenfell has increased the need to ensure we have a fully staffed up and well trained team to deal with the increased demands that will be placed upon the service.</i></p>	<p><i>Planning applications have increased across the board as has the need for Planning Performance Agreements. We have difficulty extracting the required statistics from the M3 system and we need to ensure that we are measuring the correct measures and publishing these. With regard to Building Control market share, this has gradually been declining and the team now has just over one third of the market. Not only does this lead to a reduction in income but it also leads to an increase in complaints about work over which we have no control as it is being signed off by Approved Inspectors.</i></p>	<p><i>Changes have taken place to the National Planning Policy Framework putting a greater emphasis on trees and beautiful spaces. We have not seen the expected changes to the planning system reducing community involvement but there could be further changes. Due to changes that came in last August regarding permitted development rights and prior approvals, we have found that we have less control over certain developments such as building on top of existing properties and change of use. Prior Approvals have led to decreased charges for the same amount of work resulting in a net loss of income for certain approvals. With regard to Building Control, proposed legislative changes as a result of Grenfell mean that there is increasing need to have a fully trained up and resourced building control team to cope with the increased focus on fire and building safety. It is more important than ever to ensure that staff are professionally qualified and continuously update their professional knowledge and competence through CPD.</i></p>	<p><i>The B @ DC teams will continue to operate and provide a quality professional service and to contribute to the council's continuous improvement programme of working to be London's best. The imminent IT upgrades of M3 will ensure support of the long term recovery &amp; modernising Merton programme. The reaction to and transformation as a result of the new legislative changes, will be key moving forward.</i></p>

Where are we now?		
Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Maintain or exceed Key Performance Indicators	We need to ensure that timely and up to date information is added to M3 and other systems put in place to ensure we can accurately monitor our performance.	Carry forward
Upgrade to 'Assure' following successful Re-procurement of Northgate M3.	Imminent: see above.	Carry forward
Roll out various service eforms. Priority the Enforcement web form.	BC form still being worked on. DC : likely need eliminated due to Portal/M3 upgrade. The Enforcement web form is being looked at as part of an Enforcement Action Plan	Close
Succession planning for BC team including team manager and commercial manager.	This has not been actioned due to proposed changes in the BC legislation and the finalisation of an LABC service report to inform. A review of the team structure is planned for early in the year.	Carry forward
Draw up an Enforcement Action Plan to improve planning enforcement performance and reduce the current backlog	An Action Plan is currently underway and an Interim Team Leader is shortly due to start.	Carry forward
Reorganise and rename the DC teams to bring the service up-to-date, ensuring pay is in line with other London Boroughs, and improve staff retention and ability to recruit.	We are currently part way through a light reorganisation of the DC team, updating job descriptions and roles and the creation of Principal Planner roles to provide career progression within the team. Roles being job evaluated to ensure pay is competitive against other London Boroughs and to improve staff retention. Minimise the use of agency staff and fill posts as they become vacant, reducing the overspend and ensuring adequate experienced staff to deal with the increasing workload.	Carry forward
Strengthen the Planning Tree and Conservation service areas as these are increasingly important especially given changes to the NPPF and climate change	An Interim p/t tree officer has been appointed and a second person is being recruited. This will assist in reducing the backlog and will ensure that trees and listed buildings are given the protection they need.	Carry forward
Overhaul the Planning Admin Team to ensure they enable the wider team by providing front-line services, and the maintenance of meaningful statistics	Interim Team Leader starting shortly and permanent to be recruited. Provision of data being reviewed and services such as land charges to be incorporated. Use of M3 and other IT systems to be reviewed to be made more efficient.	Carry forward



### How will we get there?

*Try to limit this to no more than around 5-7 key objectives. This section should be reviewed if there are any significant changes in direction during the year. Changes can be noted along with the reasons for and implications of the change. When you review this, look for opportunities, insights, or risks that have emerged.*

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<i>Maintain or exceed key performance indicators.</i>	Build resilient communities
	Create a great place to grow up and live in
	Statutory requirement

#### Performance Measures

Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% Major planning applications processed within 13 weeks	88.00%	Green	80%	81%	82%	83%		Monthly	High
% minor applications determined within 8 weeks	75.62%	Green	72%	73%	74%	75%		Monthly	High
% "other" applications determined within 8 weeks	80.20%	Red	83%	84%	84%	84%		Monthly	High
% of appeals lost	16.25%	Green	35%	35%	35%	35%		Quarterly	Low
Income (Development & Building Control)	£1,610,038	Red	£1,966,000	£ 1,966,000	£ 1,966,000	£ 1,966,000		Monthly	High
% of Market share retained by local authority (building control)	61%	Green	54%	55%	55%	55%		Monthly	High
No. of planning enforcement cases closed	227	Red	530	540	550	550		Monthly	High
No. of backlog planning enforcement cases	652	Red	500	300	480	470		Monthly	Low

#### Projects / key activities to support the objective *(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)*

Project / activity name	Description	Proposed start date	Proposed end date
<i>Upgrade reporting as part of 'Assure'</i>	Ensure targets are embedded into Assure day to day reporting systems	<i>Apr-21</i>	<i>Apr-22</i>
<i>supporting regeneration and growth</i>	Facilitate sustainable regeneration by improved performance overall	<i>Apr-21</i>	<i>Apr-22</i>

#### Potential barriers to achieving objective

Description of barrier	Mitigating Actions
<i>M3 systems support failings</i>	<i>Arrange IT support</i>
<b>Impact on the customer/end user</b>	
<i>Maintaining service quality and performance</i>	
<b>Partners / interdependencies</b>	

*Future Merton are a close partner in delivering regeneration in the Borough and supply detailed professional advice on planning applications.*

<b>Service Objective 2</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<i>Finalise the upgrade of M3 Assure and roll out mobile working where appropriate.</i>				Statutory requirement					
				Build resilient communities					
				Continuously improve					
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
Success will be measured by the upgrade when it occurs									
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
<b>Project / activity name</b>	<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Upgrade to cloud version</i>	Complete								
<i>Upgrade all templates</i>	In progress					<i>Ongoing</i>		<i>Apr-22</i>	
<i>Upgrade to Assure</i>	Migrate to Assure					<i>Ongoing</i>		<i>Jul-22</i>	
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
<i>Training</i>					<i>Being planned as part of project</i>				
<i>Resources</i>					<i>For training</i>				
<i>new process review</i>					<i>Business improvement team involved in looking at processes</i>				
<b>Impact on the customer/end user</b>									
<b>Partners / interdependencies</b>									
<i>Future Merton also accesses the system and provide professional advice.</i>									
<b>Service Objective 3</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<i>Succession planning for BC team including team manager and commercial manager.</i>				Create a great place to grow up and live in					
				Build resilient communities					
				Statutory requirement					
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
New roles in place within team									
Increased Market Share									
Achievement of improved customer service									
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
<b>Project / activity name</b>	<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Review Roles within team</i>	Carry out a full restructure of roles and responsibilities					<i>Apr-22</i>		<i>Aug-22</i>	
<i>Produce a Marketing Plan</i>	Produce a SWOT analysis and marketing plan targeting customers who would otherwise take their business to Approved Inspectors					<i>Aug-22</i>		<i>Dec-22</i>	
<i>Increased/improved 'customer care'</i>	Focus on improved					<i>Apr-22</i>		<i>Aug-22</i>	
<b>Potential barriers to achieving objective</b>									

<i>Description of barrier</i>					<i>Mitigating Actions</i>					
<i>Resources including time and ability to undertake a comprehensive service review of Building Control taking into account new legislation</i>					<i>Will use experienced consultancy/interim</i>					
<i>Job descriptions will require reviewing and changing</i>					<i>Will need to work closely with HR</i>					
<i>Resistance to change</i>					<i>Benefits for team will become apparent</i>					
<b>Impact on the customer/end user</b>										
<i>Increased Market Share will provide considerable benefits for customers as currently we receive a large number of complaints that we cannot deal with as the sites are being handled by Approved Inspectors and we have no control over these.</i>										
<b>Partners / interdependencies</b>										
<i>LABC are able to offer support and guidance and have already made recommendations for changes to the service area</i>										
<b>Service Objective 4</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<i>Draw up an Enforcement Action Plan to improve planning enforcement performance and reduce the current backlog</i>					Statutory requirement					
					Continuously improve					
					Maintain a clean and safe environment					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Produce an Action Plan</i>	<i>An Action Plan is currently underway and an Interim Team Leader is shortly due to start.</i>						<i>Dec-21</i>		<i>Apr-22</i>	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
<i>Lack of resources and funding for Enforcement Team</i>					<i>Put back funding for Team Leader Post</i>					
<b>Impact on the customer/end user</b>										
<i>Increasing backlog of enforcement cases and time taken to investigate will be reduced</i>										
<b>Partners / interdependencies</b>										
<i>Development Management is heavily reliant on having an effective enforcement function otherwise it is planning without 'teeth'</i>										
<b>Service Objective 5</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<i>Reorganise and rename the DC teams to bring the service up-to-date, ensuring pay is in line with other London Boroughs, and improve staff retention and ability to recruit.</i>					Statutory requirement					
					Continuously improve					
					Maintain a clean and safe environment					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										

<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>						<b>Proposed end date</b>	
<i>Restructure the Team</i>	Update JDs; Name of function; Create Principal Posts; Job Evaluate to ensure that there is adequate career progression within the team to undertake the increasing large and complex workload and to retain and recruit experienced staff	<i>Dec-21</i>						<i>Apr-22</i>	
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
<i>Staff resistance to change and limited resources.</i>					<i>Explain reason for changes and work with HR to gain results</i>				
<i>Heavy reliance upon agency staff leading to inefficiencies and overspend</i>					<i>Recruit permanent staff asap where budget permits</i>				
<b>Impact on the customer/end user</b>									
<i>Improved ability to process applications in a timely and manner. Will also lead to increased income generation and a quality service.</i>									
<b>Partners / interdependencies</b>									
<i>The Development Management Team has a major impact upon regeneration and needs to work closely with Futures Merton</i>									
<b>Service Objective 6</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>				
<i>Strengthen the Planning Tree and Conservation service areas as these are increasingly important especially given changes to the NPPF and climate change</i>					Create a great place to grow up and live in				
					Build resilient communities				
					Continuously improve				
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
Reduction in trees with TPOs felled									
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>						<b>Proposed end date</b>	
<i>Strengthen the Planning Tree and Conservation service areas</i>	An Interim p/t tree officer has been appointed and a second person is being interviewed. This will assist in reducing the backlog and will ensure that trees and listed buildings are given the protection they need.	<i>Dec-21</i>						<i>Apr-22</i>	
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
<i>Lack of resources and funding for Enforcement Team</i>					<i>Need to put in place funding for tree officer and increased conservation post</i>				
<b>Impact on the customer/end user</b>									
<i>Trees play an important role in mitigating against Climate Change. They also contribute to making places 'beautiful' as per the National Planning Policy Framework</i>									
<b>Partners / interdependencies</b>									
<i>Greenspaces</i>									

### People

- 1) Currently the team has slipped back to nearly 30% temps overall having fought very hard to get it down to 10% in 2019. Permanent recruitment is now once again underway and this will ensure the team is more cost effective. In Development Control, new roles (to replace some of the existing roles) have been created and are currently with job evaluation. This will aid career progression, increase retention of staff and bring Merton in line with other London Boroughs.
- 2) Succession planning in BC is already recognised as an objective of this plan. There are difficulties in starting apprenticeship as post grad education is not allowed in that scenario, whereas most surveyors are qualified to degree level already. The Hackett report and legislation will effectively dictate improvement required as will the LABC report.
- 3) Training in both BC and DC is required for professional reasons. The new BC legislation is almost certainly going to require improved accredited standards. This is already underway but level 6 attainment to deal with high buildings has not yet been achieved.
- 4) Smarter working: mobile working and devices for Enforcement and BC as required. Remote working for all staff with reduced office space requirements even after Covid-19. Appropriate home working facilities to be better established.
- 5) Staff will predominantly work at home and only come into the office if required for collaborative days when required. It is anticipated that this will be for 1 or 2 days per week in any event once Covid is eradicated. Officers will travel from home to site visits and directly back to home without the need to visit the offices. This has been successfully implemented so far.
- 6) The admin team are still having to visit the office to continue paper printing and the letter printing project will continue to try to make all correspondence electronic with all letters going direct to the post room. Significant improvements to IT systems are required.

### Technology

- 1) Upgrade of M3 to 'assure' imminent in any event. Mobile devices will be required for required for BC and Enforcement . It is anticipated that this will be in the form of a tablet, however, a tablet for site and laptop for home may be required as a combined unit may be prohibitively expensive (will seek advice from Northgate and IT about what equipment suits the system).
- 2) All team members will require an up to date laptop and either one or 2 large screens at home.
- 3) Upgrade of all M3 templates currently being undertaken.
- 4) Full home working environment to be assessed.
- 5) GIS system to be utilised to provide all information to the public to ensure avoidable contact is reduced.

### Service improvement

- 1) Various aspect of the administration and registration process undertaken by the admin team and planners: Uploading docs to M3. pre-app storage , document naming. Restructuring of a number of the teams is taking place to ensure that we are fully staffed up to cope with the increasing demands within this busy area.



# Service Plan for : Future Merton

Service Manager: *Paul McGarry* Cabinet Member: *Cllr Whelton, Cllr Lanning, Cllr Pritchard, Cllr Cooper-Marbiah*

## Overview of the service

*Provide a brief overview of your service and the outcomes it seeks to provide for residents/service users, including any statutory duties that impacts on this*

Future Merton is the Council's lead on growth and strategic development. Not only for the long-term sustainability of the borough but to lead on Recovery and Regeneration in response to YourMerton. Our primary objective is to contribute to Merton the place and enhance the quality of life for our residents. The service leads on the Local Plan and monitors the delivery of new housing in Merton and supports the creation of new businesses and jobs. We manage the Council's highways and street lighting contracts to ensure that the borough's network of roads, footways, cycle lanes and street lighting are well maintained and safe. Future Merton also lead on town centre and estate regeneration projects as well as leading on the Climate Emergency and high streets recovery. We are also responsible for delivering locally, the objectives of the Mayor of London's Transport Strategy and London Plan. Future Merton contributes to the Merton Partnership via the activities of the Sustainable Communities Transport Partnership (SCTP) Economic Wellbeing Group, Employment & Skills sub-group, Housing Group and Climate Emergency Steering Group. The team also services the Borough Plan Advisory Committee (BPAC), the Design Review Panel (DRP) and leads on South London Partnership's Transport, Growth and Skills boards. Key service areas include; Regeneration, Place making, Strategic Planning, Housing Delivery Strategy, Economic Development, Climate Emergency + Action Plan, Traffic & Highways, Road Safety, Flood Mitigation, Urban Design, management of the Community Infrastructure Levy, delivery of CIL projects and management of Vestry Hall voluntary sector hub.

## Merton's ambitions

*It is important that the activity in your service plan has a clear link to helping achieve the council's overall ambitions. Please consider these ambitions when developing your plan and ensure that activity and projects are matched against them:*

Support our most vulnerable residents of all ages  
 Maintain a clean and safe environment  
 Create a great place to grow up and live in  
 Build resilient communities  
 Bridge the gap and reduce inequalities  
 YourMerton: High Streets, Public Realm, Traffic and Active Travel ambitions

## What do we need to do?

*In developing your plan it is important to understand the wider context in which the service and the council operates. Please refer to Merton Data as a tool to help you understand the present and future demands on your service and the views and needs of its customers. This should be combined with local intelligence held by your service.*

### [Merton Data](#)

### [The Merton Story](#)

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
Our customer base is wide ranging, from residents and councillors to external customers such as developers, utility companies and partners including GLA, TFL, SLP and Merton	Demand for our service will increase in a number of areas as part of YourMerton and in response to reshaping the borough post-pandemic. The borough's housing target has	Significant national changes to planning legislation place greater emphasis on housing delivery and more pressure on 'up-front' plan making, masterplans or briefs for individual	The Future Merton team will continue to provide a quality, wide ranging service with a focus on place making to drive forward the growth agenda. Continual improvements

Partnership. Future Merton regularly engages residents through the creation of the Local Plan (surveys and face-to-face engagement) as well as day-to day consultations on Traffic, Road Safety and Highway projects. The team also inputs heavily to the Planning Applications process providing specialist policy input to Development Control in areas such as design, flooding, transport, housing, climate change, highways, ecology and economy. The service area attracts a high volume (and increasing number) of Member Enquiries and direct enquiries from residents and local groups. Future Merton responds to 900+ Member Enquiries and FOIs and this has been steadily increasing over +100% in the past 3 years; correlating to the increase in residents and councillors engaging with and reacting to issues on social media (Twitter/Next-door) The increase in enquiries and other customer contact relates heavily to perceptions of development and resistance to change (for planning and changes to the road network such as LTNs/Cycling/School Streets).

increased by over 200%. The Council needs to double its housing delivery output which will require more input to the Planning Service and greater impacts on Design, Traffic, Sustainable Travel and developer engagement. There will also be a resulting increase in enquiries and complaints around Planning proposals. Merton Also declared a climate emergency that will place additional pressure on the service to deliver cross-departmental actions. The increase in development and population will lead to an increase in CIL and the number of CIL funded projects to be delivered to mitigate the impacts of development.

sites to guide quality, where permission is likely to be pre-approved in principle. These changes will place greater pressure and scrutiny on specialised skills that will still input to the process such as design, sustainability and transport. Economic recovery from Covid-19 will be at the forefront of the Council's agenda and will require increased resources for the economic development service and greater partnership working. Challenges with the relationship between Government and GLA, in particular TFL are placing unprecedented pressure and financial constraints on the service and our ability to deliver on resident's expectations.

already embedded in the team include the Mayrise system, enabling Highway inspection and permitting to be conducted on-site / mobile working. The team has also digitised how it engages residents on the Local Plan with greater use of online tools which attract greater levels of feedback from a more representative demographic spread. Increased digitisation of the Planning System will continue and new systems such as Merton's GIS as well as online tools like Commonplace and VuCity will enable Merton produce better outcomes for customers. Highways will soon launch the FixMyStreet platform to enable residents to report road faults more easily and to help the service minimise multiple reports for the same issues. The Key measure of success is what residents see on the ground, from new housing development, public realm improvements, continued roll out of cycle infrastructure and CIL funded project delivery such as shopfront improvements and investment in our high streets. The service also leads on Housing Delivery and works between Planning and Property to maximise housing outputs for the borough.



**Where are we now?**

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
GIS system - To be customer facing as well as internal. Build in use of GIS for web-based consultation and 3D capability to support the GLA digitising planning agenda	New Merton Maps GIS system is active but not yet public facing and 3D functions to be developed and launched.	Carry forward
Office Environment - layout of 9th Floor is not conducive to collaborative working with design teams. More breakout and flexible space needed.	Somewhat taken over by events in home / flexible working. This project is largely out of scope, but FutureMerton will feed into any new plans for Civic Centre reorganisation.	Carry forward
Roll out of Mobile Working for Streetworks and Highway Inspections.	Complete.	Close
Reorganisation of Streetworks Permitting team to merge permitting/inspection roles and revise work/inspection area patches from 3-4.	Complete.	Close
Review of organisation and ToR of Design Review Panel.	Scoped out but delayed due to Covid. Digitisation of DRP complete thanks to Zoom. Review underway to conclude March 2022.	Carry forward
Review of Project Programming processes for Traffic and Highways teams and integration with FMC contract. Review also includes public engagement process on Traffic Schemes.	Review concluded but largely taken over by events relating to TFL funding pressures and other team priorities	Close

**How will we get there?**

*Try to limit this to no more than around 5-7 key objectives. This section should be reviewed if there are any significant changes in direction during the year. Changes can be noted along with the reasons for and implications of the change. When you review this, look for opportunities, insights, or risks that have emerged.*

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<b>Climate Emergency and Climate Action Plan</b>	Create a great place to grow up and live in
	Build resilient communities
	Maintain a clean and safe environment

<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
Adopt Climate Change Action Plan	Adopted	Green	-	-	-	-		Annually	High
Number of publicly available Electric Vehicles Charging Points (cumulative)	140	Green	200	250	300	350		Annually	High
Increase Active Travel (TFL LIP)	-	Not Yet Known	-	-	-	-		Annually	Low
Reduce LBM Operational emissions to Zero by 2030	-	Not Yet Known	-	-	-	-		Annually	High
Reduce Borough emissions to zero by 2050	-	Not Yet Known	-	-	-	-		Annually	High

<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>			
<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>	<b>Proposed end date</b>
Climate Action Plan	<a href="https://www.merton.gov.uk/assets/Documents/Draft%20Climate%20Strategy%20and%20Action%20Plan%20-%20Council%20V2.pdf">https://www.merton.gov.uk/assets/Documents/Draft%20Climate%20Strategy%20and%20Action%20Plan%20-%20Council%20V2.pdf</a>	Apr-21	Apr-30
Air Quality Action Plan	<a href="https://www.merton.gov.uk/communities-and-neighbourhoods/pollution/air-quality-and-air-pollution/local-air-quality-management">https://www.merton.gov.uk/communities-and-neighbourhoods/pollution/air-quality-and-air-pollution/local-air-quality-management</a>	Apr-20	Apr-23

<b>Potential barriers to achieving objective</b>	
<b>Description of barrier</b>	<b>Mitigating Actions</b>
Resources and macro-economic issues to achieving carbon neutrality	See climate Change Action Plan
<b>Impact on the customer/end user</b>	
Greener more sustainable environment and economy for Merton residents	
Resident involvement in shaping / delivering actions	
<b>Partners / interdependencies</b>	
Cross Council and working with Mayor of London, TFL and Government	

<b>Service Objective 2</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
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<b>Estate Regeneration programme (in partnership with Clarion Housing)</b>				Bridge the gap and reduce inequalities						
				Create a great place to grow up and live in						
				Build resilient communities						
<b>Performance Measures</b>										
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity	
No LBM indicators - Clarion Housing Group (CHG) responsibility		Green						Annually	High	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
Project / activity name	Description						Proposed start date		Proposed end date	
Reserved Matters Planning Apps	Progress phased planning applications as per planning performance agreements						01-Apr-18		01-Apr-24	
CPO authority	Progress reports seeking use of CPO powers as per CHG project programmes						01-Apr-21		01-Apr-24	
<b>Potential barriers to achieving objective</b>										
Description of barrier				Mitigating Actions						
CHG business plan				s plan, financial status and programme concluded and reported to Cabinet Nov 2021 setting out fu						
<b>Impact on the customer/end user</b>										
Working with CHG to improve housing conditions for existing residents and increase the supply of new housing in Merton.										
<b>Partners / interdependencies</b>										
Clarion Housing Group, LBM Housing Needs, Development Control (Planning).										
<b>Service Objective 3</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
<b>Merton's New Local Plan 2021/22</b>				Statutory requirement						
				Create a great place to grow up and live in						
				Bridge the gap and reduce inequalities						
<b>Performance Measures</b>										
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity	
Adopt Local Plan 2021	Consultation launched	Green	Adopt Local Plan	Annual Monitoring Report	Annual Monitoring Report	Annual Monitoring Report	Annual Monitoring Report	Annually	Low	
New homes built annually	375	Red	918	918	918	918	918	Annually	High	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
Project / activity name	Description						Proposed start date		Proposed end date	
Consultation on Stage 3	Public consultation on draft Local Plan						13-Nov-20		01-Feb-21	
Submission of Plan to Inspector	Plan submission to Secretary of State / Planning Inspector.						Jul-21		Dec-21	
Public Enquiry	Plan examination in Public (dates set by Inspector TBC)						Mar-22		Dec-22	
<b>Potential barriers to achieving objective</b>										
Description of barrier				Mitigating Actions						
National changes to planning policies requiring further re-draft of the Plan				Representations to Gov on changes, watching brief						
Further delays to the London Plan adoption and housing target changes.				Watching brief						

<i>Further Changes to National Planning Policy, Permitted Developments</i>										
<i>Housing Target: barrier includes land availability and planning risk (higher density schemes)</i>					<i>Local Plan policies, guidance and site allocations mitigate some risk, ultimately PAC decisions.</i>					
<b>Impact on the customer/end user</b>										
<i>New Local Plan provides greater clarity on growth objectives, housing delivery and decision making on planning apps. (customer = developers / applicants).</i>										
<i>Increasing housing supply offers more housing choice for residents. Supporting businesses through CIL investment benefits the local environment and amenity for residents.</i>										
<b>Partners / interdependencies</b>										
<i>Development Control (Planning) , Planning Inspectorate, Borough Plan Advisory Committee, Design Review Panel, Mayor of London.</i>										
<b>Service Objective 4</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<b>Morden Town Centre Regeneration</b>					Create a great place to grow up and live in					
					Bridge the gap and reduce inequalities					
					Build resilient communities					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
Secure external investment	-	Red	<i>Pending Homes England bid</i>	-	-	-	-	Quarterly	Yes/No	
Delivery of CIL improvement projects	0	Green	150,000	150,000	-	-	-	Annually	Low	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Strategic development framework</i>	<i>Morden masterplan / SDF as part of the new Local Plan</i>						<i>Complete</i>		<i>Complete</i>	
<i>Secure external investment</i>	<i>Funding bids to external agencies to underpin the project delivery (de-risk)</i>						<i>Nov-20</i>		<i>Mar-22</i>	
<i>Procure Development Partner</i>	<i>procurement of a delivery partner with TFL / Defining options for direct delivery and investment by</i>						<i>Apr-21</i>		<i>Jul-22</i>	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
<i>Buy-in to local plan policies and scale of growth</i>					<i>Engagement with residents and cross-party Morden Regen group</i>					
<i>Securing external funding to underpin the project and launch to market</i>					<i>Joint LBM-TFL bids progressing with MHCLG Homes England</i>					
<i>Macro-economic factors affective development industry</i>					<i>Soft market engagement and competitive dialogue with bidders</i>					
<b>Impact on the customer/end user</b>										
<i>Regenerated Morden town centre will add vastly to the borough's housing stock, increase local tax base and provide a better town centre for residents.</i>										
<b>Partners / interdependencies</b>										
<i>Interdependencies: Transport for London, Mayor of London, MHCLG/Homes England. (as well as interal review of business case for LBM to intervene / invest directly to kickstart regeneration.</i>										
<b>Service Objective 5</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<b>Highways maintenance and network co-ordination</b>					Statutory requirement					
					Maintain a clean and safe environment					
<b>Performance Measures</b>										

Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity	
Average number of days taken to repair an out of light street light	1.17 days	Green	3 days	3 days	3 days	3 days	3 days	Quarterly	Low	
Road emergency call outs (% attended to)	100%	Green	98%	98%	98%	98%	98%	Monthly	High	
Carriage way condition - unclassified roads defectiveness condition indicator	83.67%	Green	75%	75%	75%	75%	75%	Annually	High	
Footway condition (% not defective, unclassified road)	83.63%	Green	75%	75%	75%	75%	75%	Annually	High	
Streetworks permitting determined	100%	Green	98%	98%	98%	98%	98%	Monthly	High	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
Project / activity name	Description						Proposed start date		Proposed end date	
Footway & Carriageway Renewal	Capital Programme of planned maintenance						01-Apr-22		01-Apr-23	
Reactive Maintenance	Street inspector and customer feedback - reactive repairs						01-Apr-22		01-Apr-23	
Streetworks Permitting Team restructure	Reorganisation of Permitting and Streetwork Inspectors areas and duties - increased income						Complete		Complete	
<b>Potential barriers to achieving objective</b>										
Description of barrier					Mitigating Actions					
Supply chain issues due to Brexit					Monitoring via FMC monthly contract meetings					
Reductions in funding (DFT / TFL / LBM)					Review of permit fees for utility / construction works					
<b>Impact on the customer/end user</b>										
Highway, Footway maintenance, street lighting and winter maintenance ensures Merton's residents have a safe, well maintained and useable public highway.										
<b>Partners / interdependencies</b>										
FM Conway (Highway Services term contract) Utility Companies and developers permitted to work on LBM Highway. Roll out of FixMyStreet in 2022 will enhance customer journey for reporting road faults.										
<b>Service Objective 6</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<b>TFL Local Implementation Plan, Traffic, Road Safety and Active Travel</b>					Statutory requirement					
					Maintain a clean and safe environment					
					Create a great place to grow up and live in					
<b>Performance Measures</b>										
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity	
Low Traffic Neighbourhoods	Complete	Not Yet Known	5	-	-	-	-	Annually	Low	
School Streets	Complete	Not Yet Known	28	-	-	-	-	Annually	High	
Cycle Hangers	Complete	Not Yet Known	10	-	-	-	-	Annually	Low	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										

<b>Project / activity name</b>		<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
TFL Local Implementation Plan		<a href="https://www.merton.gov.uk/streets-parking-transport/lip3">https://www.merton.gov.uk/streets-parking-transport/lip3</a>					01-Dec-21		01-Mar-23	
Targets all TBC pending TFL funding settlement										
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
TFL suspension and reinstatement of LIP due to Covid places greater pressure on delivery (Dec-April)					id priorities delivered. New LIP pending. CIL and ANPR income as potential supplement to TFL fund					
<b>Impact on the customer/end user</b>										
Road safety improvements, particularly in the vicinity of schools creates a safer healthier environment for all.										
<b>Partners / interdependencies</b>										
TFL, FM Conway.										
<b>Service Objective 7</b>										
<b>Economic Recovery and Business Support</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the</b>					
					Support our most vulnerable residents of all ages					
					Bridge the gap and reduce inequalities					
					Build resilient communities					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
Number of business premises improved	3	Green	10	10	10	0		Annually	High	
High Streets Task Group and Recovery Plan	-	Not Yet Known			-	-		Quarterly	Select	
Employment and Skills Partnership Activity	-	Not Yet Known		-	-	-		Quarterly	High	
Knowledge Exchange Hubs	-	Amber	1	1	0	0		Annually	Low	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
<b>Project / activity name</b>		<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
Authority Monitoring Report		Annual report on Planning Policy, Housing and Economy					Nov-21		Nov-22	
Business Premises Improved		CIL funded programme of parade improvements (CIL allocated to 2023)					Apr-20		Apr-23	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
Housing Target: barrier includes land availability and planning risk (higher density schemes)					Local Plan policies and site allocations mitigate some risk, ultimately PAC decisions.					
Employment and High Streets Recovery - too early to predict due to Covid					Watching Brief and liaison with partners					
<b>Impact on the customer/end user</b>										
Supporting jobs and economic recovery										
Securing LEAP investment via SLP London Councils										
<b>Partners / interdependencies</b>										
London Councils, South London Partnership, Merton Partnership, BIDs, Chamber of Commerce, GLA, MHCLG, Scrutiny Task Group, Job Centre+										

### People

The team's staffing compliment is relatively stable reflecting the long-term nature of some of the team's projects. The team have adopted flexible working for both field workers (Highways) and office workers (now working at home). A phased return to the office in some format will need to be planned as some aspects of project collaboration, design functions and inter-team support with Development Control is better conducted in a face-to-face environment rather than 100% digital/remote. The team is likely to be under greater pressure to deliver homes and focus on greater design quality in planning applications. This requires more skills in Traffic Engineering, Transport Planning, Plan Making, Policy Development and Architecture and Urban Design that could be sourced in partnership with GLA Public Practice and funded through enhancements in the PreApp and PPA fee structures with Development Control. Major projects such as Morden Regeneration have been supported with existing staff respaces in the Local Plan team. As Morden Regeneration goes live, it will need a dedicated team and resource (business case to be developed).

### Technology

Future Merton is a tech-savvy team with Mobile Working (Mayrise) embedded in Highways and recent improvements to software such as AutoCAD upgrades and Adobe Creative Cloud supporting greater design output for the team. There is a need for some laptop spec's to be improved to account for the increasing demand of these systems. The team regularly engages residents through consultations on Local Plan, Highways and Traffic schemes. Particularly in Traffic, the process is laborious, too email/letter based and we wish to explore systems that can fully digitise this element of our work. Systems exist such as Commonplace / SurveyMonkey/YourShout/Iceni type interfaces that are more engaging and provide stronger data analytics in the background. The Local Plan team also process a large number of data sets are port into the GLA on housing delivery. As 'Big-Data' across Planning in London grows, we may need support to allow/embed new web-based systems such as ViCity. With more people working at home, emails and attachments are increasing and fills up laptop memory quicker. Increase in OneDrive storage capacity has been welcomed.

### Service improvement

For continuous improvement, the service would like to move forward in digitising how we engage/consult our residents on projects. Local Plan / Traffic / Regeneration schemes will require higher profile and more engaging web-presence. We'd also like to set up fully digitised online consultation process and portals for Traffic Schemes to minimise the amount of phone/letter/email/Member Enquiry/Complaints we receive. Member Enquiries are increasing as a result of residents and members engaging more digitally and via social media. Customer expectation on speed of response is misaligned with service standards and capacity to handle enquiries. Looking to 2022-3 it is anticipated that the outcome of YourMerton and post-pandemic recovery will centre on FutureMerton for delivery against Housing, Economy, High Streets, Public Realm, Climate Change and Traffic issues. Exact deliverables and projects remain TBC following the YourMerton engagement work.





# Service Plan for : Leisure & Culture Development Team

Service Manager:	Francis McParland	Cabinet Member:	Councillor Brenda Fraser: Cabinet Member for Culture, Leisure and Skills.
Peer review date:		Name of peer:	
Date created:	24-Nov-21	Date of next review:	

## Overview of the service

*Provide a brief overview of your service and the outcomes it seeks to provide for residents/service users, including any statutory duties that impacts on this*

### Main Activities:

The Leisure and Culture Team work to build and manage infrastructure and work in partnership with Service Providers to ensure that people can engage in healthy living and lifestyle changes through participation in sports, arts, cultural and physical activities and events. We lead and work with partners to increase the number, scope and quality of facilities, programmes, activities and events on offer.

### Main Objectives:

- To develop long term action plans for the delivery of the Wimbledon Park Master Plan
- To manage the Leisure Centres Contract; Wimbledon Theatre Lease; Strategic Arts Grants including Polka Theatre
- To deliver core service functionalities including operation of Watersports Centre with its Statutory Duty under the Outdoor Adventure and Licensing Act
- To deliver core service functionalities including the operation of Morden Assembly Hall
- To implement actions arising from the Your Merton engagement exercise
- To oversee events and ensure they are both safe and successful. To Manage Mertons annual Firework event and to contribute to any Commemorative and Celebratory Events

### Outcomes for residents / service users:

- Opportunities for improved physical and mental health and well-being
- Contributing to creating a great place in which to grow up and live
- Working to bridge the health and participation gap and reduce inequalities

## Merton's ambitions

*It is important that the activity in your service plan has a clear link to helping achieve the council's overall ambitions. Please consider these ambitions when developing your plan and ensure that activity and projects are matched against them:*

- Support our most vulnerable residents of all ages
- Support the Climate Change Strategy
- Create a great place to grow up and live in
- Support the Your Merton ambition of Maximising Greenspace Assets
- Support Strategies such as the Health and Wellbeing and Equalities Strategy
- Continuously improve

## What do we need to do?

In developing your plan it is important to understand the wider context in which the service and the council operates. Please refer to Merton Data as a tool to help you understand the present and future demands on your service and the views and needs of its customers. This should be combined with local intelligence held by your service.

[Merton Data](#)

[The Merton Story](#)

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p><b>Your Merton</b> We have learnt that the Environment and green spaces are more valued than ever. A place based vision must have people and communities at heart. We also learned that a healthy place can provide the physical and social conditions for all people to thrive. <b>Participation in Sport</b> The Sport England Active Survey 2017/8 shows that in Merton 40.3% of people 16+ participate in sport at least once a day, this compares favourably with London at 37.8% and England at 36.1%. The gender split in Merton is 42.6% male and 34.6% female.</p> <p><b>Physical Activity</b> Active Residents in Merton: 58.7% - compared to London average: 57.8% and England average: 57%. Inactive Residents in Merton: 28% - compared to London average: 28.1% and England average: 28.7%.</p> <p><b>Sports Provision</b> 84% of sports facilities in Merton are publicly accessible compared with London average: 57.6% and England average: 62.1%. Of this in Merton, 38% of sports facilities are owned by the authority.</p> <p><b>The Annual Residents Survey</b> shows that: 70.2% of Merton residents are very / fairly satisfied with the local sports provision 66.1% of adults want to do more sport 41.8% of active adults want to do more sport. 27.8% of inactive adults want to do more sport.</p>	<p>Merton Statistics (The Borough Preferred Option (BPO) population projections are calculated using the Merton housing trajectory): Merton has a current population of with a current population in 2021 of 204,676, projected to increase to 210,416 in 2026 and 221,303 in 2036 (BPO projections dated March 2021) Over the next 15 years it is projected that the number of residents aged over 65 across Merton is projected to increase by a minimum of 43%. The population aged 85 and over is projected to increase by an even greater proportion, 52%. In 2020 the proportion of the Merton population from a Black, Asian &amp; Minority Ethnic (BAME) background 36.9% compared to a London Average of 43.5%. The employment rate for Merton residents aged 16-64 is 81% compared to a London Average of 75.5% and an England average of 76.5%. The proportion of the Merton population with a registered disability is 11.7% (source Merton Hub) compared to a London Average of 17.2% and an England average of 21%. Self-reported health: The proportion of people in Merton who say their health is fair to very good is 96.1% compared to a London Average of 95% and an England average of 94.5%.</p>	<p>The only current statutory obligation is to run the Watersports centre under the Outdoor Activity and Licencing Act.  Our services have been greatly affected by the Covid-19 pandemic and the varying Government Guidelines published at different stages of the pandemic. Our services and Leisure Service Providers have responded well to the imposed changes to ways of operating. This has been reflected in the customer confidence in using our facilities with attendance increasing week on week.  Our Leisure Service Providers, GLL, are now recovering well and we will hopefully move to a pre-covid position contractually.  Theatres were also heavily affected by the pandemic, we supported them throughout and supported them with Grants and joint Communications.  Our Leisure and Culture provision has a vital role to play in tackling rising levels of obesity, inactivity and mental health issues.</p>	<p>We constantly review our services to ensure we are improving and meeting the council's strategic targets.  The core staff team are responsible for strategic planning; major leisure projects; client-side management, performance monitoring; understanding public needs; contracting; commissioning; service agreements; compliance with public duties; generating income and reducing expenditure.  Covid-19 had a huge impact on the services we provide. All services had to close during lockdown and this has had a significant impact on income. All with the exception of Morden Assembly Hall (MAH) are now operating and recovering the business position. MAH is being used as a Covid-19 Vaccination Centre at least until the end of this Financial year. Theatres are now open and business is good. Business Continuity and Business Recovery plans are updated regularly and we and our contractors (GLL) are able to react to changing scenarios very quickly, including close-down if required.  We will continue to work flexibly, including working from home, using technology wherever possible. We focus on resident and customer needs, whilst driving down costs at the same time as generating as much income as possible.  We will be increasing our partnership working with Service Providers and other stakeholders,</p>

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p><b>Provision of a Universal Service:</b> We focus on two distinct strands of delivery:</p> <ul style="list-style-type: none"> <li>• Commercial strand – Extending beyond the borough boundaries in the north and west. Expanding the range and number of our business partners, culture, leisure and sports providers providing products and services to generate surpluses including at the Watersports Centre where we are looking to generate income from both Merton and surrounding boroughs for anybody eligible to come along. COVID-19 adaptations will be reviewed on an on-going basis. We will continue to attract appropriate commercial events to the borough.</li> <li>• Community strand – Working to attract inward investment, external funding and then commissioning services to provide culture, leisure and sport benefits.</li> </ul>	<p>Health outcomes for people in Merton are generally better than those in London and largely in line with or above the rest of England.</p> <p>The predicted increased population will put considerable pressure on the borough's leisure and cultural facilities, playing pitches and open spaces as well as the community needs, facility types and provisions changing with the times / fads.</p> <p>To support the new Local Plan, the council commissioned studies to assess the quantity, quality, accessibility and availability of indoor and outdoor sports facilities in Merton. The Merton Playing Pitch Strategy (PPS) was adopted in October 2019 and the Merton Indoor Sports Facility Study (ISFS) was published in February 2020. These documents provide a strategic assessment and an up to date analysis of supply and demand for grass and artificial playing pitches and indoor sports facilities in the borough. They were carried out in line with Sport England's published guidance and in conjunction with a number of national sports governing bodies. The PPS identifies that Merton has significantly higher levels of "Active" participation compared with Outer London and England (Sport England Active Lives Survey) and playing pitches are generally well used throughout the borough. The value of participation in sport and physical activity is significant, and its contribution to the health, wellbeing and quality of life of residents should not be</p>		<p>strengthening partnerships that already exist and creating new ones to maximise the impacts and outcomes for our residents and customers, ensuring that they get the best access possible through professional and efficient interactions with all staff that represent and are responsible for our service delivery.</p> <p>The Watersports Centre will continue to work with our partners to offer much more tailored products, programmes and courses, generate income and still engage directly with our clients through social media. We will continue to bring in commercial events where appropriate and will work more closely with Friends Groups to gain buy-in, particularly with events.</p>

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
	<p>under estimated. The PPS also notes that residents will travel across and into neighbouring boroughs to access sports facilities. The PPS recommends that playing pitches are protected in the borough, to ensure there remains sufficient sports provision for the population.</p>		

Where are we now?		
Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Develop plans for the delivery of the Wimbledon Park Master Plan	Work has concentrated on Flood Risk and will continue to do so in 2022. We will work with adjacent landowners and Friends Groups, so that the whole park can be developed in partnership. The work will be ongoing.	Carry forward
Manage Events	we will ensure any event applications are scrutinised for safety and passed to the SAG if necessary. We will bring appropriate commercial events to the borough and work with partners to put on the annual fireworks event.	Carry forward
Manage the Leisure Centres Contract; Wimbledon Theatre Lease; Polka and Attic Theatre's Grants	<p>Leisure Centres Contract - centres performing well since re-opening, particularly Morden Leisure Centre. We will continue to support GLL and work toward getting back to contract position position in 2022</p> <p>Polka Theatre reopening in Autumn 2021 went very well and will will work to support the Theatre</p> <p>New Wimbledon Theatre -We will support the Mayor's Office across other events where possible.</p> <p>Attic Theatre - another successful year bringing in significant match funding to deliver works across the borough, primarily in the east of the borough.</p>	Carry forward
LTA Funding	we will work with the LTA to produce a funding bid for tennis court improvements across the borough	Carry forward
Deliver core service functionalities including operation of Watersports Centre, Morden Assembly Hall	Watersports Centre has delivered a very good year and has done so in a Covid secure way. Morden Assembly Hall has been used at a vaccination centre and will continue to do so until April 2022. We will access the viability of MAH in 2022	Carry forward

### How will we get there?

Try to limit this to no more than around 5-7 key objectives. This section should be reviewed if there are any significant changes in direction during the year. Changes can be noted along with the reasons for and implications of the change. When you review this, look for opportunities, insights, or risks that have emerged.

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
Manage the Leisure Management Contract for the borough's three leisure centres	Create a great place to grow up and live in

Performance Measures									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2023/24 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
14 - 25 year old fitness participation at leisure centres	84,975	Not Yet Known	86,675	89,275	91,954	95,632		Monthly	High
Total number of users of Merton's Leisure Centres	1,029,183	Not Yet Known	850,000	892,500	937,125	937,125		Monthly	High

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

Project / activity name	Description	Proposed start date	Proposed end date
Facilities Fit for purpose	Capital investment made in the infrastructure of the building and plant	01-Apr-22	Ongoing
Financial Management	Monitor the financial performance with a view to the operators getting back to BAU	01-Apr-22	Ongoing
Users / Targeted Interventions	Local people access the facilities included some targeted interventions where this is required	01-Apr-22	Ongoing

**Potential barriers to achieving objective**

Description of barrier	Mitigating Actions
Finances	look to return to contractual arrangements ASAP.
Users expectations versus possibilities	Understand users expectations and ensure that where possible and appropriate these can be met
Lack of facilities at times users might want	Review programming to see if changes can be made

**Impact on the customer/end user**

Customers may not always get the outcome they would wish for as it might not be appropriate for some of the other users and/or the business

**Partners / interdependencies**

Operators and other agencies working to deliver their service outcomes through our Leisure Centres e.g. schools for school swimming lessons; public health for health and well-being programmes. GLL will look to work with Parks to run open air classes.

<b>Service Objective 2</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
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Deliver a range of water sports activities and outdoor educational events in accordance with the Outdoor Adventure and Licensing Act and operate the Morden Assembly for financial and	Create a great place to grow up and live in Statutory requirement
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Performance Measures									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2023/24 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Income from Watersports Centre (£)	404,949	Green	385,000	385,000	385,000	385,000		Monthly	High

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

Project / activity name	Description	Proposed start date	Proposed end date
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Staffing	Recruit temporary contract staff and refresh the casual staff pool					Oct-21	Feb-21		
Programmes & Products	Establish products and programmes for the new season					Oct-21	Jan-21		
Equipment & resources	Procure new & repair existing equipment & resources for the new season					Oct-21	Mar-21		
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
Insufficient qualified staff applying to work					Recruit as highly qualified as possible and mentor or consider increasing pay to get qualified staff				
Programmes & products do not sell well					Review programmes and products and redevelop into more saleable services / products				
Delay in equipment arriving to site					Adjust programmes and products on offer so services can be run with existing equipment. Chase supplier for delivery.				
<b>Impact on the customer/end user</b>									
The service will continue to be provided at an appropriate cost and quality.									
<b>Partners / interdependencies</b>									
Human Resources - for recruitment of staff and finance for signing off budget and resources. Procurement - purchasing of equipment and goods. IT - for the CRM support for putting all the products on the CRM system and making sure it works efficiently and effectively throughout the year.									
<b>Service Objective 3</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
Develop solutions and implement plans to mitigate flood risk at Wimbledon Park Lake				Statutory requirement					
				Maintain a clean and safe environment					
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2023/24 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
<b>Projects / key activities to support the objective</b> <i>(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</i>									
<b>Project / activity name</b>	<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
Planning Approval	Develop compliant, affordable design within budget that gains a planning approval					Nov-20		Jun-21	
Build Solution before Jan 2022	Statutory Duty is that this Reservoir Safety compliance must be in place by 31 Jan 2022					Jun-21		Feb-22	
Deliver in Budget	Capital investment made in the infrastructure of the building and plant					Mar-18		Feb-23	
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
Scope creep by project team as opportunities arise that are originally out of scope					Opportunities register established as well as a Potential Issues register so that what is in and out of scope is clearly documented and understood.				
Objections at planning stage making planning approval more difficult to achieve or costly					Taking account of risk, opportunities and potential issues register; consulting with planning and all advisors as well as key stakeholders once initial design is in place				
Competing factors that delay timetable for build out - planning, weather, ecological, etc.					Planning to develop a design that can be built out in stages so that the building works can commence as early as possible allowing the greatest possible time for the build and to overcome any issues that might arise				
<b>Impact on the customer/end user</b>									
This flood attenuation scheme seeks to retain water in the lake and the park, rather than causing risk to flooding and risks to life and structures downstream of the lake. The benefits would be to those users downstream in the event of a flooding incident.									

<b>Partners / interdependencies</b>										
This project has a council-wide officer group with representatives from Finance, Legal, Planning, Procurement, Greenspaces, Future Merton, Insurance, etc. The Future Merton team's Flood Management Officers are jointly leading on this project with all the technical expertise. External partners are also engaged from landowners, Thames Water, Environment Agency, Historic England, LB Wandsworth, etc.										
<b>Service Objective 4</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
Manage the Wimbledon Theatre Lease; Polka and Attic Theatre's Grants; Commission culture, arts and sports services where funding allows or with external funding				Create a great place to grow up and live in						
				Bridge the gap and reduce inequalities						
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2023/24 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
Total number of users of Polka Theatre	21,624	Green	22,500	23,000	23,500	24,000		Quarterly	High	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
Receive and agree annual plans	Monitoring meeting to review and discuss						Apr-22		Jun-22	
Monitoring and payment of funds	Monitoring meeting to review and discuss followed by processes to pay funds						Apr-22		Mar-22	
Receipt of reports	Monitoring meeting to review and discuss followed by processes to pay funds						Jun-22		Apr-22	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
Timeliness from both parties					Set dates and timelines early in the year					
<b>Impact on the customer/end user</b>										
The customer will benefit from our partnership working.										
<b>Partners / interdependencies</b>										
Property Team are involved in the Wimbledon Theatre Lease. Other departments including CSF and C&H are able to offer benefits to some of their clientele through these arrangements and partnerships that this team works with.										
<b>Service Objective 5</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>						
Refresh the Arts Grants system, ensuring Elected Members are in charge of the Grant process				Create a great place to grow up and live in						
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/24 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
ensure a new process is developed		Not Yet Known	complete process	review process	review process	review process				
ensure grant money is distributed		Not Yet Known	distribute grants	all grants distributed	all grants distributed	all grants distributed				
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	



Ensure Grant team is in place	Establish meetings and process									Feb-22	
<b>Potential barriers to achieving objective</b>											
<i>Description of barrier</i>						<i>Mitigating Actions</i>					
Not a priority to other key people						Seek alternative solutions or address the priority levels					
No finances available						Seek alternative funding or scope activities to fit within available funds					
<b>Impact on the customer/end user</b>											
giving out a range of grants will enable a diverse amount of activities in all areas of the borough											
<b>Partners / interdependencies</b>											
Council departments and teams are called on to support activities where necessary. Particularly the Mayor's Office and often Highways, Waste Services and Parking Services, etc.											
<b>Service Objective 6</b>						<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
Develop plans for the delivery of the Wimbledon Park Master Plan						Create a great place to grow up and live in					
<b>Performance Measures</b>											
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2023/24 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>		
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>											
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>			<b>Proposed end date</b>	
Action Plan	Create action plan, prioritise and consult and finalise for approval						Jun-21			Dec-21	
Financial Plan	Create financial plan with proposed funding sources and timescales for applications						Dec-21			Mar-22	
<b>Potential barriers to achieving objective</b>											
<i>Description of barrier</i>						<i>Mitigating Actions</i>					
Competing demands and priorities						Ensure everybody is able to express their response and ensure they understand how priorities and demands will be ranked from the outset. The Master Plan is already agreed and in place to set that					
Finances not readily forthcoming from potential sources						Refresh the priorities to align with available funding and seek out funding specifically for the early priorities ensuring a planned and phased approach to implementation.					
<b>Impact on the customer/end user</b>											
Some customers and users will welcome the changes and delivery of the Master Plan, whilst others will not want the changes - all views will need to be fully considered in the process.											
<b>Partners / interdependencies</b>											
Customer Contact Centre and the Communications Team will be key in the consultation phases. The Greenspaces Team as the responsible team for the wider park and all that is delivered within the park, except for the Watersports Centre. The Watersports Centre staff. Wider external partners and neighbouring land owners.											

### People

The Public Space Division is undergoing a transformational change across all areas and will be underpinned by a divisional restructure. We will regularly review Smarter working to ensure services are not hampered in any way.

We will build greater resilience and flexibility in the service, along with identifying any skills gaps which may be identified and relevant training and development support provided to staff and teams where appropriate. Both in house (where possible) and external training accessed (where required).

HR support required for:

- Recruitment, annual 8 month contracts etc.
- Trent paying casual staff
- Annual pay uplift and correct formula in pay claim forms for casual staff
- New staff to receive sufficient training and support for council specific courses and support for non-council training where identified for the needs of the business or employee

Facilities support and partnership working will be required for:

- The building needs e.g. weekly water testing, utilities issues, building/capital improvements across our portfolio
- Training for all staff for NGB qualifications to do their jobs and other identified needs e.g. from health and safety audits/inspections such as fire, legionella courses etc.

Finance and Procurement support required for and including project management tools:

- Procurement and access for project docs. outside the organisation

Finance support require for:

- Using E5 and other financial processes

### Technology

We will work with IT to ensure the CRM system is compatible with Watersport booking. We will also explore Artifax to see if this is a preferred solution.

Smarter working is now a feature of working for London Borough of Merton. While much has been done to ensure IT accessibility for staff, if members of the Leisure and Culture Team will work remotely and also meet in the Civic Centre when appropriate.

Training on the full capabilities of the current systems and any new systems will be required to ensure the efficacy of the Team.

IT support required for:

- CRM system - malfunctions such as over booking, age checking etc.
- CRM system - duplication of course information to speed up creating new courses
- Working laptops for all full time staff and any other contracted staff as identified. Wifi for Watersport Centre to allow for easier access to systems.
- Access to and training on council systems such as E5, procurement protocols, SharePoint, ATS recruitment, DBS, etc.
- Support for staff working from home or non- council buildings

### Service improvement

Service improvement will come from first of all the restructure. The restructure will provide a business and development function which will aid in customer service, reporting, documenting and project management functions which will increase efficiency and efficacy of the service. Use of Business intelligence and development of team Project Management skills will enable the service to improve.

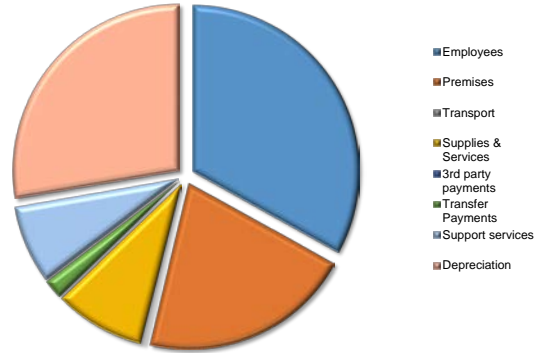
**Financial Summary - Leisure & Culture**

Covid-19 severely impacted the section's budgeted income expectations, particularly Morden Assembly Hall, the Watersports Centre and the guaranteed income from leisure centres. The new variant is a cause for concern and could impact on income recovery in the last quarter of the financial year. No significant changes currently built into the MTFS.

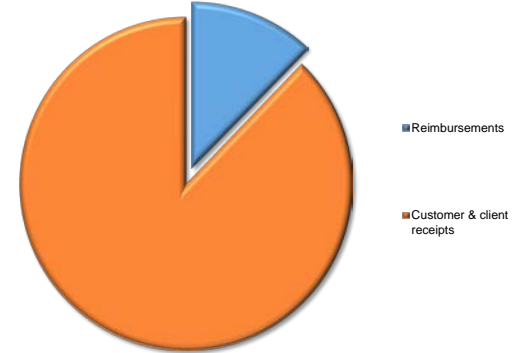
**DEPARTMENTAL BUDGET AND RESOURCES**

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	<b>2,076</b>	<b>1,672</b>	<b>2,155</b>	<b>(214)</b>	<b>2,222</b>	<b>2,234</b>	<b>2,245</b>	<b>2,257</b>
Employees	716	459	728	(112)	735	738	740	742
Premises	442	197	448	(68)	459	466	472	479
Transport	5	3	5	(1)	5	5	5	5
Supplies & Services	188	203	191	(32)	196	199	201	204
3rd party payments	0	0	0	(1)	0	-	-	-
Transfer Payments	0	0	0	0	42	42	42	42
Support services	170	194	167	0	169	169	169	169
Depreciation	555	616	616	0	616	616	616	616
<b>Revenue £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>	<b>1,439</b>	<b>185</b>	<b>1,439</b>	<b>493</b>	<b>1,439</b>	<b>1,439</b>	<b>1,439</b>	<b>1,439</b>
Government grants	0	0	0	0	0	0	0	0
Reimbursements	176	68	176	(101)	176	176	176	176
Customer & client receipts	1,263	117	1,263	594	1,263	1,263	1,263	1,263
Recharges								
Reserves								
Capital Funded								
<b>Council Funded Net Budget</b>	<b>637</b>	<b>1,487</b>	<b>716</b>	<b>279</b>	<b>783</b>	<b>795</b>	<b>806</b>	<b>818</b>
<b>Capital Budget £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
Wimbledon Park		159	1,178	0	204	0	0	500
Morden Leisure Centre		417	426	0	250	250	250	250
Other		0	0	0	0	0	0	0
	<b>0</b>	<b>576</b>	<b>1,604</b>	<b>0</b>	<b>454</b>	<b>250</b>	<b>250</b>	<b>750</b>

2022/23 Expenditure



2022/23 Income



**Summary of major budget etc. changes**

	2022/23	2023/24	2024/25	2025/26
No significant changes.				
No significant changes.				
No significant changes.				

	2022/23	2023/24	2024/25	2025/26
No significant changes.				
No significant changes.				

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# Service Plan: Parking

Service Manager:	<i>Ben Stephens</i>	Cabinet Member:	<i>Cllr Lanning</i>
Peer review date:		Name of peer:	
Date created:	<i>7th December 2020</i>	Date of next review:	

## Overview of the service

*Provide a brief overview of your service and the outcomes it seeks to provide for residents/service users, including any statutory duties that impacts on this*

### The section is responsible for:

- Implementing and manage a parking and permit charging structure that meets policy objectives. To ensure all parking facilities including 14 car parks within the borough along with the management of 400+ P&D machines, and payment solutions are working well and are easy to use by our customer. To manage cash collections and reconciliation and the management of cashless parking and IT systems to deliver the charging structure (Service objective 2).
- Enforce parking regulations across the borough including Controlled Parking Zones and bus lanes and moving traffic contraventions. and school street (Service objective 3).
- Management of all appeals to Parking Charge Notices (PCN)s issued and the processing of all Parking Permits including responsibility policies and processes to deliver the service (Service objective 3).

### Desired outcomes and objectives

- Effective management and monitoring of an Emission Based Charging structure to contribute to key council objectives such as Public Health, Air Quality, Mayor's Transport Strategy and the Local Implementation Plan. To provide parking facilities and payment solutions which are working well and are easy to use by our customers (Service objective 2).
- To have an effective enforce policy and practices to manage the boroughs parking and moving traffic contraventions, through the use of Civil Enforcement Officer and ANPR, contributing to improve road safety and contributing to the traffic management objectives of the council (Service objective 3).
- To provide an excellent customer service in the management of Permit processing, PCN appeals and associated email and phone communications (Service objective 4).

## Merton's ambitions

*It is important that the activity in your service plan has a clear link to helping achieve the council's overall ambitions. Please consider these ambitions when developing your plan and ensure that activity and projects are matched against them:*

- Support our most vulnerable residents of all ages
- Maintain a clean and safe environment
- Create a great place to grow up and live in
  - Build resilient communities
- Bridge the gap and reduce inequalities
- Continuously improve

## What do we need to do?

*In developing your plan it is important to understand the wider context in which the service and the council operates. Please refer to Merton Data as a tool to help you understand*

Merton Data		The Merton Story	
Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p>The service has a high number of transactions and interactions with customers and service users, with feedback and comments feeding into future processes. Circa 150,000 PCNs are issued, CEO commute with thousands more on a day to day basis, 40,000 post PCN communications (appeals) are received where customers often offer opinion or feedback on the service. A new permit system was recently introduced and issues raised during that period will feed into future improvements.</p>	<p>Merton has a population of 211,787. By 2030 the population is predicted to be 224,502 with car use continuing to increase.</p> <p>Changes in charges will have a direct effect on customer/driver behaviour, and effect will be monitored and action taken to address poor Air Quality, Climate Change and public Health and data and intelligence comes from these and transport related areas.</p> <p>Covid has had a large effect on the service, with reduced car parking, but high number of PCNs being issued. ANPR also has a downward effect. Forward projections remain under review.</p> <p>Parking is part of a wider traffic management agenda as set out in the LIP 3. Parking Trend data including Permit sales will feed into the ambitions of the LIP 3 agenda.</p>	<p>Parking Enforcement and associated appeal process is regulated under the Traffic Management Act 2004. Bus Lane Enforcement and the associated appeal process is regulated under the London Local Authorities Act 1996 (as amended by the 2000 Act) Moving Traffic Enforcement and the associated appeals process is regulated under the London Local Authorities and Transport for London Act (2003). The Government's green agenda may have effect on a local level. TfL funding for School Streets and associated sustainable transport policy may effect service provision.</p>	<p>With the growing financial pressures placed on Local Authorities the one thing that will remain constant will be the need to change. We will need to look across all services and identify new initiative ways of working and redesign services with the residents at the heart of the design process. This can be achieved through our vision and values in which we will build with our residents and partners, a sustainable community, dynamically positioning the directorate within the different communities to understand their needs and support them from an informed position. A greater sense of inclusiveness and belonging, building a larger cohort of engaged employees and residents.</p> <p>Engaging and energising local communities will be indispensable when it comes to developing a sense of ownership in local decision-making and service delivery. Standards will have been maintained / improved through peer pressure and engagement from residents rather than through micro management of functions provided by the authority.</p> <p>In order to achieve our vision, our relationship with our residents and partners will be tested. We currently operate within a parent child relationship with our residents in which the authority takes the lead role in providing all required services. Moving forward this relationship will change. Residents engage with what they feel part of and value what they help to build. We have a proven track record of implementing change at a strategic level and at a structural level (organisational) including process/operational change.</p> <p>The challenge now for the team will be to understand the impact at a cultural level (personal change) we have historically focused on supporting individuals through the change</p>

process and outplacement support when people have been required to leave the organisation. Moving forward we all have choices and for those that select to be part of this journey need to understand the challenges that we face and the high expectations required at both a team and individual level. As the directorate continues to shrink our human resource become a high valuable asset to manage. We will need to move away from a command and control style of management and structures and move towards a transformational style of leadership that empowers proactive teams.

Where are we now?		
Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Implement new Parking Charges Notice (PCN) system	Delivered.	Close
Implement new Permit system	Delivered.	Close
Implement new parking charges	Delivered.	Close
Review diesel levy and consult on emission based charging	<p>The Council is will no longer proceed with the scheme because it is recognised that many residents are, and will continue, to suffer economically as a result of the COVID-19 pandemic and other cost of living increases more generally. Travel patterns which shifted during the pandemic – including a reluctance to return to public transport – have continued longer than anticipated, with uncertainty as to when or whether they will return. Moreover, Merton has already observed a significant shift to cleaner, greener vehicles during the time emissions-based charging has been considered, potentially linked to London-wide policies such as the ULEZ charge, and borough initiatives implemented in Merton, including low traffic neighbourhoods and school safety zones, as well as the Air Quality Action Plan. The provision of new P&amp;D machines is currently being reviewed.</p>	Closed

**How will we get there?**

*Try to limit this to no more than around 5-7 key objectives. This section should be reviewed if there are any significant changes in direction during the year. Changes can be noted along with the reasons for and implications of the change. When you review this, look for opportunities, insights, or risks that have emerged.*

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<b>Performance Measures</b>	Continuously improve

<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
% of Permits applied/processed online	97.00%	Green	80%	98%	98%	99%		Monthly	High
% of PCN Appeals received online	82.33%	Green	65%	83%	84%	86%		Monthly	High
Blue Badge Inspections (cumulative annual figure)	0	Red	120	140	160	180		Monthly	High
Total cashless usage against cash payments at machines.	72.42%	Green	70%	75%	77%	80%		Monthly	High
Percentage of cases 'heard ' and won at ETA	78.50%	Green	75%	79%	80%	81%		Quarterly	High
Sickness - No. days per FTE (12 month rolling average).	19.48	Red	8	8	8	8		Monthly	Low

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>	<b>Proposed end date</b>
<i>Project / activity 1</i>	% of Permits applied/processed online -To continue to provide and offer service that make the online option easy and convenient to customers. To work with software suppliers ensuring latest technologies are in place. To offer assistance support and access to technologies through customer contact and access through libraries and other outlets.	2020	ongoing
<i>Project / activity 2</i>	% of PCN Appeals received online -To continue to provide and offer service that make the online option easy and convenient to customers. To work with software suppliers ensuring latest technologies are in place. To offer assistance support and access to technologies through customer contact and access through libraries and other outlets.	2020	ongoing
<i>Project / activity 3</i>	Blue Badge Inspections (cumulative annual figure) - To continue with customer engagement on street by CEO checking badges being used. To take legal action against individuals misusing badges and take other actions to reduce misuse through signs and social media.	2020	ongoing
<i>Project / activity 4</i>	Percentage of cases 'heard ' and won at ETA - Continue to monitor outcomes and reasons for decisions made by adjudicators. To feed results back into the PCN issue and appeal process.	2021	ongoing

<b>Potential barriers to achieving objective</b>	
<b>Description of barrier</b>	<b>Mitigating Actions</b>



% of Permits applied/processed online -(Project / activity 1)				To work with software suppliers ensuring latest technologies are in place. To offer assistance support and access to technologies through customer contact and access through libraries and other outlets.					
% of PCN Appeals received online - (Project / activity 2)				As above					
<b>Impact on the customer/end user</b>									
<i>Please highlight the anticipated impact on the customer/end user of carrying out the activity in your service plan.</i>									
<b>Partners / interdependencies</b>									
<i>Highlight any interdependencies where other council services or partner organisations are linked to the delivery of this objective. If referring to another council service, please include the name of the team and department.</i>									
<b>Service Objective 2</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<b>To contribute to key council objectives such as Public Health, Air Quality, Mayor's</b>				Statutory requirement					
				Create a great place to grow up and live in					
				Maintain a clean and safe environment					
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
n/a									
<b>Projects / key activities to support the objective</b> <i>(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</i>									
<b>Project / activity name</b>		<b>Description</b>				<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Project / activity 1</i>		expansion of school street programmes to prevent unnecessary vehicular traffic in these areas at the start and end of the school day, reducing vehicle emission levels and improving road safety for residents and school children at these locations				<i>Nov-20</i>		<i>Ongoing</i>	
<i>Project / activity 2</i>		Low Traffic Neighbourhoods - Introduction of restricted routes at key locations to prevent road				<i>Nov-20</i>		<i>Ongoing</i>	
<i>Project / activity 3</i>		Anti-Idling - CEOs have received training on 'light touch' engagement with members of the				<i>Mar-21</i>		<i>Ongoing</i>	
<i>Project / activity 4</i>		Parking Sensors - being installed in a number of key locations and Blue Badge Bays to monitor activity and use				<i>Nov-20</i>		<i>Mar-22</i>	
<i>Project / activity 5</i>		Veracity Cameras - ANPR cameras that monitor traffic and monitor emissions to provide clearer assessments of emission levels				<i>Sep-21</i>		<i>Ongoing</i>	
<b>Potential barriers to achieving objective</b>									
<b>Description of barrier</b>					<b>Mitigating Actions</b>				
<i>School Streets - exemptions and schools unhappy with processes for them to add exempt vehicles</i>					<i>How to guide drafted and to be issued to all schools with follow up.</i>				
<i>Anti-Idling - Regulations to enforce currently limited.</i>					<i>Lobby government for more powers (via Air Quality team).</i>				
<i>Anti-Idling - Resources to enforce.</i>					<i>Review funding/grants from TfL</i>				



<b>Projects / key activities to support the objective</b> ( <i>provide a brief description of any projects / key pieces of work that will enable you to meet the objective</i> )			
<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>	<b>Proposed end date</b>
<i>Project / activity 1</i>	To continue to improve services to meet and deliver on customer expectations.	<i>2021</i>	<i>2022</i>
<i>Project / activity 2</i>	Review current levels of satisfaction and undertake a structured assessment of themes and issuing arising, taking corrective action were possible.	<i>2021</i>	<i>2022</i>
<i>Project / activity 3</i>	To engage with customer, service users and stakeholders in developing technologies and solutions including additional online services, to make services and information more accessible and meet the needs of customers.	<i>2021</i>	<i>2022</i>
<i>Project / activity 4</i>	Develop a framework Equalities engagement.	<i>2021</i>	<i>2022</i>
<i>Project / activity 5</i>	PCN, Permits, technologies are required to provide an effective service. Recent upgrades and new systems have been implemented and the service will aim to develop these further to meet the customer expectations.	<i>2021</i>	<i>2022</i>
<i>Project / activity 6</i>	Review of Parking Policies to ensure service is delivering the requirements of the service and to facilitate customers' requirements.	<i>2021</i>	<i>2022</i>
<b>Potential barriers to achieving objective</b>			
<i>Description of barrier</i>		<i>Mitigating Actions</i>	
<i>Statutory/regulated process</i>		<i>To innovate within existing regulation.</i>	
<b>Impact on the customer/end user</b>			
<i>Improved customer experience.</i>			
<b>Partners / interdependencies</b>			
<i>Air Quality Team, Public Health, Future Merton (Transport).</i>			

### People

1. Home working is fully functional. Potential increase in workload during 2021/22 (School Streets) may result in additional staff to process cases and deal with PCN appeals. (data shows there has been a 100% projected increase in the number of representations and appeals in relation to the School Street Schemes. Action is being taken to increase resources and manage the workload)
2. Ensuring access to training, coaching and mentoring to further develop staff skills in project management, management of grant funding, developing partnership strategies and action plans to deliver new projects.
3. Staff learning and development plans will consider areas for improving the use of IT platforms such as teams, zoom and other platforms that enable collaborative working, interactive community engagement and consultation.

### Technology

1. Increased use of ANPR tech to enforce school streets
2. New Body Worn Video to be implemented which will support H&S requirements
3. New Radio Solution to be purchased and implemented for H&S
4. Develop the use of GIS for data analysis.

### Service improvement

1. PCN Appeal process and debt collection. Consider how to improve response time to appeals received, through staff resources and use of IT systems.
2. Develop a policy/process framework to ensure customers have good communication and access to information and services particularly in respect of PCN appeals and Permit enquiries.



# Service Plan for : Parks & Green Spaces

Service Manager: *John Bosley, Assistant Director Publicspace* Cabinet Member: *Councillor Natasha Irons*

## Overview of the service

*Provide a brief overview of your service and the outcomes it seeks to provide for residents/service users, including any statutory duties that impacts on this*

The Parks & Greenspaces service provides outdoor leisure and recreational benefits for residents and visitors of Merton, delivering both health and relaxation opportunities for all, and manages some of the most important landscapes and landscape features that comprise the borough's Public Space.

Areas of service include:

- Maintaining and developing Merton's numerous and diverse parks and open spaces (some 117 separate sites), is a key objective of the division, including the management of sports facilities and pavilions, gardens, children's playgrounds (more than 40), and Merton's cemetery and allotments services.
- The Greenspace portfolio also includes support for, and the production of a varied programme of outdoor events, ranging from community picnics to large commercial events, including music festivals, the annual civic fireworks shows and the Wimbledon (tennis) Championships, amongst others.
- The Parks & Greenspaces team manage more than 50,000 Council-owned trees, including 17,000 street trees, maintains some 1,500 highways verges and several urban nature reserves.
- The team also serves as the managing agent for Mitcham Common (on behalf of the Mitcham Common Conservators) and for Merton and Sutton Joint Cemetery (for the Merton and Sutton Joint Cemetery Board).
- The ground maintenance elements of the service are currently commissioned to Idverde UK Limited under a long-term contract (up to 24 years from 2017) and this contract and the contractor's delivery performance is overseen by the Neighbourhood Client Team in conjunction with the Greenspaces Team, who in addition, have overall responsibility for the strategic deliverables of the service.

## Merton's ambitions

*It is important that the activity in your service plan has a clear link to helping achieve the council's overall ambitions. Please consider these ambitions when developing your plan and ensure that activity and projects are matched against them:*

- Support our most vulnerable residents of all ages
- Maintain a clean and safe environment
- Create a great place to grow up and live in
- Build resilient communities
- Bridge the gap and reduce inequalities
- Continuously improve

## What do we need to do?

*In developing your plan it is important to understand the wider context in which the service and the council operates. Please refer to Merton Data as a tool to help you understand the present and future demands on your service and the views and needs of its customers. This should be combined with local intelligence held by your service.*

[Merton Data](#)

[The Merton Story](#)

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
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<p>The services that comprise the Greenspaces portfolio cover the entire range of potential users and all of the diverse communities of the borough.</p> <p>Recent research carried out in 2021, as part of the <b>Your Merton consultation</b> (source: <a href="https://www.merton.gov.uk/system/files?file=our20merton_execsum20nov2021.pdf">https://www.merton.gov.uk/system/files?file=our20merton_execsum20nov2021.pdf</a>), showed that greenspaces are the asset that residents most liked about their local area (pg4).</p> <p>The value and benefits of the Borough's Parks and Green Spaces in terms of the physical and mental health and well-being of communities and individuals is supported by residents reporting an increased appreciation for their local parks during the pandemic (pg5).</p> <p>It was also noted that resident felt that parks could be used to generate more income for the borough (pg9).</p> <p>Service user feedback and behaviour during this time has raised the high value that residents place on our park facilities such as playgrounds, sports facilities and outdoor gyms.</p>	<p>Merton has a current population of 211,787, with an approximate 50/50 gender split. By 2030 the population is predicted to be 224,502 again with an approximate 50/50 gender split (source: <a href="https://data.merton.gov.uk/population/">https://data.merton.gov.uk/population/</a>).</p> <p>Demand for Greenspaces services is expected to increase with the anticipated rise in the population of the borough.</p> <p>In Merton, overall life expectancy at birth is longer than the England average, but there is a difference between the most and least deprived areas within the borough. In general, the East of the borough is younger, household incomes and economic activity are lower, people are ethnically more diverse and with relatively lower levels of education outcomes than the West.</p> <p>There will be new and rising needs and pressure points across the borough based on the differing demographics with services and facilities required to be tailored to provide benefit the local customers they serve. This is particularly important in the East of the borough where transport access is limited and residents therefore have less chance to travel to access the services and facilities they require.</p> <p>Some of the services that will need to be reviewed are playgrounds provision (children &amp; young people); allotments (currently favoured by older &amp; retired residents, but with the opportunity to promote the health benefits to young people and families); burial plots (some BAME communities).</p>	<p>The experiences of the 2020/21 national lockdowns demonstrated the value of the Greenspaces service to the community. As outdoor services, they were not subject to the same stringent control measures and constraints as many community services were at that time: whereas indoor gyms remained closed for many weeks. Local parks became a focus for health and exercise and were encouraged, including by national government, to be used for such purposes.</p> <p>Parks facilities continue to be run in accordance with relevant guidance, legislation and best practice:</p> <ul style="list-style-type: none"> <li>• Playgrounds and sports facilities are inspected 3 times a week and inspected independently by ROSPA annually.</li> <li>• Pavilions and other buildings are managed on our behalf by Facilities Management who ensure all statutory testing (such as asbestos) is up to date and current</li> </ul>	<p>The Parks &amp; Green Spaces service area is a highly valued and popular community service as demonstrated through recent local surveys, including the biennial borough resident's survey. Parks, playgrounds, outdoor gyms and allotments contribute substantially to the physical and mental well-being of our residents and some of our venues and activities encourage visitors from outside of the borough, thereby contributing economic benefits. Merton prides itself in being a green borough and its green spaces are commonly cited as part of its appeal as a place to live and work.</p> <p>The environmental, economic, social and well-being benefits of good quality and diverse green spaces and their allied services are well documented and are pivotal to the regeneration and continuing relevance of Merton. Furthermore, the service will continue to produce supporting strategies over the course of the year to enable the service to meet the future demands. These include the Tree Strategy (already underway) and a Parks and Greenspaces Strategy.</p> <p>What The Parks &amp; Green Spaces Team are doing to help towards becoming London's best council:</p> <ol style="list-style-type: none"> <li>1) For residents and service users: We listen to and act on feedback from parks users. We work diligently to ensure the service is delivered in an efficient and frugal manner, ensuring best value. We are working to create an asset database so that a rolling maintenance programme can be developed in order to reduce reliance on reactive maintenance issues.</li> <li>2) For our partners: We are a team that knows our stakeholders, engages with them, works well as part of a team with them, one that creates more than the sum of the parts where partnership working is natural and delivers great outcomes.</li> </ol>
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3)For us: It is important that team members think that Merton is a council that is good to work for, where they want to stay and get things done. A council that promotes team work and gets the basics right e.g. appraisals, training, development and good communications. It is also a council that goes the extra mile in helping us maintain good health and well-being.



Where are we now?		
Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
<b>Greenspaces Target Operating Model (TOM):</b> Review of Target Operating Model for Greenspaces	Progress made on a number of TOM objectives. Those objectives that are not yet completed will mostly be carried forwards, even if in a modified format or context. It is important to note that the IT integration objectives have not been a corporate or departmental priority, however it is still intended to be carried out in due course. The new Events booking system has been implemented however. A review of the TOM will take place in the coming year with the recruitment of the new Head of Parks.	Carry forward
<b>Greenspaces Commercialisation:</b> Maintaining sustainable commercialisation across a range of Greenspaces services and open spaces	Following the recent pandemic, there has been some recovery of commercial activities within our greenspaces. There is a business recovery plan within the division (link), which is reviewed on a regular basis.	Carry forward
<b>Canons House &amp; Grounds Restoration:</b> Delivery of Lottery-funded Canons restoration project	Both contracts (landscape and building) completed in Spring / Summer 2021. Community engagement and skills development form a key aspect of the project moving forward (activities and events). Future Merton are in the process of procuring occupants for the business spaces in the house and cafe proprietor.	Carry forward

<p><b>Phase C, Lot 2:</b> Embedding new systems &amp; processes and ensuring quality &amp; performance standards in relation to Phase C, Lot 2 grounds maintenance contract.</p>	<p>Following the implementation of the Target Operating Model for Street inspections, 60% of the streets in the borough are being inspected as a minimum, monthly, and this includes the quality of maintenance of the highway verges.</p> <p>In addition to the regular PQMS scoring, the Neighbourhood Team are also inspecting one park in every ward, once a month on a rolling basis. All of this data is reported on a weekly and monthly basis.</p> <p>The Parks Development Team are in the process of conducting a full audit of all assets in LBM parks to support a rolling asset maintenance programme moving forward.</p>	Carry forward
<p><b>Re-use of Parks Assets:</b> Re-use of surplus and redundant parks facilities and re-modelling of under-utilised properties: pavilions, yards &amp; mess rooms and other parks assets</p>	<p>Further progress has been made in relation to introducing third party investment and leasing of properties, in two locations, with different methodologies. This will benefit future development of sports and building provision at these sites.</p> <p>There is also the support of the Playing Pitch Strategy which was launched in 2019 to enable strategic decision making around parks pitches.</p>	Carry forward
<p><b>Revision of Arboricultural Services:</b> Reconfiguration of current arboricultural service provisions, systems and policies. Re-procurement of arboricultural operational service. Increased tree planting.</p>	<p>The Arboriculture contract is out for Tender (Dec '21). SQ phase complete and currently at the full tender stage. Arb submission deadline: 21st December with Evaluation to take place in Jan 22.</p> <p>LBM has been successful in rounds 2 and 3 for funding from the Urban Tree Challenge (Forestry Commission). This will enhance the previous scheduled tree planting.</p>	Carry forward

**How will we get there?**

*Try to limit this to no more than around 5-7 key objectives. This section should be reviewed if there are any significant changes in direction during the year. Changes can be noted along with the reasons for and implications of the change. When you review this, look for opportunities, insights, or risks that have emerged.*

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<b>Parks Friends and Key Stakeholder Engagement</b>	Build resilient communities
	Create a great place to grow up and live in
	Maintain a clean and safe environment

<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020/21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
Number of friends & similar groups undertaking voluntary activities within parks & open spaces	28	Red	41	30	31	32	33	Annually	Within a range

<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>			
<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>	<b>Proposed end date</b>
<i>Project / activity 1</i>	Establish Parks & Greenspaces Community Stakeholder Forum	Apr-22	Ongoing
<i>Project / activity 2</i>	Stakeholder input to Park Management Plans	Apr-22	Ongoing

<b>Potential barriers to achieving objective</b>	
<b>Description of barrier</b>	<b>Mitigating Actions</b>
changing priorities for groups, single action then hibernate	

<b>Impact on the customer/end user</b>
<i>Please highlight the anticipated impact on the customer/end user of carrying out the activity in your service plan</i>

<b>Partners / interdependencies</b>
<i>Highlight any interdependencies where other council services or partner organisations are linked to the delivery of this objective. If referring to another council service, please include the name of the team and department.</i>

<b>Service Objective 2</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<b>Canons House &amp; Grounds Restoration Project</b>	Create a great place to grow up and live in
	Maintain a clean and safe environment
	Bridge the gap and reduce inequalities

<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020/21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
n/a									

<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>			
<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>	<b>Proposed end date</b>
<i>Project / activity 1</i>	Business Plan development on hold due to current market conditions. Market Testing underway	Jan-22	Mar-22
<i>Project / activity 2</i>	Canons House letting - Market Testing underway	Jan-22	Mar-22
<i>Project / activity 3</i>	Re-occupation of attic flat by tenant	Jul-21	Jan-22

Project / activity 4		Finalise site management and maintenance						Jan-22	Mar-22
Project / activity 5		Cafe letting. Market Testing underway						Jan-22	Mar-22
<b>Potential barriers to achieving objective</b>									
Description of barrier						Mitigating Actions			
Stakeholder involvement						Consultation & participation			
Funding constraints via NLHF						Ongoing review with NLHF			
<b>Impact on the customer/end user</b>									
Comprehensive improvement of the open space and historical house, including new playground, a new cafe, educational/museum provisions and access to Canons House.									
<b>Partners / interdependencies</b>									
Various community partners & stakeholders which are being expanded and progressed by the Community Engagement Officer; National Lottery Heritage Fund and National Lottery Community Fund.									
<b>Service Objective 3</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<b>Upgrading Outdoor Water Play Facilities</b>				Create a great place to grow up and live in					
				Maintain a clean and safe environment					
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020/21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
n/a									
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>
Project / activity 1	Procure and install Wimbledon Park Paddling Pool						May-23		Mar-24
Project / activity 2	Procure and install a replacement programme for traditional style paddling pools						May-22		Mar-23
<b>Potential barriers to achieving objective</b>									
Description of barrier						Mitigating Actions			
<b>Impact on the customer/end user</b>									
Improved outdoor water play facilities in our parks; greater enjoyment for children.									
<b>Partners / interdependencies</b>									
Parks friends groups; relevant Ward Members.									
<b>Service Objective 4</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<b>Arboricultural Services Review &amp; Restructure</b>				Maintain a clean and safe environment					
				Create a great place to grow up and live in					
				Select					
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020/21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
Number of street trees planted	328	Green	240	245	250	255	260	Annually	Within a range
% of tree works commissions completed within SLA (30 working days)	94	Green	86%	87%	88%	89%	90%	Quarterly	Within a range
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>
Project / activity 1	Develop Tree Strategy with a focus on Council-owned trees (Phase 1)						Nov-21		May-22

Project / activity 2	Enhancement to tree planting programme						Apr-22	ongoing	
Project / activity 3	Evaluation of Tender submissions for Arb Contract						Jan-22	Jan-22	
Project / activity 4	Mobilisation of new Contract								
<b>Potential barriers to achieving objective</b>									
Description of barrier				Mitigating Actions					
<b>Impact on the customer/end user</b>									
Customers will experience a more obviously cyclical pattern to the management of the street tree stock in their neighbourhoods.									
<b>Partners / interdependencies</b>									
Barkland Tree Specialists (our current tree management contractor); Borough Tree Wardens; Ward Councillors.									
<b>Service Objective 5</b>									
				Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions					
<b>Service Commercialisation</b>									
				Create a great place to grow up and live in					
<b>Performance Measures</b>									
Indicator	2020/21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
Number of outdoor event-days in parks	299	Green	200	200	220	230	250	Quarterly	Within a range
Income from outdoor events in parks	609,153	Green	550,000	560,000	570,000	580,000	580,000	Quarterly	Within a range
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description					Proposed start date	Proposed end date		
Project / activity 1	Member approval of commercial approach surrounding large events					Apr-22	Ongoing		
Project / activity 2	Update and roll out of commercial events strategy					Apr-22	01/04/2023 review		
Project / activity 3	Implementation and continued rollout of new events booking system Artifax - look at other services who can benefit					Jan-22	Ongoing		
Project / activity 4	Consider leasing sites to private operators on long-term lease					Apr-22	Ongoing		
Project / activity 5	Commercialisation of other assets within parks, eg. Coffee stalls and vendors					Apr-22	Ongoing		
<b>Potential barriers to achieving objective</b>									
Description of barrier				Mitigating Actions					
Ongoing Government				Ensure events are passed by SAG so they can go ahead where possible					
Senior managers/members may not approve commercial strategy				Paper written to present to Members to get buy in for commercial strategy					
Demand for our spaces may not come to fruition (e.g. competition, sites not being fit for purpose, infrastructure etc.)				Conduct review of our sites against our competitors to ensure they are appealing to events organisers - flag any areas where development /investment is needed					
<b>Impact on the customer/end user</b>									
Increased number of activities and events in our green spaces - improved well-being. Large events can have a positive impact on local businesses in the surrounding areas (increased footfall).									
<b>Partners / interdependencies</b>									
Prior to restructure, Support needed from leisure team to manage the events logistical and management process - e.g. manage enquiries, process applications, invoice, conduct safety checks, SAG, review paperwork and refund deposit. Support needed From IDV to carry out site inspections, ground repair and maintenance of sites.									
<b>Service Objective 6</b>									
				Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions					

Phase C, Lot 2 contract management review			Maintain a clean and safe environment						
			Create a great place to grow up and live in						
			Continuously improve						
Performance Measures									
Indicator	2020/21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% of residents (all service users) rating parks & green spaces good or very good (ARS)	No residents survey in 2020/21	Does Not Apply	78%	79%	80%	81%	82%	Biennially	High
Young people's % satisfaction with parks & green spaces (ARS)	No residents survey in 2020/21	Does Not Apply	86%	87%	88%	89%	90%	Biennially	High
Number of Green Flag Awards	6	Green	7	7	7	7	7	Annually	High
Average Performance Quality Score (Grounds Maintenance Standards Overall)	4.94	Green	4.9	4.9	4.9	4.9	4.9	Quarterly	Within a range
Average Performance Quality Score (Grass Verge Standards)	4	Red	4.5	4.5	4.5	4.5	4.5	Quarterly	Within a range
Average Performance Quality Score (Litter & Cleansing Standards)	5	Green	4.95	4.95	4.95	4.95	4.95	Quarterly	High
Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Project / activity 1	Implementation of new inspection regime of street verges and parks by Neighbourhood Client Team						Nov-21	Ongoing	
Project / activity 2	Parks Asset Audit by Parks Development Team						Dec-21	Apr-22	
Project / activity 3									
Potential barriers to achieving objective									
Description of barrier					Mitigating Actions				
Lack of investment in existing & new facilities & assets					Annual capital investment programme in parks & open spaces				
Unsatisfactory contractor performance					Effective contract performance monitoring				
Ineffective contract performance management					Allocate & deploy adequate contract monitoring resources				
Impact on the customer/end user									
Please highlight the anticipated impact on the customer/end user of carrying out the activity in your service plan.									
Partners / interdependencies									
Highlight any interdependencies where other council services or partner organisations are linked to the delivery of this objective. If referring to another council service, please include the name of the team and department. Idverde UK Limited (our grounds maintenance contractor).									

**People**

The Public Space Division is undergoing a transformational change across all areas and will be underpinned by a divisional restructure. Our staff are our greatest asset we will regularly review Smarter workign arrangements to ensure that staff are empowered to do their jobs in a way that can be flexible enough to meet their work-life balance requirements while ensuring that service delivery is not hampered in any way.

The focus of this is to ensure that we build greater resilience and flexibility in the service, along with identifying any skills gaps which may be identified and relevant training and development support provided to staff and Teams where appropriate. Both in house (where possible) and external training accessed (where required).

**Technology**

Over the last year, the IT provision and support has improved a great deal, allowing for greater flexibility and connectivity to support home working (Smart Working). The current systems however, are designed to support desk-based staff and are not suited to work undertaken in the field. The CRM system has limited capability for reporting some Parks and Tree issues online, however this is not user friendly and not fully integrated. This results in a high-level of transactions being undertaken manually and many service users emailing team members directly.

The service is currently testing the Fix My Street pro application which will enable both residents and client officers to log service requests in real time support by GPS location pins to identify the exact location of the service request. In addition to this functionality any new application will be required to integrate directly with our own CRM system along with providing the management team with service reports, heat maps and response time summaries.

It is highly likely that working from home will become a much larger feature of working for London Borough of Merton, and the team are working within the wider SMARTER working framework, meaning officers are field based, home workers or office based. This flexibility will allow officers to carry out site visits and inspections as well as carry out effective in-person and virtual meetings with colleagues and stakeholders.

Training on the full capabilities of the current systems and any new systems will be required to ensure the efficacy of the Team.

**Service improvement**

The restructure will provide a business and development function which will aid in customer service, reporting, documenting and project management functions which will increase efficiency and efficacy of the service.

A new operating model and reporting for contract monitoring inspections of parks (in addition to PQMS inspections) has already been positively received and there is scope to develop and increase this across additional elements of the contract.

There is a distinct lack of technology integration involved within the Idverde contract (excluding the PQMS system). A software package is required to coordinate, monitor and control the way instruction and communication is shared between ourselves and idverde. At present all communication is via email which doesn't assist with continuity or efficiency.

### Financial Summary - Greenspaces

*Covid-19 has severely impacted on the section's ability to generate income, namely events income.*

*The section has continuing budget pressures in relation to P&D income within certain parks, and the cyclical nature of arboricultural work. The contractual Annual Review process of the grounds maintenance contract also has the potential to create future budget pressures.*

*A 50% reduction to the grant for Deen City Farm has been built into the MTFS.*

DEPARTMENTAL BUDGET AND RESOURCES									Additional Expenditure Information
Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	
<b>Expenditure</b>	<b>4,259</b>	<b>4,886</b>	<b>4,648</b>	<b>66</b>	<b>5,025</b>	<b>5,071</b>	<b>5,111</b>	<b>5,156</b>	
Employees	477	526	465	30	467	467	467	468	
Premises	636	693	612	(3)	927	937	945	954	
Transport	35	12	16	(4)	16	16	16	17	
Supplies & Services	308	269	313	(10)	318	323	327	332	
3rd party payments	2,041	2,186	2,081	53	2,133	2,164	2,192	2,223	
Transfer Payments	0		0		108	108	108	108	
Support services	426	483	445		339	339	339	339	
Depreciation	336	717	716		716	716	716	716	
<b>Revenue £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	
<b>Income</b>	<b>2,392</b>	<b>2,080</b>	<b>2,369</b>	<b>(145)</b>	<b>2,443</b>	<b>2,443</b>	<b>2,443</b>	<b>2,443</b>	
Government grants	8	8	8		8	8	8	8	
Reimbursements	423	637	400	(125)	400	400	400	400	
Customer & client receipts	1,961	1,435	1,961	(20)	2,036	2,036	2,036	2,036	
Recharges									
Reserves									
<b>Council Funded Net Budget</b>	<b>1,867</b>	<b>2,806</b>	<b>2,279</b>	<b>(79)</b>	<b>2,582</b>	<b>2,627</b>	<b>2,667</b>	<b>2,713</b>	
<b>Capital Budget £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	
Parks Investment		1,562	1,162	(76)	1,168	550	300	300	



# Service Plan for : Property

Service Manager:	Jacque Denton	Cabinet Member:	Tobin Byers
Peer review date:	01/12/2020	Name of peer:	Graham Close
Date created:		Date of next review:	Oct-22

## Overview of the service

*Provide a brief overview of your service and the outcomes it seeks to provide for residents/service users, including any statutory duties that impacts on this*

- To ensure that all property transactions provide value for money and comply with statute.
- To maintain an accurate record of the property assets of the council and to provide asset valuations to support the council's accounts (Section 151).
- To manage the councils commercial property portfolio to maximise income, managing the council's asset base to ensure that it has the accommodation necessary to support its services at a standard it can afford.
- To support regeneration, deal with occupation of council land by Gypsies and Travellers and to attend and provide timely advice to the Property Asset Management Board to deliver a programme of property sales to maximise capital receipts and acquisitions to improve revenue income.
- Community Right to Bid - to manage applications for community assets to be listed and claims for compensation.
- To maintain publicly available list of property assets as required by transparency agenda under Localism Act 2011. The service plan will lead to increased efficiency, the possibility of acting for other authorities on specialisms, and most significantly driving economic development and regeneration through closer working with Future Merton. This may impact on the timing of sales and capital receipts.

**Objectives:**

- Complete Asset Valuations to timetable agreed with Director of Corporate Services
- Implement review of non-operational property to maximise revenue income
- Critically examine operational property to ensure the council has the minimum necessary to support the business plan
- Maximise revenue income by letting vacant property
- Provide timely advice to inform regeneration projects
- Ensure team is arranged to support objectives

## Merton's ambitions

*It is important that the activity in your service plan has a clear link to helping achieve the council's overall ambitions. Please consider these ambitions when developing your plan and ensure that activity and projects are matched against them:*

- Support our most vulnerable residents of all ages
- Maintain a clean and safe environment
- Create a great place to grow up and live in
- Build resilient communities
- Bridge the gap and reduce inequalities
- Continuously improve

## What do we need to do?

*In developing your plan it is important to understand the wider context in which the service and the council operates. Please refer to Merton Data as a tool to help you understand the present and future demands on your service and the views and needs of its customers. This should be combined with local intelligence held by your service.*

[Merton Data](#)

[The Merton Story](#)

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p>The service has two categories of customers. The first are internal and comprise of the Council and its departments. The second are external and comprise the residents and businesses/commercial tenants of the borough and Merton and Sutton Joint Cemetery Board. The satisfaction of external customers is monitored upon tenancy change. The satisfaction of internal customers was sought through a satisfaction survey in January 2018 (30% return). All returns confirmed internal customers were satisfied or better and the survey will be repeated next year subject to any restrictions from Covid 19. Consideration will be given to whether there are areas of this service which require Equalities Analysis Assessments.</p>	<p>It is unlikely that the demand for this service will change unless the council disposes of its property and this seems very unlikely. There remains a possibility that the Weir Road industrial estate will be lost to accommodate Cross Rail 2 but this risk seems to be reducing. The requirement for asset valuations for the Council's annual accounts is expected to be maintained as is the need for an officer to confirm that the council's property transactions achieve best value.</p>	<p>There is no national or regional policy that may be applicable to this service. Covid 19 has had limited impact as the council owns little property that has suffered from the restrictions required to fight the pandemic. Officers are working from home satisfactorily and this is unlikely to change.</p>	<p>Through review of its property assets the service will seek to ensure that the council's commercial estate is performing to its best and maximising the supply of revenue income to the council. Through customer satisfactions surveys we will continue to provide the best quality service. By providing public access to plans of the council's land ownership through Merton Maps and council property that is on the market and information on access to details of private landownership through the land Registry and applications for Assets of Community Value through the Council's website the team contributes to the long term recovery and Modernising Merton Programme.</p>

**Where are we now?**

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Complete Asset Valuations to timetable agreed with Director of Corporate Services.	Annual objective. Objective met. Valuations completed and supplied to Finance by 31st March 2020. Asset Valuations for 31st March 2021 have been completed and supplied to Finance by the agreed date. Work is now progressing for 31 March 2022 Asset valuations.	Carry forward
Implement review of non-operational property to maximise revenue income.	Objective met. Review completed December 2018.	Close
Critically examine operational property to ensure the council has the minimum necessary to support the business plan.	Objective not met as impact of Covid 19 prevented departments confirming their property needs to the Corporate Property Officer by June 2020 as Asset Management Plan requires.	Carry forward
Maximise revenue income by letting vacant property.	Objective met. Vacancy rate 1%.	Carry forward
Provide timely advice to inform regeneration projects.	Objective met. The team continue to provide advice as required.	Carry forward
Ensure team is arranged to support objectives.	Team is now almost totally committed to Asset Valuations. The reduced team is just managing to support objectives however this is not sustainable and additional resource is required to assist with the work of the three retired team members. With the retirement of the Property Management & Review Manager the resource of the section has been further depleted. Whilst the remaining three members of the team are working hard to meet objectives it is not going to be possible to deal with all matters required.	Carry forward

**How will we get there?**

*Try to limit this to no more than around 5-7 key objectives. This section should be reviewed if there are any significant changes in direction during the year. Changes can be noted along with the reasons for and implications of the change. When you review this, look for opportunities, insights, or risks that have emerged.*

**Service Objective 1** Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions

**Maximise occupation of commercial property owned by the council.** Continuously improve

**Performance Measures**

Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% Vacancy rate of property owned by council	1%	Green	3%	3%	3%	3%		Quarterly	Low

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

Project / activity name	Description	Proposed start date	Proposed end date
Project / activity 1			
Project / activity 2			

**Potential barriers to achieving objective**

Description of barrier	Mitigating Actions
Fall in demand	Maintain condition of estate and wide use clauses in leases
Failure to comply with EPC regulation	Invest to ensure compliance

**Impact on the customer/end user**

Maximises income and employment.

**Partners / interdependencies**

Corporate Services/Facilities Management support.

**Service Objective 2** Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions

**Maximise council income from commercial property** Continuously improve

**Performance Measures**

Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% debt owed to LBM by commercial tenants including businesses	4.18	Green	7.5	7.5	7.5	7.5		Quarterly	Low

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

Project / activity name	Description	Proposed start date	Proposed end date
Project / activity 1			
Project / activity 2			

**Potential barriers to achieving objective**

Description of barrier	Mitigating Actions
Fall in market	Prompt recovery action

**Impact on the customer/end user**

Maximised income to the council.

<b>Partners / interdependencies</b>										
Finance/Debt recovery and SLLP for enforcement and collection.										
<b>Service Objective 3</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<b>Valuation of property assets owned by the council for inclusion within council's accounts</b>					Statutory requirement					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
Property Asset Valuations	325	Green	150	150	150	150		Annually	High	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Project / activity 1</i>	Instruct DVS to complete specialised valuations						01.10.2021		31.03.2022	
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
Loss and/or reduction of staff resource					Exercise, managerial support, mental health support					
<b>Impact on the customer/end user</b>										
Completion of council's annual accounts.										
<b>Partners / interdependencies</b>										
Finance in providing timely and clear instructions.										
<b>Service Objective 4</b>					<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
<b>Maximise rental income from council owned commercial property</b>					Continuously improve					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
Number of completed rent reviews	6	Red	70	70	35	35		Quarterly	Low	
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Project / activity 1</i>										
<i>Project / activity 2</i>										
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
Due to difficulties experienced by tenants caused by Covid-19 Rent reviews have not been actively pursued. Reduced resource of the section has also impacted on the ability to undertake this work.					Reviews will be commenced when the commercial situation improves and resource allows.					
<b>Impact on the customer/end user</b>										
<b>Partners / interdependencies</b>										

<b>Service Objective 5</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>					
Increase receipt of capital				Continuously improve					
<b>Performance Measures</b>									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
n/a									
								Select	Select
<b>Projects / key activities to support the objective (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</b>									
Project / activity name	Description						Proposed start date	Proposed end date	
Project / activity 1	Title reports on each site						01/12/2020	31/03/2022	
Project / activity 2	Confirmation of development opportunity to maximise value on each site						01/12/2020	31/03/2022	
Project / activity 3	Secure marketing resource						01/12/2020	31/03/2022	
<b>Potential barriers to achieving objective</b>									
Description of barrier						Mitigating Actions			
Insufficient resource within property team						Secure additional resource			
<b>Impact on the customer/end user</b>									
Increased capital resource to Council.									
<b>Partners / interdependencies</b>									
Future Merton for planning advice. SLLP for title reports and sale documentation.									

### People

The section contains three staff and three unfilled posts. The Interim Section Head/Property Management and Review Manager, one Estates Surveyor and one Administration Assistant. The critical need for the section is to expand the staff resource as at present the work of the section is almost totally dominated by the production of Asset Valuations and the demand for this service is unlikely to reduce. The result is that all of the other responsibilities of this service cannot be delivered to the standard required by London's Best Council and the strategic function of the section and especially the generation of income through rent reviews and lease renewals of commercial property has not been able to be progressed. The attempt by the existing staff to complete all of the demands upon its service has led to increased stress and concern over their wellbeing. In addition, the lack of staff resource has led to the increasing use of consultants that has increased the cost to the council. It is vital that the section is expanded to provide a dedicated valuation/disposal team plus estates team to deal with the very many estates management issues plus lettings, lease renewals and rent reviews. Until such time as the section is expanded with permanent staff it is intended to employ two temporary chartered surveyors on fixed term contracts to deal with the back log of rent reviews and lease renewals.

### Technology

Following the pandemic and the implementation of working from home, the section all use Council laptops. The section use and need the following information assets: BCIS online, Tman, E5, Electronic file, IPF data base Merton Maps. The IPF system has been reprocured to expand its use to Finance and Facilities Management. There are no future business needs that require a change in technology although there will be a need for more lap tops if the team is expanded plus Ipads that could be of benefit to any new staff. Scanning the paper records has been completed of old files but it would be helpful if this could be continued to scan data received post 2015 when the previous exercise was carried out and to keep up to date.

### Service improvement

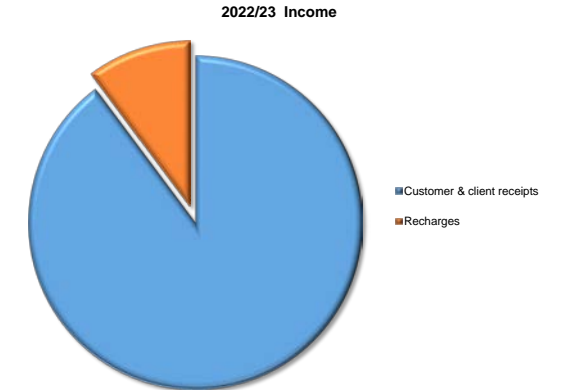
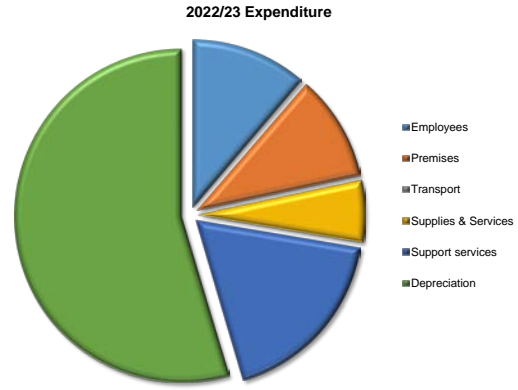
The main processes relate to ownership of land, the maintenance of the record of land ownership of the Council, the granting of leases, settlement of rent reviews and the collection of rent and service charges. In addition the team manage applications for the listing of property as community assets and the removal of unauthorised occupations of Council land. The main issue is staff resource not process, although it would be beneficial if E5 could be better directed to rent collection and we did not need to instruct Transactional Services on every property every time rent is due to be collected (quarterly, annually and monthly) and we could interrogate E5 to confirm what had been charged previously. There is no appetite from other authorities to share services and LEAN reviews have confirmed that our processes are operating effectively subject to previous comments. Budgets, invoices checked and reports could identify addresses rather than debtors.

Financial Summary - Property Management & Review

Agreed saving to be introduced from 2022/23 related to increased service tenancy income.

DEPARTMENTAL BUDGET AND RESOURCES

Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	<b>2,374</b>	<b>2,714</b>	<b>2,786</b>	<b>283</b>	<b>2,772</b>	<b>2,780</b>	<b>2,787</b>	<b>2,795</b>
Employees	303	235	312	(117)	314	314	314	314
Premises	276	280	279	224	286	290	293	298
Transport	1		1	(1)	1	1	1	1
Supplies & Services	171	226	174	177	166	169	171	173
3rd party payments	0		0		0	0	0	0
Transfer payments	0		0		0	0	0	0
Support services	452	460	507		492	494	495	496
Depreciation	1,171	1,513	1,513		1,513	1,513	1,513	1,513
<b>Revenue £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>	<b>5,477</b>	<b>5,786</b>	<b>5,466</b>	<b>(552)</b>	<b>5,552</b>	<b>5,560</b>	<b>5,568</b>	<b>5,576</b>
Government grants	0	0	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0	0	0
Customer & client receipts	4,961	5,288	4,913	(552)	4,985	4,985	4,985	4,985
Recharges	516	498	553		567	575	583	591
Reserves								
Capital Funding								
<b>Council Funded Net Budget</b>	<b>(3,103)</b>	<b>(3,072)</b>	<b>(2,680)</b>	<b>(269)</b>	<b>(2,780)</b>	<b>(2,781)</b>	<b>(2,781)</b>	<b>(2,781)</b>
<b>Capital Budget £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
Capital Works		2	5	0	103	0	0	0
	0	2	5	0	103	0	0	0



Summary of major budget etc. changes

**2022/23**  
ENV2021-07 = (£100k) - Increase residential (former Service tenancies) rental income.

**2023/24**  
ENV2022-23 08 = (£50k) rent income review

**2024/25**

**2025/26**

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# Service Plan for : Regulatory Services Partnership

Service Manager:	Nick Steevens	Cabinet Member:	
Peer review date:		Name of peer:	
Date created:	Nov-21	Date of next review:	

## Overview of the service

*Provide a brief overview of your service and the outcomes it seeks to provide for residents/service users, including any statutory duties that impacts on this*

The Regulatory Services Partnership (RSP) delivers Environmental Health, Trading Standards and Licensing functions on behalf of Merton, Richmond and Wandsworth Councils. The partnership was established on 1st August 2014 comprising two councils, namely Merton and Richmond upon Thames with Merton acting as the host authority. Wandsworth Borough Council joined the RSP on 1st November 2017. The services the RSP provides include:

- Air quality
- Contaminated land
- Food safety
- Infectious disease control
- Licensing (e.g. alcohol, entertainment, street trading, special treatments and animal welfare)
- Noise & nuisance
- Pest control (Wandsworth only)
- Private sector housing (Wandsworth and Richmond only)
- Trading Standards
- Workplace health & safety
- Pollution

The vision of the Regulatory Services Partnership is to be a beacon of excellence in Regulatory Services, safeguarding our communities and promoting economic wellbeing. The RSP has three key drivers:

1. To deliver improved services to customers
2. To achieve savings targets and to reduce budget pressures
3. To increase resilience

## Merton's ambitions

*It is important that the activity in your service plan has a clear link to helping achieve the council's overall ambitions. Please consider these ambitions when developing your plan and ensure that activity and projects are matched against them:*

Support our most vulnerable residents of all ages  
 Maintain a clean and safe environment  
 Create a great place to grow up and live in  
 Build resilient communities  
 Bridge the gap and reduce inequalities  
 Continuously improve

**What do we need to do?**

*In developing your plan it is important to understand the wider context in which the service and the council operates. Please refer to Merton Data as a tool to help you understand the present and future demands on your service and the views and needs of its customers. This should be combined with local intelligence held by your service.*

[Merton Data](#)

[The Merton Story](#)

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p>The RSP is a customer facing service and whilst we do not currently actively survey residents, businesses and partners, we are seeking to do so using electronic questionnaires. The service will encourage customers to access our services electronically using a single website to report an issue or apply for a licence. The standalone website proposed for the service will link seamlessly to the websites for Merton, Richmond and Wandsworth to ensure customers have easy access to the services the RSP provides. Web content will be revised to reflect the needs of the customer and avoid unnecessary contact. Equality Impact Assessments (EIA) are considered for new strategies, policies and in the use of enforcement tools. Our key customers are those who live, work or visit Merton, business operators, other council departments, the police and other regulatory agencies and the voluntary and community sector.</p>	<p>Demand for consumer and business advice and support increased during the pandemic has brought. Added to this, the Brexit implications on many businesses including manufacturers, importers and retailers increased demand for the services expertise. The RSP does not expect this increased demand to drop in 2022/23 as businesses will still require advice and support as part of their recovery following the pandemic and to understand the changing post-Brexit legislative landscape. Merton's population is roughly 210,400 and is predicted to grow by about 1750 (0.83%) each year for the next 15 years. Whilst population growth is uncertain, there is the potential for demand on the services offered by the RSP to increase too. The pandemic has had a detrimental impact on businesses within the borough and the RSP is pivotal in supporting business recovery. This impact on the local economy has caused a reduction in income and decreasing levels of compliance as businesses reduce expenditure on staffing and other overheads.</p>	<p>Covid-19 Implications: The RSP was responsible for much of the front-line regulatory work during the pandemic and as restrictions have eased to support to businesses is still in place to assist with economic recovery. The greatest risk to supporting businesses and controlling the pandemic is the removal of COMF grants to local authorities, which will result in a substantial reduction in Covid resources within the RSP. This reduction in Covid resources will result in the RSP not being able to undertake any additional Covid-19 workload such as Case Tracing, business support and much of the increased 'business as usual' demand going unmet. Brexit Implications: Whilst overshadowed by the Covid-19 pandemic, Brexit will continue to impact our businesses for many years. With over 50 separate EU Directives and Regulations governing Food Standards in the UK, supporting businesses through the changing regulatory landscape will bring challenges. In relation to air quality, the requirements imposed in the Environment Act 2021 will need to be adequately resourced to ensure that Merton meets its statutory obligations for the monitoring of air quality and specifically PM2.5s.</p>	<p>The RSP will contribute towards the council's continuous service improvement programme by:</p> <ul style="list-style-type: none"> <li>• Improving access to information for our customers, allowing them to access our services and information they seek with ease and allow them to self-serve wherever possible</li> <li>• Post migration, enhancing the RSP's N.E.C. case management system to permit efficiencies within the service whilst improving responsiveness to customers</li> <li>• Developing uniform, leaner work processes</li> <li>• Introducing mobile working solutions to increase efficiency and reduce paper generation</li> <li>• Develop new commercial business opportunities to generate income and enhance the reputation of the service amongst businesses</li> <li>• Improving customer feedback and intelligence</li> </ul>

**Where are we now?**

Objectives from the last service plan	Progress made against objectives:	Close / carry forward?
<p><b>Air Quality</b> - Delivering the Council's Air Quality Objectives.</p>	<p>The Air Quality Team has met its objectives consistently throughout the year including obtaining grant funding for key air quality projects despite the pandemic. The air quality service has:</p> <ul style="list-style-type: none"> <li>• Worked with parking colleagues to link parking policy to Public Health &amp; Air Quality Delivered the London wide NRMM Project</li> <li>• Drafted and deliver the Air Quality Action Plans on behalf of the three boroughs</li> <li>• Supported the implementation of diesel levies for the partner authorities</li> <li>• Managed the impact of the Mortlake Development</li> <li>• Managed the Nine Elms Development Environmental Impacts</li> <li>• Managed the Thames Tideway Environmental Impacts</li> <li>• Sought grant funding for the service to deliver key projects on behalf of the three boroughs.</li> </ul> <p>Air Quality objectives expressed in the Air Quality Action Plans span multiple financial years so will need to be carried forward.</p>	<p>Carry Forward</p>
<p><b>Food &amp; Safety</b> - Delivering the Council's Food Safety, Food Standards and Health &amp; Safety Objectives.</p>	<p>All proactive inspection activity is carried out according to risk-based inspection programmes set by the FSA and HSE which continue year on year. The Food &amp; Safety team's objectives have been largely superseded or suspended by the work undertaken to control the pandemic including outbreak control work, compliance with the Covid-19 Secure guidelines, enforcing lockdown restrictions and supporting businesses with advice through webinars and the Business Champion. Since March 2020 inspection programmes set by the FSA and HSE have been largely curtailed to undertake Covid work. The previous service plan objectives for the Food &amp; Safety service were to:</p> <ul style="list-style-type: none"> <li>• Carry out regular interventions at food businesses at a frequency determined by national risk criteria and local intelligence;</li> <li>• Investigate food poisoning outbreaks associated with food businesses located within the partnership area;</li> <li>• Investigate serious complaints about food purchased from and complaints about hygiene of food premises within the partnership area;</li> <li>• Undertake an annual food sampling programme in liaison with the South West London Food Liaison Group;</li> <li>• Take appropriate and timely action in response to accident (RIDDOR) notifications;</li> <li>• Take appropriate enforcement action for failures to meet legal standards in all areas for which the service is responsible.</li> </ul>	<p>Carry Forward</p>
<p><b>Licensing</b> - Discharge the Council's legal obligations in relation to licensing.</p>	<p>Licensing performance has been impacted by staff absences and turnover but more significantly by the impact of the pandemic on licensed premises and a substantial increase in complaints and enquiries due to Covid-19. The objectives of the licensing service were to:</p> <ul style="list-style-type: none"> <li>• Process licence applications in accordance with policy, regulations and procedure, undertaking consultation in accordance with legislation and statutory guidance;</li> <li>• Investigate complaints relating to licensing matters, including complaints about adverse health impacts associated with licensed premises;</li> <li>• Carry out targeted enforcement visits based on risk grade of premises or intelligence/ information received;</li> <li>• Review and streamline licensing processes including customer interfaces to increase efficiency and improve customer journey.</li> </ul>	<p>Carry Forward</p>

<p><b>Noise &amp; Nuisance</b> - Reducing the impact of noise &amp; other nuisances on the public.</p>	<p>Performance of the noise &amp; nuisance service has maintained at a good level despite the substantial increase in workload caused by the pandemic with domestic and commercial nuisance complaints more than doubling across the three boroughs.</p> <ul style="list-style-type: none"> <li>• Investigation of public health nuisance complaints;</li> <li>• Act as statutory consultee for planning and licensing applications;</li> <li>• To investigate complaints related to alleged breaches of the Clean Air Act 1993 for premises in a Smoke Control Area;</li> <li>• Carry out environmental monitoring for noise and air pollutants;</li> <li>• Regulate demolition and construction sites to comply with standards to minimise noise and dust;</li> <li>• To investigate and take action regarding complaints related to defective drainage systems in commercial businesses;</li> <li>• To respond to complaints of rodent infestations in all commercial (non-food) premises.</li> </ul>	Carry Forward
<p><b>Trading Standards</b> - Protecting the consumer &amp; supporting economic growth through advice to businesses.</p>	<p>Many proactive trading standards activities such as test purchasing has had to stop due to the pandemic. Reactive workload and some proactive projects including Challenge 21 purchasing have continued.</p> <p>The service has redirected resources towards business compliance checks for Covid-19. All test purchase activity will continue next financial year in accordance with the agreed performance indicators. The objectives for the service were to:</p> <ul style="list-style-type: none"> <li>• Investigate referrals from the Citizens Advice Service relating to an alleged breach of criminal fair trading legislation;</li> <li>• Investigate alleged breaches of trading standards legislation;</li> <li>• Carry out intelligence led enforcement visits;</li> <li>• Provide businesses with access to information and compliance advice to help them succeed;</li> <li>• Ensure the safety of consumer products, fair trading and legal measurement of goods through intelligence-led market surveillance and enforcement activities;</li> <li>• Safeguard communities and young people by providing advice and support to business and undertaking test purchasing in respect of age-restricted sales legislation including: alcohol, tobacco, fireworks and knives;</li> <li>• Protect and safeguard consumers, including those that are vulnerable whilst and supporting legitimate businesses by tackling the most serious fraudulent, illegal and unfair trading, including e-crime and scams.</li> </ul>	Carry Forward

**How will we get there?**

*Try to limit this to no more than around 5-7 key objectives. This section should be reviewed if there are any significant changes in direction during the year. Changes can be noted along with the reasons for and implications of the change. When you review this, look for opportunities, insights, or risks that have emerged.*

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<i>Meeting the agreed performance indicators for the RSP. The Regulatory Services partnership has a set of Key Performance Indicators (KPIs) which have been agreed by the RSP Board and respective performance boards for each authority. These KPIs have been designed to track the performance of the service in key areas of business.</i>	Statutory requirement
	Support our most vulnerable residents of all ages
	Create a great place to grow up and live in

**Performance Measures**

Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% of service requests with an initial response within the 'defined timescale'	90.25%	Green	90%	90%	90%	90%		Quarterly	High
Safeguarding older people - investigate and physical intervention in cases of residents being targeted by financial scams and abuse	Not reported at corporate level	Does Not Apply	Data only	Data only	Data only	Data only		Annually	Select
Safeguarding young people - carry out age restricted sales physical interventions for knives, alcohol, fireworks, tobacco and e-cigarettes	Not reported at corporate level	Does Not Apply	Data only	Data only	Data only	Data only		Annually	Select
High risk A & B and non-compliant C-rated food establishments due for inspection completed	96%	Red	100%	100%	100%	100%		Annually	High
Percentage of alcohol and regulated entertainment licences issued within 10 working days of the conclusion of the 28 day consultation period, excluding those that are subject to a licensing hearing	86.93%	Red	95%	95%	95%	95%		Quarterly	High
Percentage of new high risk massage & special treatment premises inspections carried out within 20 working days of the premises being ready to trade	Not reported at corporate level	Does Not Apply	Data only	Data only	Data only	Data only		Quarterly	Select
Number of monitoring stations achieving the Nitrogen Dioxide air quality objectives	31	Red	50	50	50	50		Quarterly	High
Number of monitoring stations that achieve annual Particulate air quality objectives	1	Green	1	1	1	1		Quarterly	High
Number of Air Quality Audits (using GLA toolkit) of schools prioritising those in the highest pollution areas	Not reported at corporate level	Does Not Apply	Data only	Data only	Data only	Data only		Annually	Select

Air Quality - % compliance of non-road mobile machinery (NRMM) on major construction sites with GLA emissions standards	100%	Green	95%	95%	95%	95%	Annually	High
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)								
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>	<b>Proposed end date</b>
Project / activity 1	Completion of the targets within the services' Air Quality Action Plan							
Project / activity 2	Test purchasing and challenge 21 initiatives						01/04/2021	31/03/2022
Project / activity 3	Completion of the inspection programme for the Food & Safety services and submission of the annual FSA LAEMS return						01/04/2021	31/03/2022
Project / activity 4	Determination of all licensing applications within the statutory timescales						01/04/2021	31/03/2022
Project / activity 5	Inspecting high risk licensed premises (MSTs) within 20 working days on trading						01/04/2021	31/03/2022
Project / activity 6	Completion of the NRMM site inspection programme						01/04/2021	31/03/2022
<b>Potential barriers to achieving objective</b>								
<b>Description of barrier</b>						<b>Mitigating Actions</b>		
Loss of grant funding for air quality projects funded by the Local Implementation Plan (LIP).						The Air Quality Manager has been working closely with TfL and the GLA to ensure that grant funding remains in place for key workstreams within the RSP. Funding has now been agreed for 2021/22 which will permit the project to continue.		
Covid-19.						The pandemic has had a substantial impact on the RSP as the service redirects resources to support the efforts of the council and MOCOG.		
<b>Impact on the customer/end user</b>								
The activities of the RSP ensure the protection of people who live, work and visit the borough from a wide variety of risks.								
<b>Partners / interdependencies</b>								
As a shared service across Merton, Richmond and Wandsworth councils, our customers principally comprise of residents, councillors and businesses. The service also interacts with a number of internal and external stakeholders such as other council departments, central government agencies and other enforcement agencies like the Police, Fire Service, Borders Agency and HM Revenue and Customs. The successful delivery of the RSP KPI's is reliant on sound engagement and partnership working with our partners.								
<b>Service Objective 2</b>						<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's</b>		
Continue with the RSP IT Enhancement Project. This project seeks to : <ul style="list-style-type: none"> <li>• Complete the migration of the three IT systems into a single case management system to reduce inconsistencies within the service;</li> <li>• Challenge current ways of working, developing a single, efficient customer focussed process for each activity across the three boroughs;</li> <li>• Transform our services through the use of technology to deliver an improved front line service;</li> <li>• Develop a new website with content focussed on the customers need and encouraging new business;</li> <li>• Work with our partners in ICT, to produce a solution which enables customers to apply and pay for services online;</li> <li>• Introduce mobile working solutions which allow officers to become more agile, receiving requests for service with minimal delay and increasing response and resolution times.</li> </ul>						Continuously improve		
<b>Performance Measures</b>								

Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
n/a								Select	Select
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Project / activity 1	Migration of SSA data onto Merton M3 database. The migration of the data from the Richmond and Wandsworth legacy systems is a complex and protracted process due to the large quantities of data, complexities around code mapping and also the linked documents which required extraction and re-linking						Oct-19	Feb-22	
Project / activity 2	<b>Completion of RSP website and branding.</b> The standalone website and branding for the RSP has been agreed in principle by the RSP Board and is expressed within the services previous TOM document.						Dec-20	Sep-22	
Project / activity 3	Enhanced telephony and mobile working solution. The introduction of a NetCall solution to improve the customer experience when dialling in the RSP is being developed						Mar-20	Complete	
<b>Potential barriers to achieving objective</b>									
Description of barrier						Mitigating Actions			
The project has been extremely complex with Richmond & Wandsworth (SSA) IT infrastructure and resources (due to Covid-19 demands) being a substantial barrier to the progress of the project .						Weekly liaison meetings with the SSA have been taking place and delays in the project timetable are raised with key stakeholders in the SSA such as the SSA Head of IT, and are reported to the RSP Board routinely. Fortnightly Public Protection IT Priorities & Major Projects Board also ensures that there is proper oversight within Merton.			
Technical challenges in data extraction and code mapping						Liaison with Northgate for ongoing technical support, retention of key members of the project team			
Covid burdens impacting on staffing capacity and focus						Additional staffing resources are being brought in funded by COMF to reduce Covid-19 burden however this funding			
<b>Impact on the customer/end user</b>									
End user experience will be enhanced due to improved service responsiveness, key information and transactional processes all held on a single website. RSP officers will be able to work seamlessly across all 3 boroughs due to single IT platform.									
<b>Partners / interdependencies</b>									
High level of dependency on the SSA (Richmond & Wandsworth) and Northgate (Merton provider).									
<b>Service Objective 3</b>						<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's</b>			
Commercialisation: The RSP has a strategy to enhance existing and develop new income streams Working with closely with the Business Improvement Team , we will explore the following commercial opportunities:  <ul style="list-style-type: none"> <li>Developing paid for services that customers want and which enhance their business</li> <li>Reviewing the fees and charges across the entire RSP to align them as far as practicable</li> <li>Undertaking work in all service areas on behalf of other local authorities</li> <li>Increasing the number of Primary Authority Partnerships for the RSP</li> <li>Selling specialist consultancy skills and expertise to businesses (e.g. acoustic impact surveys; contaminated land expertise)</li> <li>Selling niche expertise to other local authorities e.g. air quality controls</li> <li>Developing the ability to provide services nationally through effective use of digital technology</li> </ul>						Continuously improve			

Performance Measures									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
n/a									
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Development and expansion of the Cleaner Construction/NRMM Project	The NRMM project is a pan-London initiative delivered by Merton. The project can be expanded out as an income generation offer to other cities throughout the UK. To achieve true commercial gain, the resultant NRMM++ would need to sit as a separate commercial entity of Merton Council.						Sep-20	Jul-22	
Alternate Dispute Resolution (ADR)	The RSP could become an ADR provider and offer a dispute resolution service to the public and businesses. The ADR scheme is fully accredited by the Chartered Trading Standards Institute under the Alternative Dispute Resolution for Consumer disputes (Competent Authorities and information) Regulations 2015. It is proposed to develop this work alongside CHAS as a commercial partner.						Jan-22	Apr-22	
Metrology Laboratory	There is currently a laboratory in Wandsworth which is capable of offering metrology services for other authorities as well as the RSP. The intention would be to offer a comparable service to the North East London Metrology Partnership, which is a joint enterprise funded by the Boroughs of Havering, Barking & Dagenham, Redbridge, Waltham Forest and Newham for the provision of Weights and Measures functions under the Weights and Measures Act 1985 in the respective administrative areas.						Apr-22	Aug-22	
Development of web-based training	Whilst face-to-face training opportunities have dwindled, there are opportunities for online training using the RSP website as a sales platform. Working with an existing partner the RSP is looking to rebrand and tailor existing online training packages, reducing the implementation and development costs.						Apr-21	Aug-22	
<b>Potential barriers to achieving objective</b>									
Description of barrier					Mitigating Actions				
Officer resources - All of the income generation projects require resourcing, wither through the use of existing officer resource or through developing a business case to justify additional funding to pump-prime projects.					Business cases will be developed for those projects where existing resource is insufficient. Specific time allocation will be made for in-house resources in order to deliver marketable products.				
<b>Market contraction</b> - External forces such as a market downturn or local government cutbacks will impact upon income generation.					Difficult to mitigate against external influences however these will be monitored				
Competition - Other local authorities and private sector organisations developing competing offerings may be a substantial risk					The RSP will need to move quickly to ensure that it has developed, marketable offerings quickly.				
<b>Impact on the customer/end user</b>									
None.									
<b>Partners / interdependencies</b>									
Dependency on GLA and commercial partners such as CHAS.									



### People

The RSP is committed to recruiting staff with real potential and developing them to excel. A recruitment, development and retention plan has been developed but due to the pandemic has yet to be implemented. A pay & grading benchmarking process with other London boroughs is essential to ensure the retention of staff. If the RSP wants to become a flagship service, it is important to attract outstanding candidates and invest in our existing teams. Regulatory officers within London now command higher salaries than those being offered within the RSP. Development opportunities are now being brought forward through the inclusion of fixed-term development posts in some services and participation in the kickstart scheme.

### Technology

Remote working has always been a key aspiration of the RSP and the TOM reflects this as part of the migration & enhancement project. The case based mobile project has been delayed due to the solution not being considered fit for purpose and also due to the need to focus on IT transition. Officers are working with colleagues in IT to establish suitable alternatives. The use of other solutions such as MS Teams, has enabled remote, collaborative working as well as interactive community & business engagement and consultation. The RSP has demonstrated that physical co-location is not essential to deliver its frontline services and in many instances smarter, virtual working has become more productive. Reliable IT infrastructure is essential for the RSP to be able to work and often the IT infrastructure and support is patchy at times and requires investment to ensure it is fit for purpose.

### Service improvement

In many areas the RSP still operates differently in each borough. The continuous improvement Team previously assisted in reviews of processes within some service areas to help develop single, efficient ways of working across the three authorities. This work was curtailed due to the pandemic and delays in the IT project. We hope to be able to work with the Continuous improvement team in the future to streamline our processes in all service areas.

**Financial Summary - Regulatory Services**

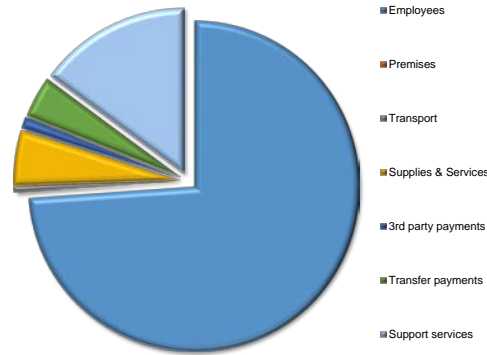
The section plans to implement £140k of income generation savings over the next few years, which will be challenging considering the implementation of the current associated savings already built into the MTFS have, to date, not been achieved.

**DEPARTMENTAL BUDGET AND RESOURCES**

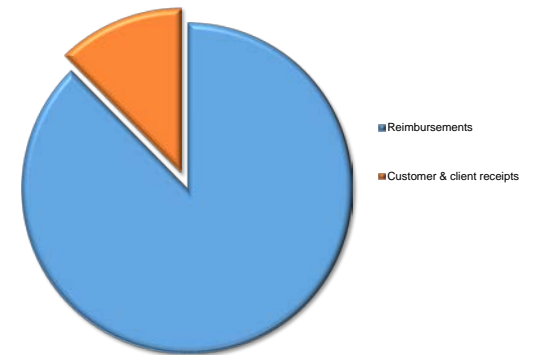
Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Expenditure</b>	<b>8,122</b>	<b>7,993</b>	<b>8,398</b>	<b>43</b>	<b>8,515</b>	<b>8,525</b>	<b>8,526</b>	<b>8,537</b>
Employees	6,067	5,827	6,204	(27)	6,282	6,284	6,285	6,286
Premises	0	2	0	10	0	-	-	-
Transport	45	48	48	46	49	50	50	50
Supplies & Services	459	368	444	27	455	462	462	468
3rd party payments	95	93	96	1	99	100	100	102
Transfer payments	0	0	0	0	347	347	347	347
Support services	1,443	1,641	1,593	0	1,270	1,270	1,270	1,270
Depreciation	13	14	13	(14)	14	14	14	14
<b>Revenue £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>	<b>6,079</b>	<b>5,510</b>	<b>6,179</b>	<b>140</b>	<b>6,290</b>	<b>6,290</b>	<b>6,290</b>	<b>6,290</b>
Government grants	0	80	0	(21)	0	0	0	0
Reimbursements	5367	5,017	5467	(75)	5512	5512	5512	5512
Customer & client receipts	712	413	712	236	777	777	777	777
Recharges	0	0	0	0	0	0	0	0
Reserves								
Capital Funding								
<b>Council Funded Net Budget</b>	<b>2,043</b>	<b>2,483</b>	<b>2,219</b>	<b>183</b>	<b>2,225</b>	<b>2,235</b>	<b>2,236</b>	<b>2,247</b>
<b>Capital Budget £'000s</b>	<b>Final Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>Budget 2021/22</b>	<b>Forecast Variance 2021/22 P8</b>	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
		0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0

P800434

**2022/23 Expenditure**



**2022/23 Income**



**Summary of major budget etc. changes**

**2022/23**

E1 = (£65k) - Increased income.

**2023/24**

E1 = (£75k) - Increased income.

**2024/25**

**2025/26**

## Service Plan for : Safer Merton

Service Manager: <i>Kiran Vagarwal</i>	Cabinet Member: <i>Cllr Agatha Akyigina</i>
Peer review date: <i>Insert date peer review took place</i>	Name of peer: <i>Insert the name of the peer "buddy" that did the review</i>
Date created: <i>07-Dec-21</i>	Date of next review:

### Overview of the service

*Provide a brief overview of your service and the outcomes it seeks to provide for residents/service users, including any statutory duties that impacts on this*

Safer Merton oversees the delivery of the council's statutory duty set out in the Crime & Disorder Act 1998, specifically Section 17 and Section 115:

- The duty to have in place a Crime & Disorder Reduction Partnership - The Safer & Stronger Executive Board (SSEB), meets quarterly and have in place a local Crime, Disorder & Substance Misuse Strategy.
- Complete an annual strategic crime needs assessment (SCNA) and a bi-annual public consultation to ensure the work of the partnership and the Merton's Community Safety Strategy is informed by local data on crime, anti-social behaviour (ASB), disorder and substance misuse.
- Ensure there is a process for sharing information across the partnership to prevent, detect and deter crime and ASB (Section 115)

The Safer Merton Team provides strategic and operational functions that cut across a number of areas, this includes:

- Responding to complaints of ASB, supporting victims of ASB and taking action against perpetrators, fully utilising the powers afforded to us under the ASB Act 2014.
- Tackling Violence against Women and Girls and Domestic Abuse by commissioning specialist services, leading on the development & delivery of a local strategy, working with partners to support victims and bring perpetrators to justice and conducting the statutory Domestic Homicide Reviews (DHR) when required.
- Contributing towards the council's ambition to build resilient communities through the delivery of Merton's Neighbourhood Watch Programme, leading on the development of Merton's Hate Crime Strategy, supporting the Hate Crime Steering Group and the Safer Neighbourhood Board (SNB).
- Managing the council's 24/7 CCTV service, proactively monitoring static cameras and the deployment of mobile cameras. Remaining compliant at all times with the Surveillance Camera Code of Practice as set out in the UK's Surveillance Camera Commissioner and the Regulatory Investigatory Powers Act (RIPA). Processing data and information sharing requests for recorded images in line with the Freedom of Information Act (FOI) and the process for Subject Access Requests (SAR).
- Producing analytical products and implementing a performance management framework to support the partnership. Producing daily, weekly, quarterly and annual assessments to support an evidence based, targeted approach.

The team also secures and manages external funding, this includes the London Crime Reduction Fund (LCRF), the Violence Reduction Funding (VRF), commissioning services and managing relevant contracts.

The service considers wider local, regional and national strategies and policies relevant to the work of the SSEB, this includes the Mayor's Office for Policing and Crime Plan and Home Office strategies.

### Merton's ambitions

*It is important that the activity in your service plan has a clear link to helping achieve the council's overall ambitions. Please consider these ambitions when developing your plan and ensure that activity and projects are matched against them:*

- Support our most vulnerable residents of all ages
- Maintain a clean and safe environment
- Create a great place to grow up and live in
- Build resilient communities
- Bridge the gap and reduce inequalities
- Continuously improve

### What do we need to do?

*In developing your plan it is important to understand the wider context in which the service and the council operates. Please refer to Merton Data as a tool to help you understand the present and future demands on your service and the views and needs of its customers. This should be combined with local intelligence held by your service.*

[Merton Data](#)

[The Merton Story](#)

Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p>Safer Merton follows an evidence based approach to prioritise its services and when proposing strategic priorities for the SSEB.</p> <p>The SSEB receives a quarterly dashboard to measure partnership performance and an annual in-depth strategic crime needs assessment on which to base long term partnership priorities on. Safer Merton also produces specialist insight profiles on the various partnership priorities this includes profiles on domestic</p>	<p>Safer Merton is a service that is open to all and its customer profile is not easily broken down into demographic groupings. Crime and Anti-Social Behaviour (ASB) can happen to anyone: resident, visitor, employee or business and can also have a far-reaching impact</p>	<p>Cases such as the Sarah Everard Case and the Black Lives Matter Campaign have impacted on community confidence in policing and the fear of crime. Multiple protests around climate change &amp; Covid Vaccinations have also placed additional pressures on the police. The re-unification of the Probation Service has taken place with a new operating model now in place.</p> <p>Recent terrorism related incidents have also impacted on</p>	<p>Safer Merton will contribute towards the council's continuous service improvement programme of working to be London's best council &amp; Merton's recovery and modernising programme by:</p> <ul style="list-style-type: none"> <li>* Ensuring a strong, compliant and well-co-ordinated Community Safety Partnership is in place, embedding recognised good practice, supported by a clear governance structure.</li> <li>* Information sharing arrangements are regularly reviewed and</li> </ul>

abuse, sexual violence, hate crime, violence, burglary, robbery.  
 Bi-annually the team manages the delivery of a borough wide community consultation of crime and ASB as well as considering wider Merton Council and partnership consultation, the results of which further inform the services we deliver and the strategies we develop.  
 Our key customers are those who live, work or visit Merton, other council departments, the wider criminal justice partners and the voluntary and community sector.  
 Equality Impact Assessments are considered for new strategies, policies and in the use of enforcement tools such as the Public Space Protection Orders.  
 Safer Merton also contributes towards other insight and data products across the council and partnership including the Joint Strategic Needs Assessment (JSNA), Cumulative Impact Zones to support licensing ensuring crime and community safety data is integrated and referred to where necessary.

Employer or business and can also have a far reaching impact amongst families and local communities. Being a victim of crime can have lifelong consequences, not only for the victim, but the victim's family and the wider community. Crime is also perceived in different ways by different people and as such, when profiling our victims, we need to consider social and economic influences alongside deprivation and crime levels.  
 According to the 2021 Merton Story the resident population of Merton in 2021 is estimated to be 212,88 and is predicted to grow by about 1800 (0.85%) each year for the next 15 years. As the population size increases there is the potential for crime to increase too. Regular reviews of the crime figures will enable us to ensure that the service we provide is fit for purpose and will serve the population of Merton effectively.  
 In 2021, an estimated 79,352 people (37%) in Merton are from Black, Asian and Minority Ethnic (BAME) group. The population of minority ethnic groups is projected to grow at a faster rate than White British ethnic groups. The geographic distribution of ethnic groups in Merton is not uniform. A larger proportion of Black and Asian Minority Ethnicity (BAME) groups live in East Merton, while a larger proportion of White ethnic groups live in West Merton We need to ensure that our service is accessible to all, ensuring that translation services are available when required.  
 Hate crimes can affect people from different backgrounds and will be a crime flag that we will need to continue to monitor.  
 According to ONS, the total number of households in Merton in 2021 is estimated to be 79,099, and ONS predicts that this will grow to 86,473 by 2046. The increase in the number of households could have an impact on domestic related crimes, such as burglaries and domestic violence.  
 Social inequalities exist within Merton, according to the Merton Story, East Merton has a high proportion of people from minority ethnic groups, a higher amount of socioeconomic deprivation and a lower average life expectancy.

community concerns. The police monitor community tension and share this centrally, as part of this process Merton Council are provided an opportunity to include community tension that we are aware of for the consideration of the police. This includes issues relating to counter terrorism being picked up within this assessment.  
 Regional/National  
 \*Mayors new crime and policing plan & VAWG Strategy  
 \*Domestic Abuse Act 2021  
 \*Serious Violence Reduction Orders & Serious Violence Bill  
 \*Restructure of the National Probation Service and London CRC  
 \*Increasing confidence in the police and criminal justice system and addressing inequalities is a key London strategic and policy priority  
 \*The Youth Violence Commission published its final report, which recognised the devastating effect that serious violence has on young people and emphasised the importance of investing in youth services and early intervention  
 \*Stop and Search IOPC enquiry recommendations  
 \* Victims code of practice

in place across the partnership to reduce the barriers to sharing information and increasing the chances to prevent, detect and deter crime and ASB  
 \*Positive and co-ordinated multi-agency working at both strategic and operational level backed with an approach of effective problem solving, increased community engagement to reducing the impact that crime and ASB have on those who live, work and visit Merton, increasing community confidence in the partnership.  
 \*Evaluating and self-assessment of our approach and services to ensure compliance, resilience and accessible services, specifically our CCTV service, domestic violence services and the council's approach to address crime and ASB as per Section 17 of the Crime and Disorder Act 1998.  
 \*Utilise multi-agency IT platforms, specifically ECINS to its full capacity, implementing it across the partnership and the crime areas to manage individuals and locations where there is greater vulnerability and risk of crime and ASB  
 \*Seizing all opportunities to work across the South West BCU, developing cross borough partnership working, sharing and pooling resources, good practice and further consideration of shared services

Where are we now?

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
<p>Tackling anti-social behaviour (ASB) - supporting victims, enforcing against perpetrators</p>	<p>Safer Merton continue to lead on the co-ordination and delivery of a multi- agency response to ASB including:</p> <ul style="list-style-type: none"> <li>* Delivering a targeted multi-agency response to locations in the borough subjected to persistent ASB. The Locality Board meets every two months and oversees this. The locations that are currently overseen by the Locality Board are Mitcham, Graveney, Wimbledon, Morden Town Centre, and Raynes Park.</li> <li>* Investigating reports received by the council, supporting victims of ASB and conducting multi-agency site visits.</li> <li>* During the 12 months to September 2021 the Safer Merton team received an average of 1485 reports per month a 20% increase compared to a year ago and a 68% increase compared to two years ago.</li> <li>* The Community MARAC meets monthly to discuss high risk and persistent ASB cases. Since April 2021 the Community MARAC has discussed 30 cases.</li> <li>* Working closely with the Rough Sleepers Group to ensure a coordinated response to rough sleeping.</li> <li>* Implementing the Public Space Protection Order, ensuring that the location is monitored and a balanced approach to enforcement and engagement is in place.</li> <li>* Working closely with our partners in public health to address street drinking. Including through the use of the Public Space Protection alongside activity focused on engaging with street drinkers and balanced approach including support, diversion and enforcement. Work is currently underway to identify the individuals involved in persistent and anti-social street drinking as well as the locations and times where anti-social street drinking is taking place most frequently.</li> <li>* Holding multi-agency task and finish groups (TFG) to respond to complex and ongoing cases of ASB. At the time of writing this report Safer Merton have 15 TFG's active.</li> <li>* Key areas coming to note for a range of crime, ASB and contextual safeguarding issues are: a) the corridor from Mitcham Town Centre up London Road and into Streatham Road and b) the Ryders Park area in and around the vicinity of Carter's Estate.</li> </ul>	<p>Carry forward</p>
<p>Tackling domestic violence and abuse - supporting victims and enforcing against perpetrators</p>	<ul style="list-style-type: none"> <li>*Effective management of the <b>VAWG Partnership Board</b>, a sub group of the SSEB leading on delivering this objective across the council and partnership.</li> <li>*<b>Contract management</b> of commissioned Independent Domestic Violence Advocacy (IDVA) Service, extending the current provision for a further two years.</li> <li>*Delivered <b>16 Days of Activism campaign</b> in November 2020 and 2021</li> <li>*<b>Domestic abuse One Stop Shop</b> dealt with 213 cases between March 2019 to the end of March 2020 (figure to be updated for 2020/2021)</li> <li>*Produced the <b>domestic violence and sexual violence profile</b> resulting in further recommendations for the partnership on improving our response</li> <li>*<b>Reviewed Merton's Violence against Women and Girls (VAWG) Strategy</b>, extended until March 2021 with a new strategy planned to commence from April 2021.</li> <li>*Submitted several bids which were unfortunately unsuccessful. (insert detail)</li> <li>*Completed one <b>Domestic Violence Homicide Reviews(DHRs)</b>, securing Home Office Sign off and progressed second one to final report and submission to the Home Office</li> <li>*Closed 6 brothels and supported 2 the police in two further closures</li> <li>*<b>Domestic Abuse Act:</b> Funding secured for specialist joint safer Merton and Housing post focussing on enabling Merton to meet part 4 accommodation duty of the Act, established a DA ACT task group to oversee Merton's compliance to the Act</li> <li>* <b>DV MARAC:</b> Secured funding from the London Crime Prevention Fund for additional support for the DV MARAC, completed a safer lives peer review of Merton DV MARAC receiving positive feedback and recognised as good practice</li> <li>*Set up an officers task group to focus on the <b>safety of women and girls</b>, drawing out key actions the council can take to improve the safety of W &amp; G in Merton</li> </ul>	<p>Carry forward</p>
<p>Crime and ASB analysis - providing an intelligence led CSP and the annual strategic crime needs assessment alongside tackling youth violence</p>	<p>Analysis on performance and trends produced:</p> <ul style="list-style-type: none"> <li>* Daily then weekly covid intelligence reports.</li> <li>*Monthly crime update for lead members.</li> <li>*Quarterly analysis on performance and trends to Support Locations Board, Hate Crime Group, Neighbourhood Watch.</li> <li>*Strategic Crime Needs Assessment and Partnership Plan for Merton.</li> <li>*Analytical profiles onHate crime, domestic violence, sexual offences.</li> <li>*Support colleagues within the partnership and Local Authority with crime figures and intelligence.</li> <li>*Performance information for Safer Stronger exec board, Partnership plan, Quarterly Service plan Pl's.</li> <li>*Oversee the production of the partnership Information Sharing Protocol.</li> <li>*Involvement in BCU work via TTCG and pan London Analytical Work via Safe Stats and the London Partnership Analyst Group.</li> <li>*Secured GIS access and training</li> </ul>	<p>Carry forward</p>

<p>To Support the Council's ambition to build community resilience by delivering Merton's Neighbourhood Watch Programme, developing and delivering Merton's Hate crime Strategy and supporting Merton Safer Neighbourhood Board(SNB).</p>	<p>* Tackling hate crime agenda and delivering the hate crime strategy: The Hate Crime Strategy Group continues to drive forward Merton's Hate Crime Strategy. Throughout the pandemic there has been clear communication between the group and its members so concerns regarding community tensions can be flagged, likewise for issues arising from Brexit. A 3rd Party Reporting scheme was launched in March 2020, which continues alongside monthly Hate Crime Advice Surgeries. Key avenues for raising awareness and encouraging reporting have continued to be marked virtually, with IDAHOBIT and Hate Crime Awareness Week delivered successfully in conjunction with our partners from the police and community organisations.</p> <p>* Managing and delivering Merton's Neighbourhood Watch programme: Despite the difficulties posed by Covid-19, a MOPAC funded Police Cadets door knocking project has focused on roads in the borough most affected by burglary and knocked on over 900 doors so far to recruit members to NHW, with 15 new watches being set up or refreshed. NHW has obtained funding to continue this work in 2020-21. There has been increased communications with NHW coordinators via email due to the large volume of scams brought about by the pandemic, and an increase in communications from the police. Relationships with the National Neighbourhood Watch Association have been strengthened with greater opportunities for cross-working.</p>	<p>Carry forward</p>
<p>Managing and delivering a 24/7 CCTV service which includes 210 static CCTV cameras and a current deployable set of 13 cameras</p>	<p>The CCTV service operates 24/7 with 7 operators working shifts. From 1st of April 2020 until 30th of November 2020, the operators have logged 8219 incidents, nearly 500 of which were serious enough for the police and/or the insurance companies to request the footage.</p> <p>Our cameras are maintained, in accordance with our maintenance contract, by Tyco. We successfully completed a procurement process for maintenance of CCTV, ANPR and the system upgrade in November 2021, having in place a new 4 year contract starting in December 2021.</p>	<p>Carry forward</p>
<p>Ensuring MOPACs police and crime plan priorities are delivered locally and overseeing the embedding of the police command units merger working to minimise the impact on Merton and our residents.</p>	<p>* Provided ongoing support to the Safer Neighbourhood, including the securing £27,256 from the MOPAC Community Engagement Funding for 2020-21. Commissioning 6 local community based projects which tackle the objectives in the Mayor's Policing and Crime Plan 2017-21.</p> <p>* £383,894 (over 2 years) London Crime Reduction Funding was secured to support the delivery of the DV IDVA service, Victim Care, tackling exploitation, responding to serious youth violence and contributing towards both the children's and the Adults Safe Guarding Boards.</p> <p>*VRU funding secured to support violence reduction work including for focused youth work (St Giles SOS+ scheme) with young people at risk of criminal exploitation in five schools across the borough.</p>	<p>Carry forward</p>
<p>Ensuring that the borough is doing what it can to work in partnership to reduce violence on the borough</p>	<p>*Crime Stoppers Campaign run by Fearless has reached many young people and professionals on the borough via targeted sessions, social media and campaign materials. Ongoing future work with Crime Stoppers is planned.</p> <p>*Successful VRU bids to support a project with St Giles Trust to deliver violence reduction sessions in schools and voluntary sector led Bystander Training</p> <p>*Successful VRU bid to conduct an evaluation of the contextual safeguarding project in the Phipps Bridge Estate</p> <p>*Successful VRU Critical Incident Fund Bid, to purchase a CCTV camera for violence hotspots and to further enhance our Crime Stoppers offer.</p> <p>*Successful transition of the Knife Crime Plan to the borough's Violence Plan</p> <p>*Regular updates and presentation delivered on the violence work</p> <p>*Ongoing work to utilise the ISTV provision of A&amp;E data to better understand our violence hotspots</p> <p>*Violence analysis and performance included in the Strategic Assessment and as part of our performance presentations to the SSEB, Councillor Briefings and the Locations Board</p>	<p>New in-year action to continue into next year</p>

**How will we get there?**

*Try to limit this to no more than around 5-7 key objectives. This section should be reviewed if there are any significant changes in direction during the year. Changes can be noted along with the reasons for and implications of the change. When you review this, look for opportunities, insights, or risks that have emerged.*

**Service Objective 1 : To deliver on the council's statutory duty as set out in the Crime and Disorder Act.** Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions

To ensure compliance with the statutory duty under Section 17 and 115 of the Crime and Disorder Act 1998 by:

- managing the statutory Community Safety Partnership (SSEB), establishing a local crime, disorder and substance misuse strategy
- following an evidence based approach and assessing the performance and impact of the partnership on crime and ASB by producing the annual strategic crime needs assessment (SCNA), quarterly performance and specialist crime and ASB profiles
- conducting the bi-annual public Community Safety Consultation
- implementing a partnership process to share information to prevent, detect and deter crime

Statutory requirement  
 Maintain a clean and safe environment  
 Create a great place to grow up and live in

**Performance Measures**

Indicator	2020/ 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25Target	Frequency	Polarity
Ranking as lowest crime borough (TNO)	New for 2022/23	RAG	TBC	TBC	TBC	TBC	Annual	Benchmark
Ranking as safest borough in London (VWI)	New for 2022/23	RAG	TBC	TBC	TBC	TBC	Annual	Low

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

Project / activity name	Description	Proposed start date	Proposed end date
Project / activity 1	Produce the Annual Strategic Crime Needs Assessment 2022/2023	Oct-22	by December 2022
Project / activity 2	Deliver the public Community Safety Consultation - not needed as bi-annual		
Project / activity 3	Annual review Community Safety Strategy for Merton 2022-2025	Jan-23	by 1st April 2023
project/activity 4	Facilitate and manage the Statutory Community Safety Partnership & delivery of the Community Safety Strategic objectives	ongoing	by 30 March 2023
Project / activity 5	Conduct annual review Section 115 Information Sharing agreement		by June 2022

**Potential barriers to achieving objective**

Description of barrier	Mitigating Actions
Lack of funding to support the delivery of the Community Safety Strategy, for example, reduction/withdrawal of the London Crime Reduction Funding (LCPF), the Violence Reduction Funding.	MOPAC have confirmed that at least 3 years of LCPF funding will be available for the same amounts as 2021/2022 - at the time of writing this plan we are awaiting confirmation- due in November/December this year.
Domestic Violence Act and new duty on the provision of accommodation - impact on colleagues within housing, Children and families and the SSEB partnership working on VAWG	Safer Merton have secured a post funded by MHCLG until September 2022 to focus on part 4 of the DA Act (Housing Duty), working group for the implementation of the DA Act Locally has been established, work plan is in place to ensure Merton is compliant

**Impact on the customer/end user**

**Please highlight the anticipated impact on the customer/end user of carrying out the activity in your service plan**  
 Merton will have an effective statutory community safety partnership in place that responds to crime and ASB impacting on those who live, work and visit Merton. The partnership will have a clear process in place to share information for the purpose of detecting, preventing and deterring crime and ASB. The partnership will also follow an evidence based approach, agreeing priorities that are responsive to community safety matters that impact on communities within Merton.

<b>Partners / interdependencies</b>								
<b>Highlight any interdependencies where other council services or partner organisations are linked to the delivery of this objective.</b>								
<ul style="list-style-type: none"> <li>- Attendance and participation at the Statutory Safer and Stronger Executive Board (SSEB)</li> <li>- Contribute towards the production of the strategic crime needs assessment by sharing data with Safer Merton</li> <li>- Supporting the public community safety consultation on crime and ASB - to achieve maximum responses</li> <li>- By adhering to the information sharing arrangements in place, actively sharing information and data to detect, deter and prevent crime and ASB</li> </ul>								
<b>Service Objective 2: To ensure our local approach to crime prevention and community safety reflects local, regional and national policy and good practice.</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>				
To ensure regional and national strategies and policies, relevant legal requirements and good practice are reflected in our local approach, including the Mayor's Office for Policing and Crime, The Home Office and London Crime Reduction Funding, The Domestic Abuse Law, Mayors VAWG Strategy, Home Office VAWG Strategy.				Continuously improve				
				Statutory requirement				
				Select				
<b>Performance Measures</b>								
<b>Indicator</b>	<b>2020/ 21 Actual</b>	<b>RAG</b>	<b>2020/21 Target</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>Frequency</b>	<b>Polarity</b>
n/a							Select	Select
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)								
<b>Project / activity name</b>	<b>Description</b>					<b>Proposed start date</b>	<b>Proposed end date</b>	
Project / activity 1	Consider local impact of MOPAC, Home Office, strategies/policies and legislative changes relevant to Community Safety and implement relevant local changes					Jan-21	Mar-23	
Project / activity 2	Secure London Crime Reduction Funding & Violence Reduction Funding and commission relevant services					Jan-21	Mar-23	
<b>Potential barriers to achieving objective</b>								
<b>Description of barrier</b>					<b>Mitigating Actions</b>			
New Crime and Policing Plan for London in place - potential challenge around the London need and priorities balanced with the local Merton Needs					Continued close working and collaboration between the SWBCU and Safer Merton on alignment and at the SSEB.			
Regional, central plans and strategies may not be reflective of or respond to the local prevalence of Crime and ASB issues in Merton					Ensure that the Merton trends in crime and ASB are considered alongside any national, regional policies and strategies ensuring that any such local implementation is relevant to Merton.			
<b>Impact on the customer/end user</b>								
<b>Please highlight the anticipated impact on the customer/end user of carrying out the activity in your service plan</b>								
<ul style="list-style-type: none"> <li>- Community Safety Partnership is better informed of potential future impact and opportunities for the partnership</li> <li>- Merton Safer and Stronger Executive Board and Merton Council delivers on good practice and remains in line with regional and national strategy, policy and legislative requirements, whilst at the same time responding to local need and trend.</li> </ul>								
<b>Partners / interdependencies</b>								
<b>Highlight any interdependencies where other council services or partner organisations are linked to the delivery of this objective.</b>								
<ul style="list-style-type: none"> <li>- Contribution towards the partnership horizon scanning</li> <li>- Taking into account, where required, good practice, legislative requirements, regional and national strategies and policies on community safety</li> </ul>								



<b>Service Objective 3: To develop and implement a partnership approach to responding to Violence against Women and Girls (VAWG).</b>				Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions					
To oversee the delivery of the Violence against Women and Girls strategic priority. Commission and manage services that support victims of domestic violence and abuse. Work with partners to develop an approach to bring perpetrators to justice and implement the statutory process of Domestic Violence Homicide Reviews and other related legislation as and when required.				Support our most vulnerable residents of all ages					
				Statutory requirement					
<b>Performance Measures</b>									
<b>Indicator</b>	<b>2019 / 20 Actual</b>	<b>RAG</b>	<b>2020/21 Target</b>	<b>2021/22 Target</b>		<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>Frequency</b>	<b>Polarity</b>
Repeat DV MARAC cases by volume	39.75%	Green	30-60%	30-60%	30-60%	30-60%	30-60%	Monthly	Benchmark
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>	<b>Proposed end date</b>	
Project / activity 1	Commission and contract management of specialist Domestic Abuse services including, Independent Domestic Violence Advocacy Service (IDVA). Manage the Domestic Violence One Stop Shop held Monthly.						ongoing	Mar-23	
Project / activity 2	Manage the monthly DV MARAC meetings - ensuring a co-ordinated approach to supporting high risk victims.						ongoing	Mar-23	
Project / activity 3	Develop and oversee delivery of a Violence against Women and Girls and Domestic Abuse Strategy for Merton (By April 2022) , supported by an annual delivery plan. Manage and facilitate the multi-agency Violence against Women and Girls (VAWG) Delivery Board (meets quarterly), a sub group of the SSEB. (& Safety of women and girls)						ongoing	Aug-22	
<b>Potential barriers to achieving objective</b>									
<b>Description of barrier</b>						<b>Mitigating Actions</b>			
Lack of funding to commission domestic violence services 2 out of the 3 IDVA's are funding via the LCPF which is only confirmed until March 2022 <b>awaiting 2022 -2023 settlement</b>						Currently this is funded partly by the council and partly by the MOPAC LCPF. LCPF funding is secure until March 2022. Any funding gaps to be highlighted corporately. Commissioned services are already aware of the clause around 'subject to funding'.			
Lack of partnership and wider council input in responding to Violence against Women and Girls						Continued partnership and wider council engagement both strategically and operationally			
<b>Impact on the customer/end user</b>									
<b>Please highlight the anticipated impact on the customer/end user of carrying out the activity in your service plan</b>									
<ul style="list-style-type: none"> <li>- Victims of domestic violence &amp; abuse are able to access specialist support and advise from across the partnership through the IDVA support and the One Stop Shop.</li> <li>- Partners are able to refer cases of high risk cases to the DV MARAC to ensure a more intense multi-agency approach is in place to safeguard the victim and his/her children</li> <li>- SSEB have a co-ordinated approach in place to respond to Violence against Women and Girls through a coherent strategy, delivery plan and quarterly VAWG board meeting</li> </ul>									
<b>Partners / interdependencies</b>									
<b>Highlight any interdependencies where other council services or partner organisations are linked to the delivery of this objective.</b>									
<ul style="list-style-type: none"> <li>- The police, probation, public health, registered social landlords in Merton and CCG's are linked to the delivery of this objective</li> <li>- The council Children, Families and Schools directorate, Housing and Adult Social Care are also linked to the delivery of this objective as it relates to the safeguarding of adults and children</li> </ul>									

<b>Service Objective 4: To respond to complaints of Anti-social Behaviour, utilising all the tools and powers afforded to us under the ASB Act 2014.</b>				<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>				
To support victims of anti-social behaviour (ASB), take enforcement action against perpetrators and provide a multi-agency response to locations in Merton subjected to persistent ASB and Crime.				Maintain a clean and safe environment				
				Create a great place to grow up and live in				
<b>Performance Measures</b>								
<b>Indicator</b>	<b>2020/2021 Actual</b>	<b>RAG</b>	<b>2021/22Target</b>	<b>2022/23Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>Frequency</b>	<b>Polarity</b>
Number of interventions using the powers provided under the Anti-social Behaviour, Crime and Policing Act 2014 (CPNW, CPN, Civil Injunction, Closers)	New for 2022-23	Not Yet Known	TBC	TBC	TBC	TBC	Quarterly	Benchmark
ASB cases acknowledged within service timescales	95.33%	Green	90%-100%	90%-100%	90%-100%	90%-100%	Quarterly	Within a range
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)								
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>	<b>Proposed end date</b>
Project / activity 1	Effective use of ASB tools and powers and multi-agency problem solving of ASB cases and developing good local multi-agency practice						ongoing	
Project / activity 2	Focus on locations where there is persistent ASB, implementing effective local multi-agency action plans, monitored via the quarterly Localities Board						ongoing	
Project/activity 3	Implement use of the multi-agency casework platform - Ecins - across the partnership - to respond to cases of ASB (Ecins also supports the other multi-agency panels responding to DV, offender management & rough sleepers - Safer Merton are co-ordinating the implementation of this.						ongoing	Mar-22
Project / activity 4	Direct casework support for victims of ASB (non-clarion tenants) and effective engagement in the Community MARAC (deals with high risk/vulnerability ASB cases)						ongoing	
<b>Potential barriers to achieving objective</b>								
<b>Description of barrier</b>				<b>Mitigating Actions</b>				
Lack of multi-agency working & lack of willingness to access and use Ecins				Agreed multi-agency processes in place and continued development of partnership working and engagement at both strategic and operational level. Ecins Project Board in place to manage the roll out.				
<b>Impact on the customer/end user</b>								
<b>Please highlight the anticipated impact on the customer/end user of carrying out the activity in your service plan</b>								
- Impact on communities and victims of persistent ASB is reduced								
- reduced demand on services across the partnership caused by repeat offending and incidents of ASB								

**Highlight any interdependencies where other council services or partner organisations are linked to the delivery of this objective.**

- Agency participation in the Community MARAC(ASB) and use of Ecins
- Assistance and support in the problem solving process where wider council service input is required
- Supporting the PSPO's implemented in Merton as required
- Sharing of information in a timely manner
- Signing up to either accessing and/or using Ecins multi-agency case management system used by Safer Merton

**Objective 5: To Support the Council's ambition to build community resilience by delivering Merton's Neighbourhood Watch Programme, developing and delivering Merton's Hate crime Strategy and supporting Merton Safer Neighbourhood Board(SNB).**

Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions

To Support the Council's ambition to build community resilience by delivering Merton's Neighbourhood Watch Programme, developing and delivering Merton's Hate crime Strategy and supporting Merton Safer Neighbourhood Board(SNB).

- Build resilient communities
- Create a great place to grow up and live in
- Bridge the gap and reduce inequalities

**Performance Measures**

Indicator	2019 / 20 Actual	RAG	2020/21 Target	2021/22 Target	2022/23 Target	2023/24 Target	Frequency	Polarity
Number of New NHW set up	New for 2022-23	Not Yet Known	10	10	TBC	10	10	Annual Benchmark

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

Project / activity name	Description	Proposed start date	Proposed end date
Project / activity 1	Co-ordinate the Neighbourhood Watch scheme	ongoing	01/03/2023
Project / activity 2	Support the Safer Neighbourhood Board (meetings quarterly) - managing the SNB grant and the commissioning or projects	ongoing	Mar-23
Project / activity 3	Establish and oversee the delivery of the Hate Crime Strategy, the running of the Hate Crime Steering Group (meets quarterly), the hate crime drop in surgeries and the further development of the 3rd party reporting scheme. Have due consideration of the community tensions and increase in hate crime as a result of Brexit and COVID-19.	ongoing	

**Potential barriers to achieving objective**

Description of barrier	Mitigating Actions
Funding for the SNB ceases - therefore Safer Merton unable to continue to support the SNB as it currently does	Exit plan in place, continued dialogue with MOPAC in relation to the funding
Lack of community participation in Neighbourhood Watch	Continued promotion of the benefits of Neighbourhood Watch in local areas and continued engagement with the members

**Impact on the customer/end user**

- Please highlight the anticipated impact on the customer/end user of carrying out the activity in your service plan**
- Communities are more engaged and working in partnership with the council and the police to prevent and detect crime
  - Burglary hotspot areas are targeting for increased Neighbourhood Watch Schemes
  - Safer Merton contribute towards the council's ambition to strengthen community resilience
  - victims of hate crime are able to access advise and support from across the partnership

**Partners / interdependencies**  
**Highlight any interdependencies where other council services or partner organisations are linked to the delivery of this objective.**  
 - Partnership engagement in the hate crime steering group and one stop shop  
 - police support to respond to hate crime incidents reported and setting up of the Neighbourhood watches

**Service Objective 6: To develop a co-ordinated and partnership response to violence.** Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions

To develop and co-ordinate the boroughs multi-agency approach to violence reduction. Developing a multi-agency plan, strategic approach, securing funding, commissioning projects and actively contributing towards the South West BCU approach to Violence Reduction.

Maintain a clean and safe environment  
 Create a great place to grow up and live in

**Performance Measures**

Indicator	2020 / 201Actual	RAG	2021/22 Target	2022/223Target	2023/24 Target	2024/25Target	Frequency	Polarity
N/A								

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

Project / activity name	Description	Proposed start date	Proposed end date
Project / activity 1	Update and deliver Merton Violence Reduction Plan	ongoing	ongoing
Project / activity 2	Provide regular updates to the SSEB on the delivery of the Merton Violence Reduction Plan	ongoing	ongoing
Project / activity 3	Actively participate in the SWBCU Violence Steering Group and other partnership forums responding to violence including Youth Crime Justice Board, Integrated Offender Panel, Children and Young Peoples Panel, MARVE	ongoing	ongoing
Project / activity 4	Secure relevant funding (LCPF, VRU) and commission services to support activities in the violence reduction plan	ongoing	ongoing

**Potential barriers to achieving objective**

Description of barrier	Mitigating Actions
Lack of wider council and partnership support to deliver on the violence reduction plan	Steering group in place to monitor delivery of the plan and provide 6 monthly progress reports to the Safer & Stronger Executive Board

**Impact on the customer/end user**

Please highlight the anticipated impact on the customer/end user of carrying out the activity in your service plan  
 - Multi-agency and public health approach delivered to tackle violence, supporting victims and addressing offending behaviours  
 - Increased community engagement, raising awareness and business engagement to prevent and deter violence

**Partners / interdependencies**

Highlight any interdependencies where other council services or partner organisations are linked to the delivery of this objective.  
 - joint working with Children, Schools and Families imperative  
 - strong partnership working across the criminal justice agencies and the SSEB members required  
 - Teams and agencies delivering on the actions they have committed to as set out in the violence reduction plan  
 - participation at the SWBCU Violence Steering Group as and when required  
 - information sharing, both slow time and fast time to manage short, medium and long term risk and target resources effectively

### People

1. Ensuring access to training, coaching and mentoring to further develop staff skills in project management, management of grant funding, developing partnership strategies and neighbourhood action plans to respond to crime and ASB.

2. To meet future demand, further developing staff skills to ensure competency in preparing case files for pursuing enforcement action in the courts

1. All Safer Merton staff are able to work from home - as long as they have access to internet and can connect to the council IT, Office 365 and the Ecins case management platform (web based).

2. As a result of smarter working the service is able to increase the use of the existing space by providing a base for the domestic violence IDVA service

3. Staff learning and development plans will consider areas for improving the use of IT platforms such as teams, zoom and other platforms that enable collaborative working, interactive community engagement and consultation

### Technology

1. We are involved in the roll out of the new GIS system for the Council and will be accessing the new system as it becomes available. We have already used it to support the PSPO and upgraded the laptops of the analysts to support the software and analytical needs of the service.

2. The OWL messaging service is a platform used for pushing messages out to Neighbourhood Watch and works on the basis of residents signing up to receive community safety messaging. This platform comes at a cost, if the budget was available it would be a good system to secure -however the future of the providers of OWL is dependent on the support they get across London and MOPAC. Currently using excel and emails is causing IT issues and increased officer time to complete the task.

3. The CCTV Capital programme for 2021/2022 and 2022/2023 will require input from IT

4. We require continued use of the ECINS case management platform - Safer Merton have purchased the system which is accessible across the council and partnership for multiple purposes and is value for money - further investment in the additional tools offered with the system would be of benefit for example the automated referral system for case panels such as domestic violence, integrated offender management, rough sleepers - we are not currently using this system to its full capacity.

## Service improvement

### *Using Ecins to its full capacity*

*We require continued use of the ECINS multi-agency case management platform - Safer Merton have purchased the system which is accessible across the council and partnership for multiple purposes and is value for money, with no additional cost to additional users - further investment in the extra tools offered with the system would be of benefit for example the automated referral system for case panels such as domestic violence, integrated offender management, rough sleepers, or the public facing forms increasing the 'self-service' function - we are not currently using this system to its full capacity.*

### *Strategic Crime Needs Assessment and evidence base to inform local priorities.*

*Completing an annual strategic crime needs assessment is a statutory duty under the Crime and Disorder Act 1998. Further improvement on the production of this assessment could ensure that wider council data is incorporated into the assessment for example environmental crime (fly-tipping), rough sleeping and wider issues that impact on crime and ASB or areas where the input of the criminal justice agencies (Community Safety Partnership) can assist in the reduction of demand on council services.*

### *Compliance with Section 17 of the Crime and Disorder Act 1998*

*A council wide section 17 audit could also assist in enabling the partnership but more specifically the council to assess how the council complies with Section 17 of the Act, identifying gaps, good practice.*

### *Compliance with the Surveillance Camera Code of Practice and securing accreditation*

*A review/self-assessment on how we use CCTV, body worn cameras (surveillance) across the council and compliance with the Surveillance Camera Commissioners Code of Practice would be of benefit to inform any future improvement plan, reduce the risk of the council being non-compliant. It would also provide reassurance to communities that the public space CCTV is well managed. This review would be for all services using CCTV whether directly by the council or by commissioned services - as the council is ultimately responsible for ensuring compliance of the surveillance camera code of practice. Working towards certification for third parties or for the local authority would be a positive step in this direction.*



# Service Plan for : Transport

Service Manager:	Charles Baker	Cabinet Member:	Covers a range of portfolio holders
Peer review date:		Name of peer:	
Date created:		Date of next review:	

## Overview of the service

*Provide a brief overview of your service and the outcomes it seeks to provide for residents/service users, including any statutory duties that impacts on this*

Merton Transport Services procure, manage and control the safe management of the council's fleet of vehicles for approximately 26 different internal customers. This includes Parking, Environmental Enforcement, Bailiffs and the Passenger transport fleet. The costs for these vehicles are met via an SLA with each operating unit.

PASSENGER TRANSPORT - Our current key passenger customers are vulnerable adults and special educational needs children. It is important to note that we have no direct contract with the customers as the service is managed and commissioned through C&H and SEN who allocate the work schedules.

The client group is made up of extremely vulnerable children and adults for whom not travelling is not an option. Their abilities and physical challenges mean that in many cases they are unable to make use of conventional transport provision.

In addition to the core services, our Passenger Transport team also provide transport on an ad hoc basis for schools and other establishments, and a self-drive facility for youth services, and other authorised bodies, such as scouts (note that under section 19 regulations, we are unable to extend this service and operate on a commercial basis).

NOTE: Passenger Transport and Fleet services are two separate departments and are not an integrated function.

## Merton's ambitions

*It is important that the activity in your service plan has a clear link to helping achieve the council's overall ambitions. Please consider these ambitions when developing your plan and ensure that activity and projects are matched against them:*

- Support our most vulnerable residents of all ages
- Maintain a clean and safe environment
- Create a great place to grow up and live in
- Build resilient communities
- Bridge the gap and reduce inequalities
- Continuously improve

## What do we need to do?

*In developing your plan it is important to understand the wider context in which the service and the council operates. Please refer to Merton Data as a tool to help you understand the present and future demands on your service and the views and needs of its customers. This should be combined with local intelligence held by your service.*



Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p>Fleet and Passenger Transport is a high performing service with a high level of customer satisfaction (97%).</p>	<p>Current evidence suggest that the number of pupils with Special Educational Needs is also rising, with SEN statements / EHC plans rising by an estimated increase of 127% compared to a general child population increase of around 2%.</p> <p>The SEN Needs Analysis demonstrates that the rate of increase has been greater in recent years and is predicted to continue. This has already resulted in significant pressure on the Transport Service.</p> <p>Against this, it is anticipated by SEN that there will be an increase in the uptake of direct payments by the families of new clients, which will impact on the numbers of clients being provided transport by MTS.</p> <p>This will require greater partnership working with Children's Schools &amp; Families (CSF) and Communities and Housing (C&amp;H).</p>	<p>Following the award of contract to Veolia in April 2017 for the operational management of waste collection and street cleaning, approximately 50% of the council's fleet has been novated to the new contractor along with the workshop facility.</p> <p>As a result of this the service no longer holds a Freight Operator's Licence and the retained Passenger transport service operates under Section 19 permit. It is important to note that this restricts the service from providing additional commercial activities.</p>	<p>Following the award of contract to Veolia in April 2017 for the operational management of waste collection and street cleaning, approximately 50% of the council's fleet has been novated to the new contractor along with the workshop facility.</p> <p>As a result of this the service no longer holds a Freight Operator's Licence and the retained Passenger transport service operates under Section 19 permit. It is important to note that this restricts the service from providing additional commercial activities.</p> <p>Our aim is become London's best Council run passenger transport service. This will be achieved by ensuring we provide a viable, reliable and cost effective alternative to external taxi commissioned journeys on behalf of CSF and C&amp;H. As demand for our service increases we will need to work on strengthening these relationships and look at maximising our shared resource to improve our service offer.</p>

Where are we now?		
Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Undertake a business case to assess the benefits of vehicle route optimisation.	In progress - Soft market testing completed and procurement in progress . Joint project with ICT Business Systems team. Gate way 1 report due Q1 2022.	Carry forward
Undertake a vehicle replacement programme including a review of shared / pool vehicles. This will take into account the findings / recommendations of the parking review.	On hold, awaiting outcome of staff travel review and use of pool vehicles . Infrastructure not in place to support switch to electric vehicles. In agreement with E7R DMT all new vehicles directly purchased for Merton run services will be electric unless an approved Business case signed off BY DMT identifies alternative vehicle choice.	Carry forward
Undertake a joint review of the current service offer provided to SEN and C&H	Completed - Passenger transport operations review undertaken , supported by external consultant EDGE. Recommendations being assessed and key action points to be undertaken in partnership with CSF and C&H.	Close

**How will we get there?**

*Try to limit this to no more than around 5-7 key objectives. This section should be reviewed if there are any significant changes in direction during the year. Changes can be noted along with the reasons for and implications of the change. When you review this, look for opportunities, insights, or risks that have emerged.*

<b>Service Objective 1</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<b>Ensure service performance indicators are monitored, reviewed and delivered within Budget and agreed time frame.</b>	Continuously improve
	Create a great place to grow up and live in

Performance Measures									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
% Client User Satisfaction	89%	Red	97%	97%	97%	97%		Annually	High
Average % passenger vehicles in use	100%	Green	85%	85%	85%	85%		Annually	High
% in-house journey that meet timescales	100%	Green	85%	85%	85%	85%		Annually	High
Sickness - average days per FTE	26.85	Red	9	9	9	9		Monthly	Low

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

Project / activity name	Description	Proposed start date	Proposed end date
Project / activity 1	Vehicle utilisation (Passenger Transport Fleet) to assess level of occupancy and spare capacity in the service per route.	Jan-21	Apr-22
Project / activity 2	Procure new route optimisation software.	Oct-20	Apr-22

<b>Potential barriers to achieving objective</b>	
<b>Description of barrier</b>	<b>Mitigating Actions</b>
None identified.	
<b>Impact on the customer/end user</b>	
Revised SLA with our customers increasing journey times to and from SEND schools.	
<b>Partners / interdependencies</b>	

<b>Service Objective 2</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<b>Monitor advancement in alternative fuel technologies and ensure vehicle replacement programme recognises the Councils desire for a full electric Fleet by 2030.</b>	Continuously improve
	Maintain a clean and safe environment

Performance Measures									
Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity

% of council fleet using Diesel fuel	82%	Green	Target to be agreed subject to financial investment					Annually	High
<b>Projects / key activities to support the objective</b> <i>(provide a brief description of any projects / key pieces of work that will enable you to meet the objective)</i>									
<b>Project / activity name</b>	<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
<i>Project / activity 1</i>	Assess the viability of lease hire arrangements which supplier responsible for upgrading new fleet with most financially practical fuel source as advancement in technology improve and reduce in cost.					<i>Jun-21</i>		<i>Apr-22</i>	
<i>Project / activity 2</i>	Capital programme for depot / Car park refurbishment to upgrade new charging points.					<i>Sep-21</i>		<i>Apr-22</i>	
<b>Potential barriers to achieving objective</b>									
<i>Description of barrier</i>					<i>Mitigating Actions</i>				
Financial - Current estimate cost of in excess of £3m for Garth Rd substation.					Review approach on how we prioritise our carbon agenda and allow for net carbon solutions to be awarded as part of new procurement strategy.				
<b>Impact on the customer/end user</b>									
This should have minimal impact on the customer in terms of service use, but will have long term benefits on air quality in the Borough.									
<b>Partners / interdependencies</b>									

### People

The Public Space Division is undergoing a transformational change across all areas and will be underpinned by a divisional restructure.

The focus of the restructure is to ensure that we build greater resilience in the service along with identifying any skills gap which may be identified and relevant training and development support provided to staff and Teams where appropriate.

The review of the structure will bring together, under one central management function, both Fleet Services and Passenger Transport and in doing so supports any future proofing of the service as its work streams are aligned with the needs of SEND and C&H. Our staff are our greatest asset and will need to adapt and grow to new ways of working.

### Technology

The IT and Business Improvement Team will play a major role in working with the suppliers to ensure the IT element of the Transport Logistic & Fleet Maintenance systems are installed to enable us to utilise the technology elements of the systems (TRACKING).

Work is already in progress in ensuring that the service has a fit for purpose routing system. The current Corporate IT offer is fit for purpose and meets the core needs of the management function of the service. Moving forward, access to Google Docs will be required as the service looks to integrate its direct reporting functionality with our workshop service providers IT systems.

### Service improvement

Following the external review of our Passenger Transport Operations there are identified opportunities to integrate our service function further with SEND and C&H by the creation of an Integrated Travel Unit (ITU) which would give overall responsibility for all activities from 'assessments through to operational delivery under one team. The aim would be to create clear and overall accountability for all travel cost in terms of effect assessments and value for money delivery.



# Service Plan for : Waste Management & Cleansing

Service Manager:	Charles Baker	Cabinet Member:	Councillor Natasha Irons
Peer review date:		Name of peer:	
Date created:	05/11/2021	Date of next review:	

## Overview of the service

*Provide a brief overview of your service and the outcomes it seeks to provide for residents/service users, including any statutory duties that impacts on this*

The London Borough of Merton is a Principal Litter Authority with a statutory duty under the provisions of the Environmental Protection Act 1990 to ensure that 'relevant land in its area is, so far as is practicable, kept clear of litter and refuse.'

The Council also has a statutory duty under the Environmental Protection Act 1990 to collect household waste and a Duty of Care to handle waste responsibly but they also have a range of other responsibilities which specifically relate to municipal waste.

One of the key pieces of legislation is the Waste Framework Directive 2008 which sets the basic concepts and definitions related to waste management, such as definitions of waste and recycling and a legally-binding five step waste hierarchy.

The Waste Framework directive also requires councils to provide separate collection of paper, plastics, metal and glass. In England, separate collections are required where they are technically, environmentally and economically practicable (TEEP) and appropriate to meet the necessary quality standards for the relevant recycling sectors.

The Waste Services Team have undergone a significant level of change in recent years. We have moved away from providing these services in-house and now focus on the commissioning and contract management / facilitating of the services which we provide for our customers.

Our aim is to ensure that Merton is a great, sustainable place to live with clean streets and an efficient waste collection service supported by sustainable waste disposal arrangements. This is achieved by fulfilling the Council's statutory responsibility in respect to waste collection, street cleansing and the associated disposal of all waste streams.

We are working towards improving our customer experience in reporting of service requests online and via the promotion of mobile applications. The recent dynamic change in how people work and the increase in home working has put an increased demand particularly on the waste collection service and there is an associated increase in domestic waste and recycling production.

The service will have to adapt to keep pace with changing demands and pressures and in particular to meet the demand and Corporate targets to maintain and increase recycling rates and work toward developing opportunities to improve these outcomes.

## Merton's Ambitions

*It is important that the activity in your service plan has a clear link to helping achieve the council's overall ambitions. Please consider these ambitions when developing your plan and ensure that activity and projects are matched against them:*

- Maximising efficiencies through co-ordinated partnership working
- Ensuring services represent value for money and meet the needs of residents and businesses
- Holding those to account who choose to dispose of their waste and litter irresponsibly
- Look for areas of commercial opportunity.
- Create a great place to grow up and live in
- Build resilient communities
- Bridge the gap and reduce inequalities
- Continuously improve

**What do we need to do?**

*In developing your plan it is important to understand the wider context in which the service and the council operates. Please refer to Merton Data as a tool to help you understand the present and future demands on your service and the views and needs of its customers. This should be combined with local intelligence held by your service.*

[Merton Data](#)

[The Merton Story](#)

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Customer Insight	Data and intelligence	National / Regional policy implications	Working to be London's Best Council
<p>The new waste collection service which was introduced in Oct 2018 impacted on every household in the borough and was one of the biggest changes in waste collection our residents have experienced in recent history with approximately 74% of households experiencing a change in the day of collection.</p> <p>There are currently c 68,000 kerbside properties which receive the new waste collection service resulting in an average of 680,000 collections per month (excluding garden waste). In addition to this there are c 16,000 flats, each receiving a weekly communal collection amounting to 128,000 collections per month.</p> <p>The Service works with the Planning Team to issue a growing number of Houses of Multiple Occupancy (HMOs) with Waste Certificates and ensure that suitable waste collection arrangements are in place to cope with the additional waste that arises from such housing arrangements.</p>	<p>Merton has a population of 211,787. By 2030 the population is predicted to be 224,502 (source: <a href="https://data.merton.gov.uk/population/">https://data.merton.gov.uk/population/</a>). To meet this growth the service is expecting an additional 1,328 new homes to be built each year. We anticipate that the majority of new homes built will be flats or houses of multiple occupancy and serviced by communal collections. These properties are historically challenging to manage in regards to resident engagement and participation in our recycling services.</p> <p>The predicted increased population and anticipated increased number of communal collections will put considerable pressure the borough's waste collection service and additional financial pressure associated with the additional cost of disposal for which we have a statutory duty to provide.</p> <p>The street cleansing service needs to maintain all public roads of which there are 1,482 including the Public Rights of Way (PROW) to the required standard. The Neighbourhood Team work to a Target Operating Model to ensure that each street is inspected a minimum of once a month. This information is reported in a weekly dashboard and monthly report and is utilised by the Client Team to discuss with Service Providers and utilise the intelligence to ensure that resource is targeted to the areas that require it the</p>	<p>The Authority has a legal duty under the Environmental Protection act 1990 to collect household waste and keep our land free of refuse and litter including fly tipped material from public land.</p> <p>The Waste (England and Wales) Regulations 2011 (as amended 2012) are designed to implement the requirements of the EU Waste Framework Directive; Article 4 applies to the handling and processing of certain recyclable materials. The essence of the Directive is to ensure that materials collected as recyclables, are indeed recycled, and do not find their way into landfill or are disposed of in another way.</p> <p>The Directive and the Regulations which translate that into law have therefore introduced what is known as TEEP. "Technically, Environmentally and Economically Practicable"</p> <p>In forming a judgement about the type of collection methodology that should be used, a TEEP analysis has been undertaken to demonstrate whether it is necessary to implement any changes to the collection arrangements to ensure the authority complies with the new directive.</p> <p>As part of the Mayor of London's Environment Strategy, all London authorities have been tasked with completing a Reduction and Recycling Plan</p>	<p>With the growing financial pressures placed on Local Authorities the one thing that will remain constant will be the need to change. We will need to look across all services and identify new initiative ways of working and redesign services with the residents at the heart of the design process.</p> <p>This can be achieved through our vision and values. We will build, with our residents and partners, a sustainable community; dynamically positioning the directorate within the different communities to understand their needs and support them from an informed position. A greater sense of inclusiveness and belonging, building a larger cohort of engaged employees and residents.</p> <p>Engaging and energising local communities will be indispensable when it comes to developing a sense of ownership in local decision-making and service delivery. Standards will be maintained / improved through peer pressure and engagement from residents rather than through micro management of functions provide by the authority.</p> <p>In order to achieve our vision, our relationship with our residents and partners will be tested. We currently operate within a parent / child relationship with our residents in which the authority takes the lead role in providing all required services. Moving forward this relationship will change. Residents engage with what they feel part of and value what they help to build.</p> <p>We have a proven track record of implementing change at a strategic level and at a structural level (organisational) including process/ operational</p>



most.

(RRP) covering the period April 2018 – March 2022 which sets out how the councils aims in achieving the Mayors recycling target. (50%) The supporting strategy sets out objectives, targets and policies for the effective management of London’s municipal waste and to accelerate the transition to a circular economy.

In line with this requirement we have produced a Reduce and Recycling Plan (RRP) for Merton which illustrates our reduction and recycling targets that contribute to the Mayor’s London-wide targets. This was approved by the Mayor in March this year.

The service has worked to produce a business continuity plan and business recovery plan particularly in light of the Covid-19 pandemic. The Service continues to keep up-to-date with Government Guidance and regulation and ensure compliance.

change. The challenge now for the team will be to understand the impact at a cultural level (personal change) we have historically focused on supporting individuals through the change process and outplacement support when people have been required to leave the organisation. Moving forward we all have choices and those that elect to be part of this journey need to understand the challenges that we face and the high expectations required at both a team and individual level.

As the directorate continues to shrink our human resource become a high valuable asset to manage. We will need to move away from a command and control style of management and structure, moving towards a transformational style of leadership that empowers proactive teams.

**Where are we now?**

Objectives from the last service plan refresh:	Progress made against objectives:	Close / carry forward?
Undertake a review of current disposal arrangements and develop a new commissioning and procurement plan for each of the waste streams in partnership with the South London Waste Partnership (SLWP).	<p>Refuse - Completed. 25 year contract with Viridor for EFW facility in Beddington.</p> <p>Recycling - Completed. From 2022 this becomes the responsibility of our waste collections provider. To be reviewed in 2022 as part of procurement approach to waste collection contract which expires in 2025.</p> <p>Food and Garden waste - Completed 2021 approved by Cabinet in Oct 2021.</p>	Close
Following the implementation of the new waste collection service and introduction of a new containers recycling, undertake a review of the Neighbourhood Recycling sites to ensure that they continue to provide a valued service and meet the needs of our customers.	Completed.	Close
Undertake a commissioning review of the external enforcement arrangements (make or buy review) taking into account the wider scope of shared enforcement activities.	<p>Soft market questionnaire completed and findings documented.</p> <p>Internal stakeholder engagement completed and scoping requirements have been shared across all departments OPG.</p> <p>Procurement - Project team established and tender documents being finalised.</p>	Carry forward

<p>Public Space Improvement Programme -LOCALISED IMPROVEMENT PLAN</p> <p>Implementation of a depot in the East of the Borough to support the efficiencies within the street cleansing service.</p>	<p>Strategic SCIL bid for Capital Improvements has been approved subject to further revenue clarifications and lease agreements.</p>	<p>Carry forward</p>
<p>Cleaner Merton Programme</p>	<p>Operational and Strategic Programme Board has been established to monitor individual projects which directly deliver improvements to the Public Realm</p>	<p>Carry forward</p>
<p>In field mobile reporting - improved customer contact</p>	<p>Society Works have been appointed for the implementation of new reporting tool Fix My Street. scheduled to go live 2021/22</p>	<p>Carry forward</p>

**How will we get there?**

*Try to limit this to no more than around 5-7 key objectives. This section should be reviewed if there are any significant changes in direction during the year. Changes can be noted along with the reasons for and implications of the change. When you review this, look for opportunities, insights, or risks that have emerged.*

<b>Service Objective 1 STREETS</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
<b>To ensure that within the agreed financial envelope the key performance indicators are monitored and delivered in line with the assigned frequency.</b>	Maintain a clean and safe environment
	Create a great place to grow up and live in
	Continuously improve

<b>Performance Measures</b>									
<b>Indicator</b>	<b>2020 / 21 Actual</b>	<b>RAG</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>2025/26 Target</b>	<b>Frequency</b>	<b>Polarity</b>
% of sites surveyed on local street inspections for litter that meet the required standard (Monthly) and quarterly in line with NI195 reporting	87%	Green	87%	87%	87%	87%		Monthly	High
% of street cleansing reports rectified within the contract standard time frame	97.92%	Green	90%	90%	90%	90%		Monthly	High
% of Sites surveyed that meet the required standard for weeds	93.13%	Green	90%	90%	90%	90%		Quarterly	High
% of Sites surveyed that meet the required standard for detritus	81.25%	Green	80%	80%	80%	80%		Quarterly	High
% of Sites surveyed that meet the required standard for graffiti	93.25%	Red	95%	95%	95%	95%		Quarterly	High
% of Sites surveyed that meet the required standard for flyposting	99.12%	Green	97%	97%	97%	97%		Quarterly	High
% residents satisfied with street cleanliness	No Residents Survey in 2020-21	Does Not Apply	57%	57%	57%	57%		Biennially	High
% of fly tips removed within 24 hours	89.92%	Red	95%	95%	95%	95%		Monthly	High
No. of fly tips in streets and parks recorded by Contractor	15,857	Red	12,900	18,000	17,500	17,000		Monthly	Low

**Projects / key activities to support the objective** (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)

<b>Project / activity name</b>	<b>Description</b>	<b>Proposed start date</b>	<b>Proposed end date</b>
Fly Tipping Action Plan	The action plan is a live document which provides the project team with the agreed work schedule design to address the growing demand on our services through the increased level of fly tips as highlighted within the services Fly tipping strategy	Ongoing	Ongoing
Flats Above Shops Project	Key work stream project governed by the Cleaner Merton Programme	Aug-20	Mar-22

Environmental Enforcement - Commissioning	Re procurement activity for external provider to provide greater resilience in addressing areas of environmental crime such as littering	Sep-20	Mar-22
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**Potential barriers to achieving objective**

<b>Description of barrier</b>	<b>Mitigating Actions</b>
Resident Behaviour (Social and Economic) - areas of high deprivation links to increase levels of abandoned waste	The launch of our Fly Tipping Strategy
Reputational - Third party providers seen as a cash cow and residents fail to acknowledge their role in disposing of their waste correctly	New service provider will require to deliver on areas of corporate and social responsibility . To under pin this any new contract will NOT incentivise the issuing of FPNs through a bonus scheme based on volumes .

**Impact on the customer/end user**

*Please highlight the anticipated impact on the customer/end user of carrying out the activity in your service plan.*

**Partners / interdependencies**

*Cross divisional work streams including Safer Merton , external agencies (Police) and service providers (Veolia).*

<b>Service Objective 2 WASTE</b>	<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>
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<b>To ensure that within the agreed financial envelope the key performance indicators are monitored and delivered in line with the assigned frequency.</b>	Create a great place to grow up and live in
	Maintain a clean and safe environment
	Continuously improve

**Performance Measures**

Indicator	2020 / 21 Actual	RAG	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target	Frequency	Polarity
No. of refuse collections including recycling and kitchen waste <b>(excluding Garden Waste)</b> missed per 100,000	78.08	Red	65	80	TBC	TBC		Monthly	Low
Resident satisfaction with the Household Re-use and recycling facility (Garth Road)	No residents survey in 2020-21	Does Not Apply	75	75	75	75		Annually	High
% of Residents satisfied with refuse collection	No Residents Survey in 2020-21	Does Not Apply	73	75	75	75		Biennially	High
% of Household waste recycled and composted	40.33	Red	45%	50%	41%	45%		Monthly	High
Residual waste kg per household	539.89	Red	475	475	475	475		Quarterly	Low
% Municipal solid waste sent to landfill (waste management and commercial waste)	4%	Green	6%	6%	6%	6%		Quarterly	Low

% residents satisfied with recycling facilities	No Residents Survey in 2020-21	Does Not Apply	72%	75%	75%	75%		Annually	High	
Total waste arising per household (KGs)	905.02	Green	910	910	910	910		Quarterly	Low	
% FPNs issued that have been paid	68.01%	Red	70%	70%	70%	70%		Monthly	High	
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>	<b>Description</b>						<b>Proposed start date</b>		<b>Proposed end date</b>	
Side Waste Minimisation Project	Focused engagement with residents who over produce general waste with low levels of recycling. Joint work stream with service provider in the Tagging of bins for repeat offenders.						Mar-21		On Going	
Implement Neighbourhood Approach to Contract Monitoring	The Borough has been divided into 3 operational Neighbourhood, East , west and Central . Each neighbourhood has an associated team of Veolia operatives and an Environmental Manager overseeing and co-ordinating their work. This approach contributes towards building knowledge and a sense of pride amongst the neighbourhood team. The Environmental Managers become familiar with the requirements of the area and apply their resources accordingly.						Mar-21		On Going	
Communication and engagement strategy	Work stream project which underpins the Cleaner Merton Programme of projects - Ensure an always on approach to communication and provide regular progress update to the Joint Waste Committee and relevant stakeholders.						Apr-19		On Going	
<b>Potential barriers to achieving objective</b>										
Description of barrier						Mitigating Actions				
Financial (Revenue) - Funding for projects and communication campaign.										
<b>Impact on the customer/end user</b>										
Increase resident satisfaction.										
<b>Partners / interdependencies</b>										
Highlight any interdependencies where other council services or partner organisations are linked to the delivery of this objective. If referring to another council service, please include the name of the team and department.										
<b>Service Objective 3 - Public Space Project Governance</b>						<b>Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions</b>				
<b>Implement the Cleaner Merton Programme Board , and ensure all identified projects are resourced and deliver a notable and sustainable improvement for our residents.</b>						Create a great place to grow up and live in				
						Maintain a clean and safe environment				
						Continuously improve				
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2019 / 20 Actual</b>	<b>RAG</b>	<b>2020/21 Target</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
n/a										
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										

<b>Project / activity name</b>		<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
See individual work stream										
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
Impact on the customer/end user										
Partners / interdependencies										
<b>Service Objective 4 Disposal</b>										
					Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions					
<b>Undertake a review of our waste disposal arrangements and ensure suitable outlets are secured for each of the key waste streams collected.</b>					Maintain a clean and safe environment					
					Statutory requirement					
<b>Performance Measures</b>										
<b>Indicator</b>	<b>2019 / 20 Actual</b>	<b>RAG</b>	<b>2020/21 Target</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>	<b>Frequency</b>	<b>Polarity</b>	
n/a										
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)										
<b>Project / activity name</b>		<b>Description</b>					<b>Proposed start date</b>		<b>Proposed end date</b>	
Commissioning and tender exercise for Food and Garden waste		Partnership procurement for disposal processing facility to manage our food and garden waste including all bulking and haulage requirements.								
<b>Potential barriers to achieving objective</b>										
<i>Description of barrier</i>					<i>Mitigating Actions</i>					
No Local facility within Partnership boundary large enough to manage total volume of waste.					Procurement - LOTTING strategy designed to encourage both local and international bidders designed to encourage in boundary suppliers and minimise haulage / transfer arrangements for out of borough providers.					
Impact on the customer/end user										
Partners / interdependencies										
<b>Service Objective 5 ENFORCEMENT</b>										
					Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions					
<b>Ensure the new environmental enforcement services is fully implemented and supported by robust contract management procedures including deployment plans and tasking orders.</b>					Create a great place to grow up and live in					
					Maintain a clean and safe environment					
					Build resilient communities					
<b>Performance Measures</b>										

Indicator	2019 / 20 Actual	RAG	2020/21 Target	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target	Frequency	Polarity
n/a									
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Stakeholder Engagement	Consultation						Oct-20	Nov-20	
OJEU Published	Procurement						Jan-21	Apr-21	
Contract award	Procurement						Apr-21	Apr-21	
<b>Potential barriers to achieving objective</b>									
Description of barrier					Mitigating Actions				
None identified									
<b>Impact on the customer/end user</b>									
<b>Partners / interdependencies</b>									
Commercial and Legal services.									
<b>Service Objective 6</b>									
					Corporate Ambition link (select from drop down) - each objective should contribute to at least one of the council's corporate ambitions				
<b>Waste and Street Cleansing Contractual Review (Phase C)</b>					Continuously improve				
					Maintain a clean and safe environment				
<b>Performance Measures</b>									
Indicator	2019 / 20 Actual	RAG	2020/21	2021/22	2022/23	2023/24	2024/25	Frequency	Polarity
n/a									
<b>Projects / key activities to support the objective</b> (provide a brief description of any projects / key pieces of work that will enable you to meet the objective)									
Project / activity name	Description						Proposed start date	Proposed end date	
Invitation to undertake dialogue with current service provider							Sep-21	Ongoing	
Cabinet Approval - Recommendation / enforcement							Sep-21	Q2 2021	
<b>Potential barriers to achieving objective</b>									
Description of barrier					Mitigating Actions				
<b>Impact on the customer/end user</b>									
<b>Partners / interdependencies</b>									



## People

The Public Space Division is undergoing a transformational change across all areas and will be underpinned by a divisional restructure. Our staff are our greatest asset and will need to adapt and grow to new ways of working.

The focus of this is to ensure that we build greater resilience and flexibility in the service, along with identifying any skills gaps which may be identified and relevant training and development support provided to staff and Teams where appropriate. Both in house (where possible) and external training accessed (where required).

## Technology

The current IT systems are designed to support office based staff and are not suited to work undertaken in the field. Our current reporting mechanisms are not user friendly and do not encourage our residents to report service issues on line. This results in a high-level of transactions being undertaken manually and many service users emailing team members directly.

The service is currently looking at existing mobile applications deployed by neighbouring councils, which will enable both residents and client officer to log service requests in real time support by GPS location pins to identify the exact location of the service request. In addition to this functionality any new application will be required to integrate directly with our own CRM system along with providing the management team with service reports, heat maps and response time summaries.

It is highly likely that working from home will become a much larger feature of working for London Borough of Merton. While much has been done to ensure IT accessibility for staff, if members of the Waste Team are to continue to work remotely, it is likely that additional IT equipment such as additional screens and lap top stands / docking stations will be required to ensure the health and wellbeing of staff working from home.

Training on the full capabilities of the current systems and any new systems will be required to ensure the efficacy of the Team.

## Service improvement

The restructure will provide a business and development function which will aid in customer service, reporting, documenting and project management functions which will increase efficiency and efficacy of the service.

A new operating model and reporting for contract monitoring inspections has already been positively received and there is scope to increase this across additional elements of the contract.

The Cleaner Merton Programme will become the overarching mechanism for the delivery of service improvement projects, with a Strategic Board and project sponsors to increase transparency and accountability.

### Financial summary - Waste Services

The section is currently experiencing a budget pressure in relation to the street cleaning and waste collection contract due to recharges for additional services being undertaken by the service provider. The contractual Annual Review process also has the potential to create future budget pressures. A budget pressure in relation to the Household, Reuse, Recycling Centre (HRRC) site also exists, not least as a result of extending the current contract, via a contract variation, in order to both minimise future costs and to align the contract period with the other SLWP boroughs.

Covid-19 has led to increased disposal costs as more residents work from home resulting in a £250k growth in next year's budget.

DEPARTMENTAL BUDGET AND RESOURCES									Additional Expenditure Information
Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	
<b>Expenditure</b>	<b>19,000</b>	<b>26,540</b>	<b>19,416</b>	<b>566</b>	<b>19,681</b>	<b>19,933</b>	<b>20,157</b>	<b>20,409</b>	<b>2022/23</b> Internal Debt Charge = £9k.
Employees	804	674	831	(113)	721	722	722	722	
Premises	11	18	11	5	12	12	12	12	
Transport	203	97	92	1	26	27	27	27	
Supplies & Services	16,436	23,986	16,731	663	17,164	17,413	17,633	17,882	<b>2023/24</b> Internal Debt Charge = £9k.
3rd party payments	186	179	189	10	193	196	199	202	
Transfer payments	0		0		44	44	44	44	
Support services	299	346	322		281	281	281	281	
Depreciation	1,061	1,240	1,240		1,240	1,240	1,240	1,240	
Revenue £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	
<b>Income</b>	<b>4,420</b>	<b>10,927</b>	<b>4,492</b>	<b>(171)</b>	<b>4,232</b>	<b>4,232</b>	<b>4,232</b>	<b>4,232</b>	
Government grants	0		0		0	0	0	0	
Reimbursements	326	90	330	24	984	984	984	984	
Customer & client receipts	4,094	10,837	4,162	(195)	3,248	3,248	3,248	3,248	
Recharges	0		0		0	0	0	0	
Reserves									
Capital Funded									
<b>Council Funded Net Budget</b>	<b>14,580</b>	<b>15,613</b>	<b>14,924</b>	<b>395</b>	<b>15,449</b>	<b>15,701</b>	<b>15,924</b>	<b>16,177</b>	
Capital Budget £'000s	Final Budget 2020/21	Actual 2020/21	Budget 2021/22	Forecast Variance 2021/22 P8	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	
Waste Bins		0	17	0	13	0	0	0	
Fleet Vehicles		0	55	0	375	0	0	15,000	
Other		0	0	0	8	0	0	42	
	<b>0</b>	<b>0</b>	<b>72</b>	<b>0</b>	<b>396</b>	<b>0</b>	<b>0</b>	<b>15,042</b>	

## **BUSINESS PLAN - GLOSSARY OF TERMS**

### **ASSET MANAGEMENT PLAN / REVIEW**

An Asset Management Plan (AMP) is a tactical plan for managing an organisation's infrastructure and other assets to deliver an agreed standard of service. The plan is reviewed annually as part of the budget cycle.

### **BALANCES**

Balances are maintained to meet expenditure pending the receipt of income and to provide a cushion against expenditure being higher or income lower than expected. Contributions to balances can be either a planned contribution from the revenue budget or a transfer of any revenue surplus at the year end. The maintenance of an appropriate level of balances is a fundamental part of prudent financial management.

### **BASELINE FUNDING LEVEL**

The amount of an individual council's Start-up Funding Assessment for 2013-14 provided through the local share of the Estimated Business Rates Aggregate, uprated in line with the small business rates multiplier (set at the September forecast of the Retail Price Index, unless otherwise decided). It is forecast by the Government and forms the baseline against which tariffs and top-ups are calculated.

### **BILLING AUTHORITIES**

A unitary council, or a lower tier council in a two-tier area, which collects the council tax for its own activities, and for those of the precepting authorities in its area. The billing authority passes on the precept receipts to each precepting authority in its area. These are the 326 billing authorities that collect council tax and business rates: district councils, London boroughs, and unitary councils. Before 1 April 2009 there were 354.

### **BORROWING STRATEGY**

A borrowing strategy set up the parameters within which money may be borrowed by the Authority. These parameters are designed to manage the risk taken by the authority within best practice.

### **BUDGET**

Statement of the spending plans for the year.

### **BUDGET PROFILE**

An allocated annual budget is split over the months in which it is estimated that expenditure will be incurred. For example, utility bills may well be split into four and entered into the months in which quarterly payments are due.

### **BUSINESS RATES**

These rates, formally called non-domestic rates, are the means by which local businesses contribute to the cost of providing local council services.

### **BUSINESS RATE BASELINE**

Determined for individual councils at the outset of the business rates retention scheme by dividing the local share of the Estimated Business Rates Aggregate (England) between billing authorities on the basis of their proportionate shares, before the payment of any major precepting authority share.

## **BUSINESS PLAN - GLOSSARY OF TERMS Continued...**

### **BUSINESS RATE RETENTION SCHEME**

The name given to the current system of funding local authorities through the local government finance settlement, set out in the Local Government Finance Act 2013. In 2021/22 Business Rates collected will be shared 33% to Central Government, 37% to the GLA and 30% to Merton Council

### **CAPITAL EXPENDITURE**

Expenditure on the acquisition of a fixed asset or expenditure, which adds to, and not merely maintains, the value of an existing fixed asset.

### **CAPITAL FINANCING REQUIREMENT (CFR)**

The total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resources i.e. a measure of the underlying borrowing need. (See Minimum Revenue Provision)

### **CAPITAL PROGRAMME**

Documentation which summarises the outcome of priority allocations contained in the capital strategy and details individual schemes for approval by Council / Cabinet.

### **CAPITAL PROGRAMME BOARD**

The Capital Programme Board ensures:

- that the overall capital investment strategy is consistent with strategic objectives, is affordable within the revenue budget strategy, and examines potential funding options
- that bids are submitted in accordance with the set framework and guidelines (including business cases, value for money and options appraisal) and prioritised in accordance of agreed criteria
- compiles and manages a multi-year capital programme for consideration by CMT and approval by Cabinet

### **CAPITAL PROJECTS / SCHEMES**

Capital Projects / Schemes is the level at which Member approval is obtained.

### **CAPITAL RECEIPTS**

Proceeds from the sale of fixed assets and repayments of capital grants and loans. These are divided into reserved and usable parts.

### **CAPITAL MONITORING**

The monthly comparison of actual spend against the anticipated spend (profiled budget) and the revision of projected year end spend where necessary. Periodically budget managers will be required to review their in year budget requirement and re-profile their projected expenditure over subsequent financial years.

### **CAPITAL STRATEGY**

A Capital Strategy is a core planning document designed to dovetail with the MTFS and Treasury Strategy to ensure that limited capital resources are deployed in accordance with corporate priorities / achieving our vision. The document will also detail how the proposed capital programme will be funded.

### **CASH FLOW MANAGEMENT**

Cash flow is the movement of money into or out of a business. Cash flow management optimises activity and investment around these cash flows.

## **BUSINESS PLAN - GLOSSARY OF TERMS Continued...**

### **CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)**

The Institute produces standards and codes of practice that must be followed in preparing the Council's financial statements.

### **CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING**

The Code of Practice on Local Authority Accounting ('The Code') applies International Financial Reporting Standards (IFRS) to the Local Authority context. The Code supports consistent financial reporting and Local Authorities must adhere to it when producing the annual Statement of Accounts.

### **COLLECTION FUND**

This is a statutory 'ring fenced' account. It records income and expenditure on Council Tax, Non Domestic Rates, payments to the precepting authorities and transfer to the Council's General Fund.

### **COMMUNITY ORGANISATION**

An organisation with benevolent or philanthropic purposes.

### **COMPACT**

Compacts are partnership agreements between statutory bodies and the voluntary and community sector to improve their relationships and provide a framework within which the sectors can understand what to expect from each other. Compacts offer the means of supporting the development of the voluntary and community sector's capacity so that groups can do more to meet both their aims and those of their statutory partners, thereby enhancing their contribution to the local community. The national compact (between central government and the voluntary and community sector) was launched in 1998 and it is now a requirement for all local authorities and PCTs to develop a compact with the voluntary and community sector. They are not legally binding documents but the Compact is approved and signed policy and affects the conduct of all partners.

### **SPENDING REVIEW**

A Spending Review is a governmental process carried out by HM Treasury which sets out fixed three-year departmental expenditure limits and, through public sector service agreements, defines key service improvements.

### **CONTINGENCY**

A contingency is the setting aside of a finite sum in the budget to offset the cost of a future event or circumstance which may or may not occur. This contrasts with a reserve which is a sum set aside in the accounts.

### **CORE SPENDING POWER**

A Spending Review sets out the expected available revenue for Government departments spending, including local government, using Office of Budget Responsibility (OBR) estimates. This provides local government with an understanding of the resources available to the whole sector to deliver services during this spending period. In the Local Government Finance Settlements, the Government also produce the local authority core spending power figures which set out indicative figures for the potential income from core components that could be available to authorities over the years of the Spending Review.

## **BUSINESS PLAN - GLOSSARY OF TERMS Continued...**

### **CORPORATE AND DEMOCRATIC CORE**

The corporate and democratic core comprises all activities which local authorities engage in specifically because they are elected, multi-purpose authorities. It has two elements - corporate management and democratic representation and management. The activities within the corporate and democratic core are in addition to those which would be carried out by a series of independent, single purpose bodies managing the same services. There is, therefore, no logical basis for apportioning these costs to services.

### **CORPORATE GOVERNANCE**

Corporate Governance is the system by which local authorities direct and control their functions and communicate to their communities.

### **COUNCIL TAX**

It is a local tax on domestic property which was introduced in 1993 by the Local Government Finance Act 1992, It is raised by councils but is now subject to referendum limits set by the Government . It is calculated by deducting any funding from reserves, income it expects to raise and general funding from the total annual cost of providing services, to leave a balance to be funded by council taxpayers

### **COUNCIL TAX BASE**

This is the number of Band D equivalent dwellings in a council area. To calculate the tax base for an area, the number of dwellings in each council tax band is reduced to take account of discounts and exemptions. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated. An adjustment is then made for the collection rate.

### **COUNCIL TAX BANDS**

There are eight council tax bands. How much council tax each household pays depends on the Band that the property is in which is set by a range of property value.

### **COUNTRY LIMITS**

The current economic climate has not only affected companies and financial institutions; it has affected sovereigns (lending to countries [government bonds]) as well. This will be incorporated into counterparty selection.

### **CREDIT APPROVAL**

The permission to borrow given to each local authority annually by the Secretary of State. Local authorities can obtain supplementary credit approvals during the year for particular projects.

### **CREDITORS**

The individual or organisation to whom the Authority owes money. Accordingly, it does not include money on taxation to the Council.

### **COUNCIL'S BORROWING REQUIREMENT**

Based on projected spend, this is the amount of money a local authority will need to borrow to finance this projected spend.

### **COUNTERPARTIES**

The organisation in respect of which the Authority borrows from or invests money with. A counterparty will be removed, suspended or kept on close watch from the council's approved list if it fails to meet the Council's criteria.

### **CORPORATE BONDS**

A corporate bond is one that a company issues to raise money in order to expand its business.

## **BUSINESS PLAN - GLOSSARY OF TERMS Continued...**

### **COUPON**

Is the interest rate stated on a bond at the time it is issued.

### **CREDITWORTHINESS**

An assessment of the likelihood that a borrower will default on their debt obligations. It is based upon factors, such as their history of repayment and their credit score. Lending institutions also consider the availability of assets and extent of liabilities to determine the probability of default.

### **DEBTORS**

A debtor is an organisation or individual that owes the Authority money and the debt is legally enforceable

### **DEBT RESCHEDULING See rescheduling of debt**

Where certain debt may be redeemed and a further loan obtained. This may be undertaken to provide an even spread of debt redemption date and terms, It may also be used to optimise beneficial borrowing rates in the market while maintaining activity within acceptable risk levels.

### **DEPRECIATION**

Depreciation is a charge to the revenue account to reflect the reduction in the useful economic life of a fixed asset, reducing the value of the fixed asset in the balance sheet. It is not a charge to the General Fund as it is reversed in the Movement in Reserves Statement and replaced with the Minimum Revenue Provision.

### **EARMARKED CAPITAL RESOURCES / GRANTS Overlaps with reserves**

Money received by the Authority which has certain conditions / restrictions (loose terminology) over its use limiting the type of expenditure that it may be applied against. IFRS refers to Stipulations and sub divides them into Conditions and Restrictions. Earmarked grants (revenue or capital) are grants which are subject to restrictions.

### **ESTIMATED BUSINESS RATES AGGREGATE**

The total business rates forecast at the outset of the business rate retention scheme to be collected by all billing authorities in England in 2013-14. The Estimated Business Rates Aggregate is updated year on year in line with the change in the small business multiplier (usually the September Consumer Price Index).

### **FINANCE LEASE**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Situations that would normally lead to a lease being classified as a finance lease include the following:

- the lease transfers ownership of the asset to the lessee by the end of the lease term
- the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than fair value at the date the option becomes exercisable and that, at the inception of the lease, it is reasonably certain that the option will be exercised
- the lease term is for the major part of the economic life of the asset, even if title is not transferred
- at the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset
- the leased assets are of a specialised nature such that only the lessee can use them without major modifications being made

## **BUSINESS PLAN - GLOSSARY OF TERMS Continued...**

### **FINANCIAL INSTRUMENT**

A real or virtual document representing a legal agreement involving some sort of monetary value. In today's financial marketplace, financial instruments can be classified generally as equity based, representing ownership of the asset, or debt based, representing a loan made by an investor to the owner of the asset.

### **FINANCIAL YEAR**

The financial year runs from 1 April to the following 31 March.

### **FIXED ASSETS**

Assets that yield benefits to the local authority and the services it provides for a period of more than one year. These assets can be tangible or intangible.

### **FLOOR DAMPING**

A method by which stability in funding is protected through limiting the effect of wide variations in grant. A floor guarantees a lower limit to a year-on-year change in grant. The grant amounts of councils who receive changes above the floor are scaled back by a fixed proportion to help pay for the floor.

### **FTSE 100**

This is the index of the top 100 UK listed companies by market capitalisation.

### **GENERAL FUND**

The main fund of the Council, from which all expenditure is met and all income is paid, with the exception of those items, which by statute have to be taken to some other account.

### **GOVERNMENT GRANTS (Overlaps with Earmarked capital resources)**

Financial assistance by government and other bodies, in the form of cash transfers to an authority, issued in return for compliance with certain conditions relating to the activities of the authority.

### **GROSS EXPENDITURE**

The total expenditure of a fund or account.

### **GROUP LIMITS**

This is a limit on the amount of money that may be invested with or borrowed from a particular conglomerate.

### **IMPAIRMENT**

The loss of value in a fixed asset arising from physical damage, deterioration in the quality of service provided by the asset or from a general fall in prices. When this occurs the asset must be written down to the recoverable value. The charge is then reversed out from the General Fund in the Movement in Reserves Statement and replaced with the Minimum Revenue Provision.



## **BUSINESS PLAN - GLOSSARY OF TERMS Continued...**

### **INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS)**

International Financial Reporting Standards are a single set of accounting standards, developed and maintained by the IASB (International Accounting Standards Board) for the purposes of being applied on a globally consistent basis by developed, emerging and developing economies. The Code of Practice on Local Authority Accounting is based on IFRSs

### **INVESTMENT POLICY**

The London Borough of Merton's investment policy has regard to the CLG's Guidance on Local Government Investments and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. The council's investment priorities will be security first, liquidity second, then return.

### **INVESTMENT STRATEGY**

The investment of the Authority's cash balances to optimise its strategic and operational needs.

### **INVESTMENT TREASURY INDICATOR AND LIMIT**

This is a prudential indicator for funds invested for more than 364 days, designed to measure the need for early investment redemption against the Authority's liquidity requirement.

### **LENDERS OPTION BORROWERS OPTION (LOBO)**

When borrowing or lending money, certain time related limits may be established when the arrangement is made e.g. at a certain point in time the interest rate of a loan will increase; at this point both parties have the opportunity to opt in / out of the arrangement.

### **LEVY**

Mechanism to limit disproportionate benefit from business rates. Levy payments are used to fund the safety net. The future use of the levy is currently being reviewed as part of the Government's review of Business Rates Retention.

### **LIABILITIES**

A legally enforceable sum owed to a third party.

### **LOCAL GOVERNMENT FINANCE SETTLEMENT**

The local government finance settlement is the annual determination of funding distribution as made by the Government and debated by Parliament.

### **LOCAL GOVERNMENT SPENDING CONTROL TOTAL**

The total amount of expenditure for Revenue Support Grant in the Ministry of Housing, Communities and Local Government's Local Government Departmental Expenditure Limit plus the local share of the Estimated Business Rates Aggregate that is allocated to the local government sector by Government for each year of a Spending Review.

## **BUSINESS PLAN - GLOSSARY OF TERMS Continued...**

### **LOCAL SHARE**

The percentage share of locally collected business rates that is retained by local government.

### **LOCALISM ACT 2011**

It sets out a series of proposals with the potential to achieve a substantial and lasting shift in power away from central government and towards local people. They include: new freedoms and flexibilities for local government; new rights and powers for communities and individuals; reform to make the planning system more democratic and more effective

### **LOWER TIER COUNCILS**

Councils that carry out the functions which in shire areas with two tiers of local government are carried out by shire districts. They are the same councils as billing authorities.

### **MERTON IMPROVEMENT BOARD**

Merton Improvement Board oversees the management and monitoring of the Merton improvement programme and the promotion of best practices within the Council. Its work falls into four main areas:

- manage and monitor the Merton improvement programme including giving the “go ahead” for new projects and project closure;
- steer the implementation and future development of the Merton improvement programme;
- lead on developing and maintaining cross-cutting initiatives; and
- manage, co-ordinate and monitor business improvement activity across the council.

### **MINIMUM REVENUE PROVISION**

A provision, via a revenue charge, in respect of historical capital expenditure which has been financed by borrowing, as required by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.

### **MULTIPLIER**

The business rates multiplier which, when multiplied by the rateable value of a property, determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. The small business multiplier is updated annually by Inflation Index, unless the Government decides otherwise and the other multiplier adjusted accordingly, to fund rate relief for small businesses.

### **NATIONAL CONTROL TOTALS**

These are the national totals for each of the individual elements within the local spending control total. They are determined as part of the Spending Review. It is also the name given to the size of each of the different elements within the Settlement Funding Assessment.

### **NON-DOMESTIC RATE (NDR)**

A levy on businesses based on national ‘rateable value’ of the premises occupied. NDR is collected by the Council in line with national criteria, paid into a national pool and then redistributed to all local and police authorities on the basis of population.

### **NON-SPECIFIED INVESTMENTS**

A body which has been provided with a government issued guarantee for wholesale deposits within specific timeframes.

## **BUSINESS PLAN - GLOSSARY OF TERMS Continued...**

### **OPERATIONAL BOUNDARY**

The operational boundary is a prudential indicator for monitoring the total external debt, gross of investments, and separately identifying borrowing from other long term liabilities.

### **OPERATING LEASE**

A contract that allows for the use of an asset, but does not convey rights of ownership of the asset. An operating lease is not capitalised; it is accounted for as a rental expense in what is known as "off balance sheet financing." For the lessor, the asset being leased is accounted for as an asset and is depreciated as such.

### **PENSION FUND**

The Local Government Pension Scheme (LGPS) is a scheme established by statute to provide death and retirement benefits for all eligible employees. The scheme's benefits are defined in the LGPS Regulations, and are geared to a scheme member's Career Average Revalued Earnings (CARE).

The scheme is financed by a combination of employee and employer contributions, together with income from a fund of investments. The employee contribution rate ranging from 5.5% to 12.5% of pensionable pay in nine salary bands. The contribution percentage that a member pays is based on their estimated actual annual pensionable salary from 1 April to 31 March each year. Whilst the employer's rate varies according to an assessment of the funds current and forecast pension/benefit costs, (the fund's liabilities), relative to its income. This assessment is undertaken, in accordance with LGPS Regulations, every three years by the Fund's appointed actuary, who sets the necessary level of employer contribution into the fund so that the fund's liabilities can be paid.

### **PERFORMANCE MANAGEMENT FRAMEWORK**

Performance management is about how an organisation consistently plans and manages to ensure continuous improvement. Sustainable improvements in services are unlikely to happen without it. A performance framework is designed to help individuals, teams, divisions etc. understand :

- what the organisation is trying to achieve
- the planning, monitoring and review cycle
- their responsibilities.

### **PRECEPT**

This is the amount of council tax income all billing and precepting authorities need to provide their services. The amounts for all authorities providing services in an area appear on one council tax bill, which is administered by the billing authority.

### **PRECEPTING AUTHORITY**

An authority or body that does not collect council tax or business rates but is part of the business rates retention scheme. This is an authority which sets a precept to be collected by billing authorities. County councils, police authorities, the Greater London Authority, single purpose fire and rescue authorities and parish councils are all precepting authorities.

## **BUSINESS PLAN - GLOSSARY OF TERMS Continued...**

### **PRIVATE FINANCE INITIATIVE (PFI)**

PFI contracts are agreements with private sector organisations to refurbish, maintain and operate fixed assets on behalf of public sector organisations such as local authorities.

### **PROCUREMENT BOARD**

The Procurement Board provides a corporate focus for procurement issues and oversees the procurement development in Merton. The Board also provides both strategic direction for, and effective governance of, the procurement arrangements across the Authority, ensuring they are effective, efficient and utilised.

### **PROPORTIONATE SHARE**

This is the percentage of the national business rates yield which a council has collected on the basis of the average rates collected by councils over the two years to 2011-12. This percentage was applied to the local share of the 2013-14 Estimated Business Rates Aggregate to determine the billing authority business rates baseline. This will be updated for 2021/22 as part of the Government's review of the Business Rates Retention Scheme.

### **PROVISIONS**

Amounts set aside for any liabilities or losses which are likely to be incurred, but which are uncertain as to the amounts or the dates on which they will arise.

### **PRUDENTIAL CODE**

The Local Government Act 2003 requires the Council to have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities. In doing so, the Council is required to set and monitor a series of Prudential Indicators, the key objectives of which are to ensure that, within a clear framework, the capital investment and borrowing plans of the council are affordable, prudent and sustainable.

### **RESCHEDULING OF DEBT See debt rescheduling**

The switching of debt between the short term and the longer term and vice versa to obtain favourable borrowing rates.

### **REVENUE EXPENDITURE**

Expenditure incurred on day to day running costs and confined to accounts within one financial year.

### **REVENUE MONITORING**

The monthly comparison of actual expenditure and income spend against the anticipated spend (profiled budget). A budget manager will then allow for known income/expenditure to project the year end position.

### **RESERVES**

This is a council's accumulated surplus income (in excess of expenditure) which can be used to finance future spending. Reserves can be either capital or revenue

### **REVENUE SUPPORT GRANT**

A Government grant which can be used to finance revenue expenditure on any service.

### **RINGFENCED GRANT**

A grant paid to councils which has conditions attached to it, which restrict the purposes for which it may be spent.

## **BUSINESS PLAN - GLOSSARY OF TERMS Continued...**

### **RISK MANAGEMENT**

A risk is a threat, obstacle or, barrier, that will stop the Authority from achieving its ambitions, aims and objectives. Risk management is the process of managing the risks that may prevent delivery of desired outcomes so that the organisation can anticipate and respond positively to change. Merton's approach to risk management is to raise awareness, integrate it into day to day operations and establish a robust framework and procedures to identify, analyse, assess and manage risk.

### **SECTION 151 OFFICER**

Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and requires one officer to be nominated to take responsibility for the administration of those affairs. The Section 151 officer is usually the local authority's treasurer and must be a qualified accountant belonging to one of the recognised chartered accountancy bodies. The Section 151 officer has a number of statutory duties, including the duty to report any unlawful financial activity involving the authority (past, present or proposed) or failure to set or keep to a balanced budget.

### **SECURITISATION**

'Securitisation' as used in this context means the disposal of future revenues. For example, someone receiving rents from properties might transfer the entitlement to that income to a bank for (e.g.) 20 years, in exchange for an immediate lump-sum payment.

### **SAFETY NET**

Mechanism to protect any council which sees its business rates income drop, in any year, by more than 7.5% below its baseline funding level (with baseline funding levels being uprated by the small business rates multiplier for the purposes of assessing eligibility for support).

### **SETS OF SERVICES**

There are four sets of services, corresponding to the services supplied by the four types of local authorities (although some councils may provide more than one tier of service). These are:

- upper-tier services – those services, other than fire, supplied by county councils in two-tier areas, and described in this consultation as relating to 'social care councils'
- police services
- fire and rescue services lower-tier services – those services supplied by district councils ('non-social care councils' in the consultation) in two-tier areas.

### **SETTLEMENT CORE FUNDING**

The definition of settlement core funding for this purpose takes into account the main resources available to councils, which for this purpose comprise:

- council tax income
- the Settlement Funding Assessment, comprising:
  - estimated business rates income (baseline funding level under the rates retention scheme)
  - Revenue Support Grant.

## **BUSINESS PLAN - GLOSSARY OF TERMS Continued...**

### **SETTLEMENT FUNDING ASSESSMENT**

Previously referred to as Start-Up Funding Assessment. It comprises at a national level the total Revenue Support Grant and the local share of Estimated Business Rates Aggregate for the year in question. On an individual council level it comprises each council's Revenue Support Grant for the year in question and its baseline funding level, updated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided

### **SPECIFIC GRANT**

Grants paid under various specific powers, but excluding Revenue Support Grant or area- based grant. Some specific grants are ringfenced.

### **SPECIFIED BODY**

This is the term used for a body or bodies which are directly funded from Revenue Support Grant, and which provide services centrally for local government as a whole.

### **SPECIFIED INVESTMENTS**

These are to be sterling investments of a maturity period of not more than 364 days, or those which could be for a longer period but where the Council has the right to be repaid within 364 days if it wishes. These are low risk assets where the possibility of loss of principal or investment income is considered negligible.

### **SUPER OUTPUT AREA**

A Super Output Area (SOA) is a geographical area designed for the collection and publication of small area statistics. It is used on the Neighbourhood Statistics site, and has a wider application throughout national statistics. SOAs give an improved basis for comparison throughout the country because the units are more similar in size of population than, for example, electoral wards

### **SUPPORT SERVICES**

These are services that are not statutory local authority services but which give support to those services.

### **TARIFFS AND TOP UPS**

Calculated by comparing at the outset of the business rate retention scheme an individual council's business rates baseline against its baseline funding level. Tariffs and top ups are self-funding, fixed at the start of the scheme and updated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.

### **TAX INCREMENTAL FINANCING**

The Local Government Finance Bill was passed in December 2011 and introduces a rate retention scheme enabling local authorities to retain a proportion of the business rates generated in their area. The Bill also includes a framework for the localisation of support for council tax in England, which alongside other council tax measures will give councils increased financial autonomy and a greater stake in the economic future of their local area, while providing continuation of council tax support for the most vulnerable in society. In determining the affordability of borrowing for capital purposes, authorities currently take account of their current income streams and forecast future income.

## **BUSINESS PLAN - GLOSSARY OF TERMS Continued...**

### **TREASURY MANAGEMENT**

The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

### **TREASURY MANAGEMENT PRACTICES / TREASURY MANAGEMENT CODE OF PRACTICE**

The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code for Capital Finance in Local Authorities. In doing so, the Council is required to set and monitor a series of Prudential Indicators, the key objectives of which are to ensure that, within a clear framework, the capital investment plans of the council are affordable, prudent and sustainable.

### **USEFUL LIFE**

This is the period over which the local authority derives benefit from the use of a fixed asset.

## **BUSINESS PLAN – LIST OF ACRONYMS**

<b><u>Acronym</u></b>	<b><u>Definition</u></b>
AD	Assistant Director
ADASS	Association of Directors of Adult Social Services
Apps	Applications
ASB	Anti Social Behaviour
ASC	Adult Social Care
ASH	Our miscellaneous income, invoicing and recovery system
BC	Building Control
BESD	Behavioural Emotional and Social Difficulties
BME	Black Minority Ethnic
C & YP	Children and Young People
CAF	Common Assessment framework
CAMHS	Child and Adolescent Mental Health Services
CC	Children's Centre
CCTV	Close Circuit Television
CEN	Creative Environmental Networks
CEO	Civil Enforcement Officer
CFR	Capital Financing Requirement
CIPFA	Chartered Institute of Public Finance and Accountancy
CMT	Corporate Management Team
CNEA	Clean Neighbourhood and Environment Act
COM	Current Operating Model
CPD	Centre for Professional Development
CPD	Continuing Professional Development
CPZ	Controlled Parking Zone
CRB	Criminal Records Bureau
CRM	Customer Relationship Management
CSC	Children's Social Care
CSF	Children Schools & Families
CYP	Children and Young People
CYPP	Children and Young peoples Plan
DC	Development Control
DEFRA	Department for Environment Food and Rural Affairs
DFG	Disabled Facilities grant
DMT	Departmental Management Team
DSG	Dedicated Schools Grant
E&R	Environment and Regeneration
EA	Equality Analysis
EAL	English as an Additional Language
EH	Environmental Health
EIA	Equalities Impact Assessment
EIG	Early Intervention Grant
ERTG	Enforcement Review Task Group
ESOL	English for Speakers of Other Languages
EU	European Union
EY	Early Years
FACS	Fair Access to Care Services
FM	Facilities Management
FOI	Freedom Of Information
FPN	Fixed Penalty Notice
FTE	Full Time Equivalent
GLA	Greater London Authority
HB	Housing Benefits
HC&OP	Healthier Communities and Older People



## **BUSINESS PLAN – LIST OF ACRONYMS Continued.....**

<b><u>Acronym</u></b>	<b><u>Definition</u></b>
HCA	Homes and Community Agency
HNES	Housing Needs and Enabling Services
HRRC	Household Reuse and Recycling Centre
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standard
IP	Intellectual Property
IT	Information Technology
iTrent	The Council's payroll system
JD	Job Description
K	£ Thousand
L & D	Learning and Development
LA	Local Authority
LAC	Looked After Children
LALO	Local Authority Liaison Officer
LATS	Landfill Allowances and Trading Scheme
LB	London Borough
LBM	London Borough of Merton
LCGS	London Councils Grant Scheme
LDD	Learning Development and Diversity
LGA	Local Government Association
LLC	Local Land Charges
LSC	Learning Skills Council
LSCB	Local Safeguarding Children's Board
LSP	Local Strategic Partnership
LOBO	Lenders Option Borrowers Option
MAE	Merton Adult Education
MARAC/D	Multi Agency Risk Assessment Case Conference / Domestic Violence
MCIL	Merton Centre for Independent Living
MIS	Management Information System
MP	Member of Parliament
MRP	Minimum Revenue Provision
MSLT1&2	Merton's Senior Leadership Team Levels 1 and 2
MTFS	Medium Term Financial Strategy
MVSC	Merton Voluntary Service Council
NEET	Not in Education Employment or Training
NDR	Non Domestic Rate
O&S	Overview and Scrutiny
OJEU	Official Journal of the European Union
OT	Occupational Therapy
PATAS	Parking And Traffic Appeals Service
PC	Police Constable
PCN	Penalty Charge Notice
PCT	Primary Care Trust
PFI	Private Finance Initiative
PM&R	Pavement Maintenance and Repair
PPD	Public Protection and Development

## **BUSINESS PLAN – LIST OF ACRONYMS Continued.....**

<b><u>Acronym</u></b>	<b><u>Definition</u></b>
PPP	Policy Planning and Performance
PRS	Private Rented Sector
PVI	Private Voluntary and Independent
QA	Quality Assurance
SC	Sustainable Communities
SEN	Special Educational Needs
SEND	Special Educational Needs and Disabilities
SFA	Skills Funding Agency
SLA	Service Level Agreement
SLWP	South West London Partnership
SME	Subject Matter Expert
SMT SOAs	Senior Management team Super Output Areas
SSQ	School Standards and Quality
SW	South West
SWLSG	South West London and St George's Mental Health NHS Trust
TBC	To Be Confirmed
TEC	Transport and Environment Committee
TFL	Transport For London
TOM	Target Operating Model
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations
VAT	Value Added Tax
VLE	Virtual Learning Environment
VS	Voluntary Sector
YOT	Youth Offending Team

## SECTION 2: GENERAL FUND REVENUE BUDGET AND COUNCIL TAX STRATEGY

### 1. Background to Financial Planning

- 1.1 The approach to Medium Term Financial Planning provides a great deal of flexibility in decision making and enables the impact of alternative options to be modeled. This has assisted with progress towards a balanced budget over the four year plan.
- 1.2 The MTFS has been re-priced and rolled forward a year so that each year from 2022/23 to 2025/26 starts from the approved budget 2021/22 and is built up showing the cumulative effect of variations over the period. Council on 3 March 2021 agreed the Budget 2021/22 and MTFS 2021-25. Whilst a balanced budget was set for 2021/22 there was a gap remaining in future years which needs to be addressed, as shown in the following table:-

**Table 1: Budget Gap Council 3 March 2021**

	<b>2022/23 £m</b>	<b>2023/24 £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>
MTFS gap (cumulative)	3,892	11,476	14,344	17,664

- 1.3 Since then, reports to Cabinet on 11 October 2021, 11 November 2021, 6 December 2021 and 17 January 2022 have presented updated information to Members, setting out the financial implications as assumptions have been reviewed and decisions made.
- 1.4 The decisions made in respect of each element of the MTFS impact on the overall financial position of the Authority. To balance the budget over 2022-26, an overall package of decisions of options and variables that need to be included in the budget have been modelled, enabling the impact of different scenarios to be seen. The details set out in this section summarise those that represent the most up to date information available.
- 1.5 The development of the MTFS 2022-26 has continued to be impacted upon by the pandemic which is ongoing. COVID-19 has clearly affected the past two financial years and is going to continue to have implications across the MTFS planning period and as far as possible these have been included in the Business Plan reports to Cabinet.
- 1.6 Setting a Balanced Budget
- 1.6.1 Resource and expenditure projections have been continually updated throughout the year to inform Members and officers of the overall position for 2022-26. A four-year forward plan is presented, but it is still a legal requirement that a balanced (i.e. fully funded) budget is achieved for

2022/23. There are a number of ways in which a balanced budget is achieved:

- Reducing expenditure/costs;
- Identifying new savings or additional income;
- Adjusting the level of Council Tax ;
- Using unallocated reserves as a temporary measure pending the implementation of the options above.

1.6.2 Budget savings proposals have been formulated within the overall constraints of the resource projections. The proposals have been approved in principle by the Cabinet and then considered by Overview and Scrutiny Panels as part of the scrutiny process. Scrutiny Panels met during January 2022 and their feedback on the Council's spending proposals is set out in a separate report elsewhere on the agenda for this meeting.

1.6.3 The Medium Term Financial Strategy (MTFS) for the Council supports the achievement of the business plan and any financial implications arising from the agreed plan are included in financial planning for 2022/23 and beyond. The MTFS brings together all of the key elements relating to the Council's financial position which are reflected in the General Fund, and the Capital Programme.

1.6.4 The last detailed MTFS which was reported to Cabinet on 17 January 2022 showed that the budget gap was:-

**Table 2: Budget Gap Cabinet 17 January 2022**

Cumulative	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
MTFS Gap (Cabinet January '22)	0	6,523	14,196	15,770

1.6.5 As with previous years, the business planning process is a multi-year approach and this includes a review of total planned expenditure and income over the period 2022-26.

1.6.6 There have been further changes to some of the key budget variables as more information has become available and the details are set out in this report.

1.6.7 One of the key objectives is to balance the budget and there has been a major improvement in recent years in the ability to look over a long-term period and identify significant savings over more than one year.

1.6.8 The Business planning framework aims to enable strategic resource allocation and investment decisions to be made that allow for services to

transform and change at different times in the future and which would otherwise be very difficult to plan under an annual planning framework. This improved long-term financial planning process is the best way to ensure that budgets are robust and sustainable.

## **2. Local Government Finance Settlement 2022-23**

### **2.1 Local Government Finance Settlement**

2.1.1 The financial projections in the report to Cabinet on 17 January 2022 were based on the information as announced in the provisional Local Government Finance Settlement on 16 December 2021. Information in this report has been updated as more information has become available. The Settlement was only for one year, 2022/23. While the ongoing pandemic has presented the government with significant challenges, and made it difficult for the government to set out a multi-year settlement for local government, this is the fourth one-year settlement in a row for councils which continues to hamper financial planning and their financial sustainability and has also delayed fair funding reforms. This makes it extremely difficult for the Council to plan over the medium term.

2.1.2 The Final Local Government Finance Settlement allocations have not yet been announced but it not anticipated that there will be any significant changes to Merton's funding announced in the Final Settlement. If the final Settlement is received before the meeting there will be a verbal update at the meeting.

#### **2.1.3 Public Health Grant**

Merton's allocation for 2022/23 has not yet been confirmed.

#### **2.1.4 Council Tax Referendum Threshold**

The Final Settlement confirmed that the referendum threshold for principal local authorities such as Merton is as follows:-

- For 2022-23, the relevant basic amount of council tax is excessive if the authority's relevant basic amount of council tax for 2022-23 is 3% (comprising 1% for expenditure on adult social care, and 2% for other expenditure), or more than 3%, greater than its relevant basic amount of council tax for 2021-22.

2.1.5 Latest details on the Local Government Settlement are included in Appendix 2 and have been incorporated into Merton's MTFS where applicable.

### **2.2 Settlement Funding Assessment and Business Rates**

2.2.1 In the report to Cabinet on 17 January 2022 ,the following information on the Council's provisional Settlement Funding Assessment (Revenue Support Grant + Retained Business Rates) was reported

**Table 3: Settlement Funding Assessment 2022/23**

- a) Settlement Funding Assessment (RSG + Business Rates) allocations have increased by 0.5% nationally and by 0.6% in London. The details for Merton are:-

MERTON	2021-22 £m	2022-23 £m	Change £m	Change %
Settlement Funding Assessment of which:	41.148	41.311	0.163	0.4
Revenue Support Grant (RSG)	5.187	5.350		
Baseline Funding Level (BFL)	35.961	35.961		
	41.148	41.311		
(Tariff)/Top-Up (Included in BFL)	9.534	9.534		

**Table 4: Merton's Core Spending Power 2022/23**

- b) Core Spending Power will increase by 6.9% in cash terms nationally and 6.7% in London.

Merton's Core Spending Power is as follows:-

	2021-2022 £m	2022-2023 £m	Change £m	Change %
Settlement Funding Assessment	41.148	41.311	0.163	0.4
Section 31 Grant	1.874	2.955	1.081	57.7
Council Tax Requirement	99.862	103.492	3.630	3.6
Improved Better Care Fund	4.862	5.009	0.147	3.0
Social Care Grant	4.466	6.282	1.816	40.7
Market Sustainability and Fair Cost of Care Grant	0.000	0.505	0.505	N/A
New Homes Bonus	0.612	0.482	(0.130)	(21.2)
Lower tier Services Grant	0.399	0.420	0.021	5.2
2022/23 Services Grant	0.000	2.479	2.479	N/A
Total Core Spending Power	153.223	162.935	9.249	6.0

2.2.2 As previously reported in January, because of the continuing adverse effect of Covid-19 on Business Rates income and the increased financial risk as a result, London Boroughs have agreed that it will not be possible to reconstitute the London Business Rates Pool in 2022/23.

2.2.3 Therefore, the Business Rates forecast for 2022/23 included in the MTFS will be based solely on Merton's NNDR1 return for 2022/23. It is extremely difficult to forecast Business Rates income over the four year

MTFS period as there are a number of unknowns which can have a significant impact. In particular:-

- The ongoing impact of Covid-19 on Business Rates and the ability of businesses to recover and how long it will take.
- The extent to which the Government provide financial support if the pandemic continues to impact on businesses.
- The impact of the Fair Funding Review on resource allocations (Deferred from 2020/21)
- The impact of Brexit
- Business rates levels in the future and future economic and demographic changes including the decline of the high street and impact on businesses of greater use of on-line shopping
- the level of business rates appeals

2.2.4 The figures for Business Rates included in the Settlement Funding Assessment are the Government's estimate based on forecasts of annual uprates since the introduction of Business Rates Retention in 2013/14. The figures in the MTFS are based on the latest forecast of Business Rates included in Merton's NNDR1 form which is a statutory return that local authorities were required to submit to the Government by 31 January.

2.2.5 The following table compares the estimate of Business Rates included in the MTFS reported to January Cabinet, the Local Government Finance Settlement Funding Assessment figure and the NNDR1 figure.

**Table 5: Merton's Funding from Business Rates 2022-23**

	2021/22 LGF Settlement £m	MTFS Cabinet 17/01/22 £m	2022/23 LGF Settlement £m	NNDR1 Forecast 2022-2023 £m
MERTON				
Revenue Support Grant	5.187	5.291	5.350	5.350
Estimated Share of Business Rates	26.247	25.492	26.427	22,846
Top-Up	9.534	9.534	9.534	9.534
<b>Settlement Funding Assessment</b>	<b>41.148</b>	<b>40.317</b>	<b>41.311</b>	<b>37,730</b>
Section 31 Grant	1.874	2.256	2.955	*6,048
Total Business Rates Funding	43.022	42.573	44.266	43,778

\* The DLUHC adjust the Section 31 grant for the impact of the multiplier cap and the freezing of the multiplier on the top-up. This will reduce Section 31 grant by c. £0.974m

2.2.6 For 2022/23, it will be assumed that Merton's share of Business Rates will be based on the NNDR1 position as represented by £22.846m in the above table.

2.2.7 The Government will continue to operate a safety net threshold as part of Business Rates Retention. Safety net payments will ensure that a local authority's income does not drop below more than a set percentage of its baseline funding level. The safety net threshold is 7.5%.

### **3. Review of Corporate and Technical Provisions**

3.1 Previous reports to Cabinet have set out the details and assumptions on which the budget has been formulated. The latest information is set out in the following paragraphs.

#### **3.2 Review of Technical and Corporate Provisions**

3.2.1 Technical and corporate adjustments incorporated in the MTFs have been reported to Cabinet throughout the business planning process for 2022/3.

3.2.2 The key assumptions included in the MTFs have been continually reviewed and updated as the budget process has developed. It should be noted that any one-off adjustments will need to be addressed in future years. The latest information is set out in the following paragraphs :-

#### **3.3 Inflation**

3.3.1 Predicting the level of inflation over a four year period with accuracy is not easy, particularly in the current economic climate and given the size of the Council's budget can lead to large variances if the actual inflation levels vary from the assumptions.

#### **3.3.2 Pay**

In the Spending Review 2020, the government announced that there would be a one-year public sector pay freeze but on 27 October 2021, the Autumn Budget and Spending Review 2021 announced that public sector workers would receive "fair and affordable" pay rises across the 2022/23 to 2024/25 Spending Review period.

Any pay increases will have to be funded from government departments' own budgets, because no new money has been earmarked to fund the rise. The announced departmental spending would grow in real terms by 3.8% a year during the rest of this parliament.

Pay awards for local government workers are agreed in negotiations between employers and trade unions through the National Joint Council for Local Government Services. The Local Government Association, which represents the employer side in the National Joint Council, has said that it is not bound by this pay policy but that pay awards will depend on the funding that local government receives through the financial settlement.



The latest estimates for pay inflation included in the MTFs are included in the table below:-

**Table 6: Pay inflation**

(Cumulative)	2022/23	2023/24	2024/25	2025/26
Pay inflation (%)	2%	2%	2%	2%

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

Updates on pay negotiations for the 2021/22 pay award have been previously reported as part of monthly monitoring reports.

London Living Wage

The MTFs includes the following provision for the estimated impact of the London Living Wage (LLW) on council contracts when they come up for renewal:-

**Table 7: Provision for additional cost of LLW on major contracts**

(Cumulative)	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Additional cost of LLW on major contracts based on contract renewal date	521	711	2,382	2,382

3.3.3 Prices

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

**Table 8: Price inflation**

(Cumulative)	2022/23	2023/24	2024/25	2025/26
Price inflation (%)	2.5%	1.5%	1.5%	1.5%

The Consumer Prices Index (CPI) rose by 5.4% in the 12 months to December 2021, up from 5.1% in November. On a monthly basis, CPI increased by 0.5% in December 2021, compared with a rise of 0.3% in December 2020. The largest upward contributions to the December 2021 12-month inflation rate came from housing and household services and transport, principally from motor fuels and second-hand cars.

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 4.8% in the 12 months to December 2021, up from 4.6% in the 12 months to November. The largest upward contributions to the change in the CPIH 12-month inflation rate between November and December 2021 came from food and non-alcoholic beverages, restaurants and hotels, furniture and household goods, and clothing and footwear. These were partially offset by large downward contributions to change from transport, and recreation and culture.

The RPI rate for December 2021 was 7.5%, which is up from 7.1% in November 2021.

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 9: Short Term Forecasts for the UK Economy**

Source: HM Treasury - Forecasts for the UK Economy (January 2022)			
	Lowest %	Highest %	Average %
2021 (Quarter 4)			
CPI	3.5	5.1	4.7
RPI	6.0	6.8	6.6
LFS Unemployment Rate	4.0	4.7	4.4
2022 (Quarter 4)			
CPI	1.6	5.1	3.5
RPI	3.3	6.8	5.0
LFS Unemployment Rate	3.6	4.7	4.2

Independent medium-term projections for the calendar years 2021 to 2025 are summarised in the following table:-

**Table 10: Medium Term Forecasts for the UK Economy**

Source: HM Treasury - Forecasts for the UK Economy (November 2021)					
	2021	2022	2023	2024	2025
	%	%	%	%	%
CPI	2.4	4.0	2.6	2.5	2.3
RPI	3.8	5.8	4.1	3.7	3.5
LFS Unemployment Rate	4.7	4.6	4.2	4.1	4.1

### 3.3.4 Excess Inflation on volatile budgets

There is a corporate provision which is held to assist services that may experience price increases greatly in excess of the general inflation allowance provided when setting the budget. A 1% increase in price inflation costs the Council c. £1.5m per year. Given the current energy crisis and significant increase in inflation presently being experienced, a further £2m has been included in this provision for 2022/23. This will only be released for specific demonstrable demand.

**Table 11 Excess inflation Provision**

	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000
Excess Inflation	2,500	500	500	500

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 2025/26.

### 3.3.5 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.

### 3.4 Collection Fund

3.4.1 The Collection Fund is a statutory fund separate from the General Fund. It accounts for income from Council Tax and from NNDR (Business Rates).

3.4.2 The Collection Fund accounts are kept on an accrual basis and a surplus or deficit for the year in the collection fund is estimated accordingly. The draft accounts for 2020/21 include the following surplus/deficit for Council Tax and NNDR as at 31 March 2021:-

**Table 12: Collection Fund Surplus/Deficit as at 31 March 2021**

	Surplus/ (deficit) as at 31/03/21 Outturn	Surplus/ (deficit) as at 31/03/21 Outturn	Total surplus/ (deficit) as at 31/03/21
	Council Tax £000	NNDR £000	£000
Central Government	N/A	(16,385)	(16,385)
GLA	(380)	(18,376)	(18,756)
Merton	(1,595)	(14,842)	(16,437)
Total	(1,975)	(49,603)	(51,578)

3.4.3 A review of the Collection Fund, related bad debt provisions, write offs, appeals and collection rates in 2021/22 and anticipated collection rates in 2022/23 has been undertaken. With respect to Business Rates, the NNDR1 return has been submitted which analyses the estimated Business Rates for 2022/23, estimated surplus/deficit as at 31<sup>st</sup> March 2022 and estimated Section 31 Grant for 2022/23, and the allocations between Merton, Central Government, and the GLA. For 2022/23 Business Rate Retention the shares will be 33% central government , 37% GLA and 30% Merton.

3.4.4 As a result of the further analysis, the estimated surplus/deficit on the Collection Fund as at 31<sup>st</sup> March 2022 is as follows:-

**Table 13: Estimated Collection Fund Surplus/Deficit at 31 March 2022**

	Surplus/ (deficit) as at 31/03/22 Estimate	Surplus/ (deficit) as at 31/03/22 Estimate	Total surplus/ (deficit) as at 31/03/22
	Council Tax	NNDR	
	£000	£000	£000
Central Government	N/A	(4,939)	(4,939)
GLA	554	(5,537)	(4,983)
Merton	2,026	(4,490)	(2,464)
Total	2,580	(14,966)	(12,386)
Payable in 2022/23	3,701	(13,052)	(9,351)
Receivable in 2023/24	(1,121)	(1,914)	(3,035)

#### 3.4.5 Collection Fund Deficits 2021/22 – Business Rates and Council Tax

This report includes the latest forecasts surplus/deficits for the Collection Fund 2021/22 for council tax and business rates. These will be the final forecasts for 2022/23 to be included within the council's Council Tax requirement 2022/23 and MTFs 2022-26.

#### **Council Tax:**

Based on a review in January 2022 of the bad debt provision and amounts to be written off during 2021/22, it is estimated that there will be a forecast surplus of £2,580m arising from Council Tax as at 31 March 2022.

There are three elements which make up the balance as at 31 March 2022. These are set out in the following table:-

**Table 14: Estimated Council Tax Surplus in 2021/22 payable in 2022/23**

Net Surplus apportionment for 2021/22	GLA £	LBM £	TOTAL £
Adjusted Collection Fund balance for 2021-22	1,025,977	3,795,936	4,821,913
2022-23 Estimated Deficit re 2020/21	(230,711)	(890,387)	(1,121,098)
<b>Total share of the estimated surplus for 2021-22 to be paid in 2022/23</b>	795,266	2,905,549	3,700,816

#### **Business Rates**

The calculation of the amounts and apportionments of the estimated Business Rates surplus/deficit element of the Collection Fund are made

using the NNDR1 return which has to be made to the DLUHC by 31 January. The NNDR1 for 2022/23 is included in Appendix 3.

The calculation has been made more complicated by 2020-21 Collection Fund deficit phasing. On 2 July 2020, the Secretary of State announced that in response to the exceptional circumstances resulting from the COVID-19 pandemic, local authorities would be able to spread the payment of any estimated 2020-21 collection fund deficit over 3 years.

**Table 15: Estimated Business Rates Deficit apportionment**

	Government £000	Merton £000	GLA £000	Total £000
<u>To be Paid in 2022/23</u>				
Prior Year Surplus/(Deficit)	(964)	(876)	(1,081)	(2,921)
In Year Surplus/(Deficit)	(3,343)	(3,040)	(3,748)	(10,131)
Total to be paid in 2022/23	(4,307)	(3,916)	(4,829)	(13,052)
<u>To be paid in 2023/24</u>				
Prior Year Surplus/(Deficit)	(632)	(574)	(708)	(1,914)
<b>Total Surplus/(Deficit) @ 31/3/2022</b>	<b>(4,939)</b>	<b>(4,490)</b>	<b>(5,537)</b>	<b>(14,966)</b>

### 3.4.7 Freedom Passes

Freedom Passes 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 uses 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 now concluded its annual negotiations with transport operators

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

- The estimated average number of journeys made by Freedom Pass holders over the past two years
- Previous work to calculate expected average fares per trip taking into account fare increases and decreases within a "basket of fares"

London Councils have advised that estimating journey numbers is an imprecise art. During the first lockdown in spring 2020, journey numbers on

buses reduced by over 80% and on the underground by over 90%. Since the summer, journey numbers have been increasing, but have been suppressed more recently by new COVID-19 restrictions. Therefore, it has been difficult to determine stable trend lines that could be used for the purposes of forecasting and London Councils may need to return to these estimates as new data becomes available.

Estimates are based on latest demand figures and assumptions about demand returning to pre-pandemic levels over the next two-three years.

The increases over the three year period are driven by:

- Inflation and anticipated fares increases
- The completion of the Elizabeth Line and extra demand it will generate
- An increase in the Freedom Pass population following the fixing of the eligibility age

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

**Table 16: Estimated cost of Freedom Passes**

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Lower range	7.768	5.195	5.526	7.606	9.201
Baseline	7.768	5.195	6.090	8.634	10.269
Higher range	7.768	5.195	6.652	9.663	10.907

The table below compares the original budget in the MTFS approved by Council in March 2021 for Freedom Passes with the latest worst case estimate:-

**Table 17: Change in Provision for Cost of Freedom Passes**

	MTFS 2022/23 £m	MTFS 2023/24 £m	MTFS 2024/25 £m	MTFS 2025/26 £m
Merton MTFS (Council March 2021)	7.932	7.932	7.932	7.932
Latest forecast (Higher range)	5.195	6.652	9.663	10.907
Change	(2.737)	(1.280)	1.731	2.975

It is proposed to amend the MTFS to reflect the revised figures which are the most prudent available at the current time.

### 3.5 DSG DEFICIT

3.5.1 The DSG had a cumulative overspend of £24.981m at the end of 2020/21. The Dedicated Schools Grant (DSG) is forecasting an outturn

adverse variance of £12.836m in 2021/22 based on December 2021 monitoring.

3.5.2 Merton has been selected as one of the LAs to take part in the 'safety valve' intervention programme with the DfE as it has one of the highest percentage deficits in the country as at the end of 2020/21. The programme aims to agree a package of reform to our high needs system that will bring the DSG deficit to a positive position utilising both revenue and capital monies. We have provided an updated plan to the DfE which they will present to Ministers. Merton had been told that a decision would be made by mid-January, but as yet, there has been no announcement. Therefore, there has been no change to current budgets set aside in the MTFS to offset the deficit. If any announcement is made, the implications on current year's monitoring and the MTFS will be reported to Scrutiny and Cabinet in the new financial year.

3.5.3 At the current stage it is proposed to include the following provision in the MTFS for the staff required to address the DSG deficit, which is required regardless of whether we are successful with Safety Valve funding. There will also be an increase in SEN capital expenditure to address the deficit which is currently expected to be grant funded. This will also need to be reviewed, along with the impact on the Capital Strategy, when the outcome of the Safety Valve discussions is known.

**Table 18: Additional Provision for Cost of DSG**

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
<b>DSG safety Valve (cumulative)</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>

### 3.6 Contingency

3.6.1 The latest MTFS includes provision of £1.5m as a contingency to meet unforeseen cost and demand pressures.

### 3.7 Bad Debt Provision

3.7.1 The bad debt provision is calculated on the basis of an examination of debts within the council's financial systems to assess the probability of their collection. As part of the 2021/22 business planning process, due to the impact of the pandemic on residents and businesses it was deemed prudent to increase the provision for bad debts in 2021/22 and 2022/23 by £1m. Given the ongoing effects of Covid and inflationary pressures at the current time an increase of £0.500m has been made to the 2023/24 provision. The level of provision will be kept under review but over the MTFS period the current provision for bad debts is

**Table 19: Provision for Bad Debts**

	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>
Bad Debt provision	1,500	1,000	500	500

### 3.8 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 are included for 2022-26:-

**Table 20: Revenuisation**

	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>
Revenuisation	70	70	70	70

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

### 3.9 Summary of Corporate and Technical Adjustments

3.9.1 The financial implications of the corporate and technical adjustments discussed in this report are summarised in Appendix 4.

## 4. **Proposed Amendments to Previously Agreed Savings**

### 4.1 **Unachievable 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, in the first instance departments are asked to identify replacement savings from elsewhere within their overall budgets. It is accepted that unachievable savings have been more prevalent due to COVID19.

In the report to Cabinet in October, some unachievable savings based on budget monitoring reports for July 2021 were provided for as follows:-



**Table 21: Expected Shortfall in Approved Savings in 2022/23**

Department	Target Savings 2021/22	Projected Savings 2021/22	Period 5 Forecast Shortfall	Period Forecast Shortfall (P5)	2022/23 Expected Shortfall
	£000	£000	£000	%	£000
Corporate Services	1,322	1,090	232	17.5%	95
Children Schools and Families	1,460	410	1,050	71.9%	400
Community and Housing	2,541	1,557	984	38.7%	860
Environment and Regeneration	1,580	205	1,375	87.0%	750
<b>Total</b>	<b>6,903</b>	<b>3,262</b>	<b>3,641</b>	<b>52.7%</b>	<b>2,105</b>

Department	Target Savings 2020/21	Shortfall 2020/21	Projected Shortfall 2021/22 (July)	Projected Shortfall 2022/23 (July)
	£000	£000	£000	£000
Corporate Services	2,718	883	213	658
Children Schools and Families	2,969	664	500	0
Community and Housing	2,460	128	128	128
Environment and Regeneration	3,927	3,373	2,837	0
<b>Total</b>	<b>12,074</b>	<b>5,048</b>	<b>3,678</b>	<b>786</b>

In addition, savings from E&R ref.Env2021-04 Emissions Based Charging will not be achieved as follows:-

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
(Cumulative saving)				
Saving Env2021-04 EBC	1,500	900	325	325

4.2 Details of all of the amendments were referred to Overview and Scrutiny Panels and the Commission for scrutiny in January 2022 as part of the overall Savings Information pack circulated to all Members.

#### 5. Departmental Savings Proposals 2022-26 and Service Planning

5.1 It was clear from the outset of the Business Planning process for 2022-26 that significant savings would be required to balance the MTFS over the four year period, with the added uncertainty of how long the pandemic would last.

## 5.2 Savings Proposals 2022-26

### Controllable budgets and Savings Targets for 2022-26

Cabinet on 11 October 2021 agreed savings targets as follows:-

**Table 22: Savings Targets**

<b>SAVINGS TARGETS BY DEPARTMENT</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>Total £000</b>
Corporate Services	255	3,433	808	726	5,222
Children, Schools and Families	173	2,322	547	491	3,533
Environment and Regeneration	355	4,771	1,123	1,008	7,257
Community and Housing	393	5,281	1,243	1,116	8,033
<b>Total</b>	<b>1,175</b>	<b>15,808</b>	<b>3,720</b>	<b>3,341</b>	<b>24,044</b>
<b>Total (cumulative)</b>	<b>1,175</b>	<b>16,983</b>	<b>20,703</b>	<b>24,044</b>	

5.3 Service departments reviewed their budgets to identify savings proposals to meet their savings targets.

5.4 As reported to Cabinet in December 2021, some proposals have been identified and progress against targets is summarised in the following table:-

**TABLE 23: NEW SAVINGS PROPOSALS 2022-26: SUMMARY**

	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>TOTAL £000</b>
Corporate Services	229	25	0	0	254
Children, Schools and Families	178	340	0	0	518
Environment and Regeneration	229	617	(111)	(111)	624
Community and Housing	300	800	0	0	1,100
<b>TOTAL</b>	<b>936</b>	<b>1,782</b>	<b>(111)</b>	<b>(111)</b>	<b>2,496</b>
<b>Cumulative Total</b>	<b>936</b>	<b>2,718</b>	<b>2,607</b>	<b>2,496</b>	

5.5 Details of the savings proposals are included in the Savings Information Pack.

5.6 Draft Equalities Assessments for new savings are also included in the Savings Information Packs.

6. Feedback from the Scrutiny Process:-

6.1 Comments from the Overview and Scrutiny Commission on 19 January 2022 are provided in a separate report on the agenda for this meeting.

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

6.2.1 The draft MTFS shown in Appendix 7 includes the impact of the savings recommended. If Cabinet decide to accept any changes to the savings, the MTFS reported to Council on 2 March 2022 will be amended to reflect this.

## 7. **Budgetary Control 2021/22**

7.1 The revenue budgetary control information below summarises the corporate position using the latest available information as at 31 December 2021 as shown in a separate report on the agenda for 7 February Cabinet. At period 9 to 31 December 2021, the year-end forecast is a net adverse variance of £7.276m when all incremental Covid costs are included, after applying the government Covid-19 grant and the funding confirmed from the income compensation scheme for the first quarter. If the Covid pressures hadn't arisen, the numbers suggest that a favourable variance of c. £4.442m would be reported, however, there may be other impacts on services arising from Covid that are not apparent at this stage. This will be kept under review.

7.2 This consists of a net favourable variance of £4.442m excluding COVID19 and unfavourable variance of £11.718m from COVID19:-

**Table 24: Revenue monitoring – Period 9 December 2021**

	Non COVID19 £000	COVID19 £000	Total £000
CS	334	845	1,179
CSF	(218)	714	496
E&R	(2,184)	7,084	4,900
C&H	(2,335)	1,133	(1,202)
<b>Sub-total</b>	<b>(4,403)</b>	<b>9,776</b>	<b>5,373</b>
Corporate	(39)	1,942	1,903
<b>Total</b>	<b>(4,442)</b>	<b>11,718</b>	<b>7,276</b>

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

### 7.4 Non-COVID19

Based on December 2021 monitoring, the following pressures have been flagged:-

- a) Corporate Services: Corporate Governance (Adverse variance £63k), Human Resources (Adverse variance £87k), Corporate items (Housing Benefits Rent Allowances, costs in relation to Merantun,

increased legal hard charges and consultancy costs. Adverse variance £688k)

- b) Children's Schools and Families: Education Service (Senior Management, Contracts, Procurement & School Org. ,and Policy Planning and Performance -Adverse variance £595k); Child Social Care and Youth Inclusion (Asylum Seeker costs, Children in Care and Resources – Adverse variance £1.102m)
- c) Environment and Regeneration: Regulatory Services (Adverse variance £261k); Parking Services (Adverse variance £4.369m); Waste Services (Adverse variance £395k); Leisure & Culture (Adverse variance £213k); Building and Development Control (Adverse variance £170k)
- d) Community and Housing: Housing General Fund (mainly Temporary Accommodation Adverse variance £328k)

#### 7.5 COVID19

Covid continues to have a significant impact in 2021/22 and there will be some continuing implications on services and income going forward some of which the Government are supporting such as business rates. The pandemic will not be overcome before impacting on 2022/23 and the costs and impact on society in general and council services in particular will not be confined to 2020/21 and 2021/22. It is now clear that there will be some impact carried over to the MTFS 2022-26 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.

- 7.6 Some additional government support has been identified for 2022/23 and its sufficiency will be kept under review and regular updates will be provided as part of monthly monitoring reports during 2022.

#### 7.7 Local government COVID Support for 2022-23

At the Budget on 27 October 2021, the Government announced the introduction of a new business rates relief scheme for retail, hospitality and leisure properties worth almost £1.7 billion in 2022/23. This will support the businesses on high streets and town centres to help them to evolve and adapt to changing consumer demands.

The 2022/23 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business.

As this is a temporary measure for 2022/23 only, the government is not changing the legislation relating to the reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as

amended) to grant relief. It will be for individual local billing authorities to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.

The government will fully reimburse billing authorities and major precepting authorities for their loss of income under the rates retention scheme as a result of awarding the relief that falls within the definitions in this guidance, using a grant under section 31 of the Local Government Act 2003.

## 8. **Capital Financing and Treasury Management**

### Treasury Management, Capital Financing and Investment Income:

- 8.1 Details are included in Section 1 of this report. Capital financing costs are derived from the draft capital programme which is included in the Capital Strategy in the Business Plan (Section 1) and estimated revenue funding is built into the MTFs for the level of borrowing that is expected.
- 8.2 Details relating to how the capital programme has changed from that approved by Council in March 2021 to the capital programme for 2022-26 are discussed in the Business Plan (Section 1 – Capital Strategy) part of this report and related appendices. The capital programme has continued to be subject to major review as part of monthly monitoring and the process of developing the Business Plan for 2022-26.
- 8.3 In addition to reviewing the capital programme, focus has also been maintained on the treasury management aspects of funding the programme, to improve forecasts of available funding and to minimise as far as possible the costs of funding capital. This has included improved cash flow forecasting to enable the programme to be funded from capital receipts and internal resources for as long as possible to take advantage of current low levels of interest. Work is also continuing to ensure that grants and contributions are utilised effectively and this work will continue into the closing of accounts process for 2021/22 to ensure that the revenue impact of the capital programme is minimised in 2022/23 and beyond.

### Revenue Implications of Current Capital Programme

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 2022/23) for the next four years of the MTFs would be approximately:-.

**Table 25: Capital financing costs of £1m over the MTFS period**

Capital financing costs of £1m over the MTFS period	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Longer life Assets	10	60	60	60
Short-life assets	10	220	220	220

- 8.4 There has been limited additions to the capital programme due to the current financial challenges and 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, along with any changes required as a result of responding to the five priorities and principles as part of the agreed Merton 2030 response. The current capital provision and associated revenue implications of the approved capital programme, based on November 2021 monitoring information and maximum use of capital receipts were reported to Cabinet in January 2022.

Since January 2022, the capital programme has continued to be reviewed and based on the latest December 2021 monitoring information the current position is:-

**Table 26: Capital Programme and Revenue Implications 2022-26**

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Capital Programme (after slippage)	30,203	21,971	15,830	37,477
Revenue Implications	10,670	11,519	12,575	12,402

Additional provision for SEN education has been built into the current capital programme for expansion of five primary and secondary schools, alongside provision for a new special school, funded by capital grant, therefore no impact on the General Fund, if we are successful in the outcome of the Safety Valve discussions. This will need to be reviewed when the outcome is known, the impact of which will be reported in the new financial year.

The potential change in the capital programme since Council in March 2021 is summarised in the following table:-

**Table 27: Change in Capital Programme and Revenue impact**

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Capital Programme:				
- Council March 2020	19,169	14,938	21,840	14,629
- Revised Position with Slippage revisions	30,203	21,971	15,830	37,477
Change	11,034	7,033	(6,010)	22,848
Revenue impact				
- Council March 2020	11,599	12,031	13,059	14,010
Revised	10,670	11,519	12,575	12,402
Change	(929)	(512)	(484)	(1,608)

Further work is currently ongoing to review and challenge the assumptions these figures are based on.

- 8.5 The analysis of the budget for capital financing costs and investment income is set out in the following table:-

**Table 28: Details of Budgets for capital financing costs**

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
MRP(net of contributions)	4,960	5,863	6,910	7,786
Interest	6,106	6,041	6,020	4,949
<b>Capital financing costs</b>	<b>11,066</b>	<b>11,904</b>	<b>12,930</b>	<b>12,736</b>
Investment Income	(396)	(385)	(355)	(334)
<b>Net</b>	<b>10,670</b>	<b>11,519</b>	<b>12,575</b>	<b>12,402</b>

## 9. GENERAL FUND BALANCES AND RESERVES

- 9.1 In determining an appropriate level of general fund balances previously, an analysis of the overall expenditure of the authority had been prepared. An updated version of this analysis has been prepared and is attached as Appendix 10. The overall level of balances is summarised below and compares with current GF balances of £14.000m as shown in the final accounts for 2020/21. Given the minimum level of risk is indicated to be £13.97m, there is no change proposed to the current GF balance.

**Table 29: Indicative range of balances**

	Min	Medium	Max
	£m	£m	£m
Level of balances	14.0	34.2	58.4

- 9.2 An alternative approach would be to look at a percentage based on the net spending of the authority. From the Audit Commission's report

“Striking a Balance”, most Chief Officers regarded an amount of between 3 and 5 per cent as a prudent level and the minimum the auditors would consider prudent. There are also some other areas of risk and unknowns in relation to the localisation of business rates and how this impact will flow through, in particular in relation to appeals. There is now an amount calculated for Merton called the safety net, below which income must fall before Merton becomes entitled to funding from central government. This approach is set out below, using an amount of 5 per cent for net spending, 7.5% for safety net and 10% for DSG deficit.

**Table 30: Indicative level of balances**

	£m
Net spending	8.4
Safety Net	1.7
DSG	1.4
Appeals	1.4
Level of balances	12.9

9.3 The average level of General Fund balances for outer London boroughs for 2020/21 was £16.024m, with a low of £4.295m and a high of £28.517m.

9.4 A review of Merton’s reserves has been undertaken and details are shown in Appendix 8. The estimated level of General Fund revenue reserves changes from £105.985m as at 31 March 2021 to £95.081m by 31 March 2026. If the reserves set aside as cover for the DSG deficit are excluded the estimated reserves changes from £82.241m as at 31 March 2021 to £28.790m at 31 March 2026.

9.5 The average level of earmarked reserves (excluding schools and HRA) for outer London boroughs for 2020/21 was £117.877m, with a low of £33.712m and a high of £338.700m. Merton, with £98.356m (excluding schools) is ranked 9<sup>th</sup> highest out of 20 outer London boroughs.

## 10. Council Tax Strategy

10.1 The Localism Act 2011 amended the legislation regarding the calculation of council tax. It also provides for a council tax referendum to be held if an authority increases its relevant basis amount of council tax in excess of principles determined by the Secretary of State.

### 10.2 Council Tax Referendum Principles

The Government proposes the following package of referendum principles for 2022-23 for authorities that relate to Merton:

- a core council tax referendum principle of up to 2% for shire counties, unitary authorities, London boroughs, the GLA general precept, and fire authorities



- an Adult Social Care (ASC) precept of 1% on top of the core principle for local authorities with responsibility for adult social care.

10.3 For Merton, a Council Tax increase of 3% (2% general + 1% Adult Social Care) would be regarded as excessive but, for example, a core principle of 1.999% plus Adult Social Care precept of 1% (i.e. 2.999%) would be in accordance with the thresholds set.

## 11. Council Tax Base

11.1 Cabinet on 6 December 2021 agreed the Council Tax Base calculation for 2022/23. Details of the calculation are included as Appendix 3.

11.2 For 2022/23 the Council Tax Base has been calculated as:-

**Table 31: Council Tax Base 2022/23**

<b>Council Tax Base 2022/23</b>	<b>75,754.6</b>
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11.3 A separate council tax base calculation has been produced for the properties covered by the Wimbledon and Putney Common Conservators (WPCC) area. For 2022/23 the Council Tax Base for Wimbledon and Putney Commons Conservators has been calculated as:-

**Table 32: WPCC Council Tax Base 2022/23**

<b>WPCC Council Tax Base 2022/23</b>	<b>11,705.0</b>
--------------------------------------	-----------------

## 12. Greater London Authority Precept and Other Levies

12.1 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.

12.2 The Mayor published his draft consolidated budget and provisional council tax precept for 2022-23 on 22 December 2021 for consultation. The consultation on the budget proposals will end on 18 January 2022.

12.3 Under these budget arrangements, the GLA's provisional precept on council taxpayers in the 32 London boroughs is £395.59 – a £31.93 or 8.8% increase compared to 2021/22. The proposed precept for council taxpayers in the City of London – City of London – excluding the police element – is £118.46 which is a £21.93 (22.7%) increase which excludes the £10 element for the Met Police.

- 12.4 The GLA's precept proposal assumes that the government accedes to the Mayor's request to adjust the council tax excessiveness principles for the GLA (i.e. referendum limits) to accommodate an additional £20 rise to fund transport services in the final local government settlement. If this is not agreed then the final precept figure may change.
- 12.5 The final precept will not be approved formally until the London Assembly budget meeting scheduled for 24 February 2022.

### 13. Other Levies

- 13.1 The Council is required by statute to pay certain levies to the organisations listed below. Not all of the levies for 2022/23 have been confirmed and the latest position is as set out in the following table:-

**Table 33: Other Levies**

	2021/22 £000	2022/23 £000	2022/23 Change %
London Pension Fund Authority	253	TBA	TBA
Lee Valley Regional Park	178	TBA	TBA
Environment Agency	174	TBA	TBA

### 13.2 Wimbledon and Putney Commons Conservators (WPCC)

- 13.2.1 A separate precept is levied in respect of those residents of properties bordering the Wimbledon and Putney Commons. The amount is calculated on the basis of the amount levied by the Commons Conservators and the Band D Council Tax in respect of the WPCC precept in 2022.23 will be £376,231, an increase of £0.023m (6.6%) from the 2021/22 levy of £352,802.

**Table 34: Wimbledon and Putney Commons Conservators Precept**

	2021/22 £000	2022/23 £000	Change %
Wimbledon & Putney Commons Conservators	353	376	6.6%

- 13.2.2 The average Band D cost to a council taxpayer in the WPCC area has changed from £31.00 in 2021/22 to £32.14 (3.7%) in 2022/23

## 14 CONCLUSIONS

- 14.1 It is a statutory requirement that the council sets a balanced budget in 2022/23.
- 14.2 In accordance with sections 52ZY and 68 of the Local Government Finance Act 1992 ('the 1992 Act'), section 139A of the Local Government Finance Act 1988, and section 230 of the Local Government Act 1972 authorities are required to supply information required to measure

whether any proposed Council Tax increase is in excess of the principles laid down requiring a local referendum.

- 14.3 The Government return is the Council Tax Requirement form CTR1 and authorities are required to complete and submit this to the Ministry of Housing, Communities and Local Government within 7 days of approving their Council Tax requirements.
- 14.4 The Medium Term Financial Strategy assumes that all of the corporate provisions and proposals for savings, in 2022/23 discussed in this report are agreed and if this is the case, the following financial position is achieved:-

**Table 35: Average Band D Council Tax**

<b>Average Council Tax Calculation at Band D</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>
Budget Requirement	161.480	167.305
Settlement funding Assessment inc. Section 31 Grant	(41.738)	(43.778)
COVID RNF and LCTS Grant	(6.811)	0
New Homes Bonus	(0.612)	(0.482)
PFI Grant	(4.797)	(4.797)
Adult Social Care Improved BCF	(4.862)	(5.009)
Social Care Grant	(4.446)	(6.282)
Collection Fund – (Surplus)/Deficit	1.647	1.010
Market Sustainability and Fair Cost of Care Fund	0	(0.505)
2022-23 Services Grant	0	(2.479)
Council Tax Requirement	99.861	104.983
Council Tax Base	74,220.0	75,754.6
<b>Average Council Tax*</b>	<b>1,345.48</b>	<b>1,385.84</b>

\* The actual increase is 2.99% and it is important to stay below the 3% threshold to avoid triggering the requirement for a referendum

NB The calculation of the average council tax is subject to Government verification via the submission of a return – Council Tax Requirement Form CTR1.

- 14.5 The calculation of Band D council tax for properties outside the Wimbledon and Putney Commons Conservators area is as follows:

**Table 36: Council Tax calculation**

<b>Council Tax Calculation at Band D</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>
Budget Requirement	161.480	167.305
WPCC	(0.353)	(0.376)
Settlement funding Assessment inc. Section 31 Grant	(41.738)	(43.778)
COVID RNF and LCTS Grant	(6.811)	0
New Homes Bonus	(0.612)	(0.482)
PFI Grant	(4.797)	(4.797)
Adult Social Care Improved BCF	(4.862)	(5.009)
Social Care Grant	(4.446)	(6.282)
Collection Fund – (Surplus)/Deficit	1.647	1.010
Market Sustainability and Fair Cost of Care Fund	0	(0.505)
2022-23 Services Grant	0	(2.479)
Balance to be met from Council Tax	99.508	104.607
Council Tax Base	74,220.0	75,754.6
<b>Council Tax (Band D)</b>	<b>1,340.72</b>	<b>1,380.87</b>

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

**Table 37: Band D Council Tax**

<b>Council Tax at Band D</b>	<b>2021/22 £</b>	<b>2022/23 £</b>	<b>% change from 2021/22</b>
Merton (exc. WPCC)	1,340.72	1,380.87	3.0%
GLA Precept (Provisional)	363.66	395.59	8.8%
<b>Implied Council Tax at Band D</b>	<b>1,704.38</b>	<b>1,776.46</b>	<b>4.2%</b>

14.7 A summary Statement of Council Tax requirements and balances based on the proposals set out in this report is attached as Appendix 6, and a revised MTFs summary incorporating the proposed changes set out in this report is provided at Appendix 7.

## 15. Risk Management

15.1 The management of risk is strategically driven by the Corporate Risk Management Group. This is the central hub of a number of council mechanisms for risk management including a Corporate Key Strategic Risk Register, departmental risk registers and project risk registers. The group collates on a quarterly basis the headline departmental risks and planned mitigation activity from each department, project and partnership, to be put forward for discussion at CMT. Reports on risk are

made through the Standards and General Purposes Committee to Cabinet and Council. Developing a corporate business plan and setting a balanced budget 2022-26 and beyond has been highlighted as a key strategic risk on the corporate risk register.

- 15.2 Currently c.£3.3million of savings are being progressed for 2021-22 coupled with a further c. £0.936m of new savings identified for 2022-26. Current practice is to monitor delivery of savings as part of the monthly Business Plan Monitoring, it is envisaged that given the size of the savings target over the next three years, additional mechanisms may need to be established to monitor more transformational and longer term projects being brought forward as part of the response for Merton 2030.

## 16. Summary

- 16.1 Taking into account the changes that have taken place since the Cabinet meeting in January, before taking into account any changes that Cabinet are minded to make following the feedback from Scrutiny, the budget gap in the MTFs has changed to the following:-

**Table 38: Cumulative MTFs Gap 2022-2026**

Cumulative	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Gap exc. Savings	600	7,426	21,552	24,317
Savings	(600)	(2,853)	(2,792)	(2,681)
Gap Net of Savings	0	4,573	18,760	21,636

## 17 Future Years

- 17.1 As indicated in the updated MTFs there is a gap between the forecast level of resources and budget requirements for later years which will need to be addressed if balanced budgets are to be set for those years. The updated MTFs is set out in Appendix 7.
- 17.2 The budget process for 2023/24 will commence in the new financial year and some of the options available to the Council to eliminate the budget gaps include:-
- Savings – reduction/deletion of services
  - Savings – efficiencies including procurement
  - Income – increase in fees and charges/new sources of income/commercialisation
  - Council Tax increase
  - Use of balances
  - Options arising from the Investment Strategy

## 18. Positive Assurance Statement

18.1 Section 25(2) of the Local Government Act 2003 requires the Chief Financial Officer of an authority to report on:

- (a) the robustness of the estimates made for the purposes of the calculations, and
- (b) the adequacy of the proposed financial reserves.

In doing so, the Director of Corporate Services has had particular regard to the guidance offered by the Chartered Institute of Public Finance and Accountancy and the views of the Council's external auditor. Financial resilience and demonstrating that the Council is a going concern have been important considerations in developing the budget for 2022/23 and MTF5 2022-26

18.2 One of the Council's stated principles is to keep council tax at or below the south London average. To achieve this, the Council must have regard to the major risks to its financial position and in particular:

- Maintaining effective management and delivery of services at a time of escalating price inflation
- Reaching a satisfactory conclusion to the ongoing negotiations with the Government with respect to the current and increasing DSG deficit and how it is to be funded, cleared and managed within budget in the future
- The current economic position including future risks relating to continuing uncertainty about how Brexit implementation will affect costs and delivery of services, including staffing
- Whether budget setting and monitoring processes are robust and effective
- Demand pressures on the budget
- Delivering against the five priorities and ten principles of Merton 2030
- Identifying and achieving cost and income improvements
- Risks to Government funding levels, particularly in light of the delayed Fair Funding Review and possible revisions to Business Rates Retention
- Risks to other income streams including Business Rates Retention and proposed reset
- The ongoing impact of COVID-19 and the level of government support provided
- The uncertainty that inevitably arises during a local election year
- Managing an effective approach to working practices as the country moves out of the pandemic.

- 18.3 Since 2010 local government finance issues have been dominated by cuts in government funding and pressure to keep council tax increases down with a recent change in emphasis to allow council tax increases to help alleviate service pressures, particularly in adult social care. This year's Financial Settlement includes a Council Tax referendum threshold for 2022-23 of 3% (comprising up to 1% for expenditure on adult social care and 2% for other expenditure). This was brought into focus in this year's council tax setting where, due to the rapidly increasing level of inflation, the Wimbledon and Putney Commons Conservators proposed levy, meant that there was a minor restraint on the Council's ability to set a council tax increase at the maximum level allowed within the Government's referendum limits. This will need to be kept under review if inflation struggles to get down to the Government's target of 2% over the MTFS.
- 18.4 The continuing suspension of the London Business Rates Pool due to COVID-19 means that there is no opportunity in 2022/23 to take part in an initiative that in the past has provided improved financial incentives from business rates.
- 18.5 Following on from the Spending Review 2022, which will determine the resources overall for local government, the longer term position is uncertain because the Government again only provided a one year Local Government Finance Settlement. In addition, the Government has delayed the "Fair funding review: a review of relative needs and resources" which has the objective to set new baseline funding allocations for local authorities by delivering an up-to-date assessment of their relative needs and resources, using the best evidence available. The current methodology has not been updated since the introduction of the 50% business rate retention system in 2013/14 and following delays in introducing the changes in previous years, the Government has again delayed implementation.
- In addition, the Government has delayed introducing Business Rates reforms including the re-set of Business Rates baselines and there are potential changes to the New Homes Bonus scheme which will have implications for all councils.
- 18.6 The redistribution of resources arising from the review could therefore have significant, ongoing implications for the Council's Medium Term Financial Strategy from 2023/24 onwards. The MTFS shows a significant gap from 2024/25 onwards still to be addressed, with increases in council tax already built in and some one-off use of reserves to balance the budget in 2022/23 and keep the gap manageable in 2023/24.
- 18.7 The Council has sufficient reserves to deal with such a position in the short term and will be reviewing transformation of the authority linked to Merton 2030 to identify further saving opportunities over the next four year budgeting period. The Council's reserves and their usage is linked to both the capital and revenue budget. A list of the current reserves held

by the Council is attached at Appendix 8. A new issue arising in 2018/19, was the deficit on the Dedicated Schools Budget, a common issue across London and elsewhere and the gap has continued to grow year on year. However, the scale of the deficit as reported to Cabinet has a significant impact on the Council's resources and potentially the financial resilience of the authority. Discussions with Government are ongoing on but as there has been no notification at this stage of any potential funding, the budgets set out in previous years to offset the deficit have not been changed.

- 18.8 The Budget / MTFS set before you therefore continues to make provision for the projected high needs overspends. It does this by ensuring that there is sufficient funding to pay for the statutory services which the council has a duty to deliver and any deficit on DSG is set to be currently an unusable earmarked on the balance sheet at the year-end. There has also been no indication that the Statutory Override for the DSG deficit, which allows us to treat the deficit as an unusable reserve is to be extended beyond the end of 2022/23. The Budget / MTFS provided for an equal and opposite provision up to the end of 2020/21 and 50% of the deficit in the following years, to offset the previous projected deficit. In this way the Council is able to offset any deficit but should the DfE provide the appropriate level of additional funds then the Council can reclaim the offsetting provision and reduce its level of projected funding gap. The Council is therefore not funding the DSG deficit at this point but is funding provision for the possibility that it may need to in the future in line with good financial practice or as a result of the conditions of any Safety Valve funding if successful. Even if successful with Safety Valve discussions, contributions to the deficit are likely to be linked to performance and therefore the provision over the MTFS cannot be simply reduced or removed without reviewing the risks of delivery and expansion of school places.
- 18.9 Reserves are likely to reduce overall, and this is a result of their use for the purposes for which they were established and in order to address pressures in demand-led budgets as a result of COVID-19. The overall level therefore remains adequate but will need to be closely managed and the views of the External Auditor may require further actions when they audit our final accounts and provide a view for our Value for Money Assessment.
- 18.10 Chief Officers have reviewed their budgets in line with departmental finance officers and are confident that the budgets set for their services are robust and with the corporate contingency will meet the strategic objectives and performance targets set out in the Business Plan.
- 18.11 In summary, it is the view of the Chief Financial Officer (being the Director of Corporate Services) that the estimates are robust for the purposes of the required budget/council tax calculations and that the Council's reserves are adequate.



**DRAFT RESOLUTIONS****Revenue Report:**

1. Members consider the views of the Overview and Scrutiny Commission set out in a separate report on the agenda (Item 4), and approve the proposed budget for 2022/23 set out in Section 2 of the revenue report, together with the proposed Council Tax levy in 2022/23.
2. That it be noted that at its meeting on 6 December 2021 the Council calculated its **Council Tax Base for the year as 75,754.6** in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012(SI 2012: 2914).
3. That it be noted that the Council calculated the **Wimbledon and Putney Commons Conservators (WPCC) Tax Base for the year as 11,705.0** in accordance with regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.
4. That the Council agrees 4(a) - 4(i) below, which are calculated in accordance with Section 31A to 49B of the Localism Act 2011, amending Section 32 of the Local Government Finance Act 1992.
  - a) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) (a) to (f) of the Act

	£m
Gross Revenue Expenditure of Service Committees	545.418
Corporate Provisions	5.202
Amounts Payable to the Levying Bodies	0.983
Contribution to/(from) Financial Reserves	(10.223)
<b>Gross Expenditure</b>	<b>541.380</b>

- b) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act

	£m
<b>Gross Income</b>	<b>436.397</b>

- c) being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31(4) of the Act, as its Council Tax Requirement for the year

	£m
Council Tax Requirement for the Council's own purposes for 2022/23 (including special expenses re WPCC)	104.983

- d) being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of revenue support grant, and baseline funding (NNDR) to constitute the Council's Settlement Funding Assessment

	<b>£m</b>
Revenue Support Grant including Transition Grant	<b>5.350</b>
Baseline funding NNDR inc. top-up & Section 31 Grant	<b>38.428</b>
Settlement Funding Assessment	<b>43.778</b>

- e) being the amount at 4(c) above, divided by the amount for Council Tax Base at 2 above, calculated by the Council above, in accordance with Section 31B of the Act as the basic amount of its Council Tax for the year (including special items (WPCC)).

	<b>£</b>
<b>Merton's General Band D Council Tax Levy (including properties within Wimbledon and Putney Commons Conservators area)</b>	<b>1,385.84</b>

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

	<b>£</b>
<b>Wimbledon and Putney Commons Conservators Special Levy</b>	<b>376,231</b>

- g) being the amount at 4(e) above, less the result given by dividing the amount at 4(f) above by the amount of the Council Tax Base at 2 above in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items (WPCC special levy) relates.

	<b>£</b>
<b>Merton's General Band D Council Tax Levy (excluding WPCC)</b>	<b>1,380.87</b>

- h) being the amounts given by adding to the amount at 4(g) above, the amounts of the special item or items relating to dwellings in the area of Wimbledon and Putney Commons Conservators (WPCC) mentioned above at 4(f) divided by the amount at 3 above, calculated in accordance with Section 34(1) of the Act, as the basic amounts of its Council Tax for the year for dwellings in the area of WPCC.

	<b>£</b>
<b>Wimbledon and Putney Commons Conservators Band D</b>	<b>1,413.01</b>

- i) being the amounts given by multiplying the amounts at 4(g) and 4(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

Part of the Councils Area	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
	920.58	1,074.01	1,227.44	1,380.87	1,687.73	1,994.59	2,301.45	2,761.74
Parts inc. WPCC	942.01	1,099.01	1,256.01	1,413.01	1,727.01	2,041.01	2,355.02	2,826.02

5. To note that the Greater London Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below, and that the Council agrees the Council Tax levy for 2020/21 by taking the aggregate of 4(i) above and the Greater London Authority precept.

Precepting Authority	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
G L A	263.73	307.68	351.64	395.59	483.50	571.41	659.32	791.18

For information purposes this would result in the following Council Tax Levy for Merton residents:-

Part of the Council's Area	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
	1,184.31	1,381.69	1,579.08	1,776.46	2,171.23	2,566.00	2,960.77	3,552.92
Parts inc. WPCC	1,205.74	1,406.69	1,607.65	1,808.60	2,210.51	2,612.42	3,014.34	3,617.20

**PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2022/23**Background

The Chancellor of the Exchequer published an Autumn Budget 2021 and Spending Review 2021 on 27 October 2021. A summary of the key points was included in the Report to Cabinet on 8 November 2021. The figures included in these documents underlie the allocations to local authorities announced in the Provisional Local Government Finance Settlement 2022/23 on 16 December 2021. Details on the Provisional Local Government Finance Settlement 2022/23 are provided in this Appendix.

Overview of the Provisional Local Government Settlement 2022-23

Details of the provisional Local Government Settlement were published on 16 December 2021.

This is a summary of the main details included in the Provisional Settlement, with particular emphasis on the implications for Merton.

**1. Provisional Local Government Settlement****1.1 Settlement Funding Assessment (SFA)**

This section sets out the main details included in the Provisional Settlement and assesses the implications for Merton's finances as set out in the Medium Term Financial Strategy (MTFS).

The Settlement outlined core funding allocations (Settlement Funding

The Settlement Funding Assessment is the total of Revenue Support Grant (RSG) and Baseline Funding (BF) from Business Rates. There has been an increase of 0.5% in SFA nationally in 2022/23. Details of changes in SFA for England, London boroughs and in Merton are summarised in the following table:-

	2018/19 Final £m	2019/20 Final £m	2020/21 Final £m	2021/22 Final £m	2022/23 Provisional £m
Merton (£m)	44.662	40.460	41.120	41.148	41.311
Annual % Change		-9.4%	1.6%	0.1%	0.4%
Cumulative % change		-9.4%	-7.9%	-7.9%	-7.5%
England (£m)	16,943.064	15,958.163	16,208.506	16,206.706	16,282.153
Annual % Change		-5.8%	1.6%	0.0%	0.5%
Cumulative % change		-5.8%	-4.3%	-4.3%	-3.9%
London Boroughs (£m)	2,901.229	2,713.504	2,757.716	2,760.736	2,777.718
Annual % Change		-6.5%	1.6%	0.1%	0.6%
Cumulative % change		-6.5%	-4.9%	-4.8%	-4.4%

The Provisional Settlement broadly reflects the details set out in the Spending Round 2021. The main details are:-

- a) Settlement Funding Assessment (RSG + Business Rates) allocations have increased by 0.5% nationally and by 0.6% in London. The details for Merton are:-

MERTON	2021-2022 £m	2022-23 £m	Change £m	Change %
Settlement Funding Assessment	41.148	41.311	0.163	0.4
of which:				
Revenue Support Grant (RSG)	5.187	5.350		
Baseline Funding Level (BFL)	35.961	35.961		
(Tariff)/Top-Up (Included in BFL)	41.148	41.311		
	9.534	9.534		

## 1.2 Core Spending Power

Core Spending Power is the Government's measure of the resources available to local authorities to fund service delivery. In 2021-22 it includes "roll forward" of core components from 2019-20 and also injects significant new funding into social care

Core Spending Power in 2021-22 is therefore made up of:

- Settlement Funding Assessment
- Estimated Council Tax Requirement excluding Parish Precepts
- Compensation via Section 31 grant for under-indexing the business rates multiplier
- Additional Council Tax revenue from referendum principle for social care
- Potential additional Council Tax revenue from referendum principle for all districts.
- Improved Better Care Fund inc. Winter Pressures Grant
- New Homes Bonus and New Homes Bonus Returned Funding;
- Rural Services Delivery Grant
- Adult Social Care Support grant
- Social Care Grant equalised for impact of ASC precept for 2022-23
- Lower Tier Services Grant
- Market Sustainability and Fair Cost of Care Fund: to support local authorities, prepare markets for reform and move towards paying providers a fair cost of care
- Services Grant 2022-23: a new, one-off grant to support all services delivered by councils

As Core Spending Power includes a number of assumptions, this is unlikely to be an accurate reflection of the actual resources available to local authorities. In particular it assumes:-

- All authorities that are eligible raise the social care precept to its maximum of 1% in 2022-23
- All authorities increase overall council tax by the maximum amount (2% in 2022-23)
- Tax base increases at the same average rate for each authority as between 2017-18 to 2021-22
- New Homes Bonus allocations are based on the share of NHB to date

In England the level of assumed spending power will increase by £2.2 bn (4.5%) in 2021-22 . In London boroughs the assumed increase is £310.8m (4.3%) in 2021/22

Core Spending Power	2018/19 Final	2019/20 Final	2020/21 Final	2021/22 Final	2022/23 Provisional	2022/23 Change
	£m	£m	£m	£m	£m	%
England	45,098.3	46,213.3	48,999.1	50,392	53,856.5	6.9%
London Boroughs	6,731.4	6,848.2	7,257.8	7,440.9	7,936.6	6.7%
Merton	139.6	142.2	150.3	153.2	162.9	6.3%

A summary of Merton's assumed Core Spending Power from 2018/19 to 2022/23 is included in the following table:-

#### Detailed Breakdown of Core Spending Power – Merton

	Final	Final	Final	Final	Provisional	Annual Change (21-22 to 22-23)	Cumulative Change (18-19 to 22-23)
	2018/19	2019/20	2020/21	2021/22	2022/23		
	£m	£m	£m	£m	£m	%	%
Council Tax	87.009	92.370	97.386	99.862	103.492	3.6%	18.9%
SFA	44.662	40.460	41.120	41.148	41.311	0.4%	(7.5)%
S.31 grant Compensation for business rates	0.793	1.153	1.441	1.874	2.955	57.7%	272.6%
Improved Better Care Fund	3.523	4.114	4.862	4.862	5.009	3.0%	42.2%
New Homes Bonus	2.371	2.108	1.438	0.612	0.482	(21.2)%	(79.7)%
Adult Social Care Support Grant	0.467	0.000	0.000	0.000	0.000	0.0	-
Winter Pressures Grant	0.748	0.748	0.000	0.000	0.000	0.0	-
Social Care Support Grant	0.000	1.278	0.000	0.000	0.000	0.0	-
Social Care Grant	0.000	0.000	4.058	4.466	6.282	40.7%	-
Market Sustainability and Fair Cost of Care Fund	0.000	0.000	0.000	0.000	0.505	-	-
Lower Tier Services Grant	0.000	0.000	0.000	0.399	0.420	5.3%	-
22/23 Services Grant	0.000	0.000	0.000	0.000	2.479	-	-
<b>Core Spending Power</b>	<b>139.574</b>	<b>143.231</b>	<b>150.305</b>	<b>153.223</b>	<b>162,935</b>	<b>6.3%</b>	<b>16.7%</b>

### 1.3 Council tax referendum principles for principal local authorities

In terms of controlling the level of council tax increases that local authorities can set in 2022-23, without the need for a local referendum, the Government has decided that the core principles to be applied to authorities with social care responsibilities including London boroughs such as Merton are:-

- For 2022-23, the relevant basic amount of council tax is excessive if the authority's relevant basic amount of council tax for 2022-23 is 3% (comprising 1% for expenditure on adult social care and 2% for other expenditure), or more than 3%, greater than its relevant basic amount of council tax for 2021-22.

Police and Crime Commissioners (PCCs) including the GLA charge for the Metropolitan Police will be allowed increases of £10. The consultation document notes that the Mayor of London is currently considering his approach to the future funding of Transport for London, and that the Government will consider any proposals he makes about the future level of the GLA precept in response to this consultation. The Mayor is currently considering whether to raise council tax by £20 a year to help fund TfL.

The financial projections in this report are based on the following levels of council tax increase:-

	2022/23 %	2023/24 %	2024/25 %	2025/26 %
Council Tax increase - General	1.99	2.00	2.00	2.00
Council Tax increase - ASC	1.00	0	0	0
Total	2.99	2.00	2.00	2.00

### 1.4 Special and specific grants

The distribution of a number of grants was published alongside the Provisional Settlement. Within core spending power these include:-

- New Homes Bonus
- Improved Better Care Fund
- Rural Services Delivery Grant (not applicable to London)
- Compensation for under-indexing the business rates multiplier
- Social Care Grant

#### 1.4.1 New Homes Bonus

The New Homes Bonus was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas by rewarding local authorities for net additional homes added to the council tax base. It is paid annually from a top-slice of RSG. The Government has committed to reforming the NHB, but the consultation rules that the Government has decided to maintain the current approach to the NHB payments in 2022-23.

The Government is proposing a new round of NHB payments (year 12 payments) in 2022-23.

The allocations for 2022-23 will be funded through a £554 million top slice of RSG.

The Government has not changed the calculation process for year 12 payments, and the methodology is the same as in 2021-22. Year 12 payments will be calculated as units for reward above a payments baseline of 0.4%, multiplied by the average band D council tax payment, with an additional payment made for affordable homes. The Government intends to honour previously announced legacy payments in the 2022-23 allocations. This means paying legacy payments associated with year 9 (2019-20)

Merton's increase in units in 2022/23 is 0.45% and slightly more than the 0.4% baseline and therefore Merton receives additional NHB of £152,654 in 2022/23 plus the NHB relating to year 9 (£329,759), totalling £482,413.

1.4.2 Compensation for under-indexing the business rates multiplier: The level of compensation for under-indexing of the business rates multiplier as a result of previous decisions to cap business rates increases by past governments.

1.4.3 Improved Better Care Fund

The Improved Better Care Fund (iBCF) will be increased by £63m (3%) and £10m in London. This will be an inflationary uplift on 2021-22 allocations in line with the September 2020 to September 2021 change in the Consumer Price Index (CPI). The distribution formula remains unchanged and the grant will continue to be required to be pooled as part of the Better Care Fund .

Merton's allocation is:-

<b>Improved Better Care Fund</b>	<b>2021-22 £m</b>	<b>2022-23 £m</b>	<b>Change £m</b>	<b>Change %</b>
Merton	4.862	5.009	0.147	3.0

1.4.4 Social Care Grant

Social Care Grant allocations will be increased by £636m in 2022-23. This brings the total of the grant to £2.35 billion, with £556 million allocated using the Adult Social Care Relative Needs Formula (RNF) and a further £60 million to equalise the variation in yield from the ASC precept. If the terms are the same as for previous years, this grant will not be ringfenced, and conditions on reporting requirements will not be attached. In particular, it will be for local authorities to determine how much of it should be spent on adult social care and how much should be spent on children's social care.

Merton's allocation is:-



<b>Social Care Grant</b>	<b>2021-22 £m</b>	<b>2022-23 £m</b>	<b>Change £m</b>	<b>Change %</b>
Merton	4.466	6.282	1.816	40.7

Department of Health and Social Care's Market Sustainability and Fair Cost of Care Fund

This is a £162 million fund to support local authorities to prepare their markets for reform and move towards paying providers a fair cost of care. It will be allocated using the existing ASC Relative Needs Formula.

Merton's allocation is:-

<b>Market Sustainability and Fair Cost of Care Fund</b>	<b>£m</b>
Merton	0.505

The government says that it will work closely with local government to determine appropriate grant conditions, national guidance and distribution mechanisms for funding allocations in 2023 to 2024 and 2024 to 2025 and has indicated that £600 million will be allocated nationally via this grant in those years.

Outside of the Provisional Settlement, more information on a number of other grants has been advised as follows:-

1.5 Provisional Settlement Consultation Response

The Government's consultation period on the provisional settlement figures has a deadline of 13 January 2022.

## THE COLLECTION FUND, COUNCIL TAX BASE AND BUSINESS RATES

### 1. Introduction

- 1.1 This appendix summarises three key areas which are fundamental to the Council's revenue resource generation. It sets out the procedures and calculations that underpin each of them.

### 2. Collection Fund

- 2.1 The Collection Fund is a statutory fund separate from the General Fund. It accounts for income from Council Tax, including those properties within the Wimbledon and Putney Commons Conservators area. The bodies on whose behalf the council tax income has been raised are the Council and the Greater London Authority (which includes the services of the Metropolitan Police and the London Fire and Emergency Planning Authority (LFEPA)). The Council's demand on the Collection Fund is by its General Fund. The Greater London Authority's demand is expressed as a precept.
- 2.2 Under the localised arrangements for council tax support, the Collection Fund entries for council tax remain unchanged, and council tax discounts reduce the council tax base and the amount of collectable council tax income.
- 2.3 The Collection Fund also accounts for National Non-Domestic Rates and there have been significant changes to the treatment of NNDR due to the changes to local government funding arising from business rates retention and the Local Government Finance Act 2012 (Section 3, part 2).
- 2.5 The Collection Fund will account for receipts from business ratepayers, together with payments:
- to central government in respect of the central share. This will be 33% in 2022/23
  - to/from central government in respect of transitional protection payments where applicable
  - to relevant precepting authorities in respect of their share of rating income, in Merton's case this is central government and the GLA (37%).
- 2.6 While there remains a single Collection Fund, local authorities now have to be able to separate the elements relating to council tax and non-domestic rates and calculate separate surpluses or deficits on each.
- 2.7 A billing authority needs to ensure that its collection fund has sufficient resources to meet the demands on it at all times. To the extent that there is insufficient in the collection fund to meet those demands at any time, the billing authority has temporarily to "borrow" from its general fund.

- 2.8 The Collection Fund accounts are kept on an accrual basis and a surplus or deficit for the year in the collection fund is estimated accordingly.
- 2.9 The audited accounts for 2020/21 include the following surplus/deficit for Council Tax and NNDR as at 31 March 2021:-

	Surplus/ (deficit) as at 31/03/21 Outturn	Surplus/ (deficit) as at 31/03/21 Outturn	Total surplus/ (deficit) as at 31/03/21
	Council Tax	NNDR	
	£000	£000	£000
Central Government	N/A	(16,385)	(16,385)
GLA	(380)	(18,377)	(18,757)
Merton	(1,595)	(14,841)	(16,436)
<b>Total</b>	<b>(1,975)</b>	<b>(49,603)</b>	<b>(51,578)</b>

2.10 Surplus/Deficit as at 31 March 2022

An initial estimate of the surplus/deficit on the Collection Fund as at 31 March 2022 due to council tax and business rates is undertaken for budgeting purposes and this will be updated following the closure of accounts procedures for 2021/22.

A review of the Collection Fund, related bad debt provisions, write offs, appeals and collection rates in 2021/22 and anticipated collection rates in 2022/23 has been undertaken.

a) Council Tax

Based on a review in January 2022 of the bad debt provision and amounts to be written off during 2021/22, it is estimated that there will be a forecast surplus of £2,580m arising from Council Tax as at 31 March 2022. The £2.580m consists of a surplus of £3.701m payable in 2022/23 and the balance of the Exceptional Balance deficit of £1.121m.

There are three elements which make up the balance as at 31 March 2022. These are set out in the following table:-

<b>Net Surplus apportionment for 2021/22</b>	<b>GLA £</b>	<b>LBM £</b>	<b>TOTAL £</b>
Adjusted Collection Fund balance for 2021-22	1,025,977	3,795,936	4,821,913
2022-23 Estimated Deficit re 2020/21	(230,711)	(890,387)	(1,121,098)
<b>Total share of the estimated surplus for 2021-22 to be paid in 2022/23</b>	<b>795,266</b>	<b>2,905,549</b>	<b>3,700,816</b>

b) Business Rates

The calculation of the amounts and apportionments of the estimated Business Rates surplus/deficit element of the Collection Fund are made using the NNDR1 return which has to be made to the DLUHC by 31 January. The NNDR1 for 2022/23 is included with this Appendix.

The calculation has been made more complicated by 2020-21 Collection Fund deficit phasing. On 2 July 2020, the Secretary of State announced that in response to the exceptional circumstances resulting from the COVID-19 pandemic, local authorities would be able to spread the payment of any estimated 2020-21 collection fund deficit over 3 years.

	Government £000	Merton £000	GLA £000	Total £000
<u>To be Paid in 2022/23</u>				
Prior Year Surplus/(Deficit)	(964)	(876)	(1,081)	(2,921)
In Year Surplus/(Deficit)	(3,343)	(3,040)	(3,748)	(10,131)
<b>Total to be paid in 2022/23</b>	<b>(4,307)</b>	<b>(3,916)</b>	<b>(4,829)</b>	<b>(13,052)</b>
<u>To be paid in 2023/24</u>				
Prior Year Surplus/(Deficit)	(632)	(574)	(708)	(1,914)
<b>Total Surplus/(Deficit) @ 31/3/2022</b>	<b>(4,939)</b>	<b>(4,490)</b>	<b>(5,537)</b>	<b>(14,966)</b>

Summary

As a result of the further analysis, the estimated surplus/deficit on the Collection Fund as at 31<sup>st</sup> March 2022 is as follows:-

**Estimated Collection Fund Surplus/Deficit at 31 March 2022**

	Surplus/ (deficit) as at 31/03/22 Estimate	Surplus/ (deficit) as at 31/03/22 Estimate	Total surplus/ (deficit) as at 31/03/22
	Council Tax	NNDR	
	£000	£000	£000
Central Government	N/A	(4,939)	(4,939)
GLA	554	(5,537)	(4,983)
Merton	2,026	(4,490)	(2,464)
<b>Total</b>	<b>2,580</b>	<b>(14,966)</b>	<b>(12,386)</b>
Payable in 2022/23	3,701	(13,052)	(9,351)
Receivable in 2023/24	(1,121)	(1,914)	(3,035)

### **3. Council Tax Base 2022/23**

- 3.1 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).
- 3.2 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.
- 3.3 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.
- 3.4 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
- 3.5 All authorities notify the MLUHC of their unadjusted Council Tax Base using a CTB Form using valuation list information as at 13 September 2021.
- 3.6 The CTB form (October 2021) includes the latest details about the Council Tax Support Scheme and the technical reforms which impacted on discounts and exemptions.
- 3.7 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.
- 3.8 Assumptions in the MTFs for calculating the 2022/23 Council Tax Base
- 3.8.1 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

3.8.2 The draft MTFs reported to Cabinet assumes that the Council Tax Base increases by 0.5% per year and that the collection rate is 98% in each of the years.

#### 4. **UNADJUSTED COUNCIL TAX BASE 2022/23**

##### 4.1 Information from the October 2021 Council Tax Base Return

4.1.1 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.

4.1.2 From the CTB Returns, prior to incorporating an assumed collection rate, the unadjusted council tax bases are

<b>Unadjusted Council Tax Base</b>	<b>2022/23</b>
Merton – General	77,300.6
Wimbledon & Putney Common Conservators	11,943.9

#### 5. **ASSUMPTIONS IN THE MTFs ADJUSTING FOR COVID19**

5.1 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

5.2 Cabinet approved the Council Tax Base for 2022/23 in December 2021. This assumed that the collection rate will be 98% in 2022/23. The MTFs assumes that the collection rate will be 98% in 2022/23 and rise to 98.75% in future years. This assumes that the collection rate will eventually return to the levels prior to the pandemic.

5.3 Based on these assumptions the revised estimated Council Tax Base used in the MTFs 2022-26 is as set out in the following table:-

<b>Council Tax Base - Revised Calculation 2022/23 to 2025/26</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Council Tax Base	77,300.6	77,300.6	77,687.1	78,075.5
Assumed Annual increase		386.5	388.4	390.4
<b>Estimated Council Tax Base before collection rate adjustment</b>	77,300.6	77,687.1	78,075.5	78,465.9
Collection Rate	98.00%	98.75%	98.75%	98.75%
<b>Estimated Council Tax Base after collection rate adjustment</b>	<b>75,754.6</b>	<b>76,716.0</b>	<b>77,099.6</b>	<b>77,485.1</b>

5.4 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

## 6. IMPLICATIONS FOR COUNCIL TAX YIELD 2022-26

6.1 Based on a collection rate of 98% (paragraph 3.8.2 and 5.2 refer), on a like for like basis (i.e. assuming council tax charges do not change) the estimated income in 2022/23 compared to 2021/22 is summarised in the following table:-

<b>Council Tax: Whole area</b>	<b>2021/22</b>	<b>2022/23</b>
Tax Base	74,220.0	75,754.6
Band D Council Tax	1,340.72	1,340.72
<b>Estimated Yield</b>	<b>£99.508m</b>	<b>£101.566m</b>
Change: 2021/22 to 2022/23 (£m)	£2.058m	
Change: 2021/22 to 2022/23 (%)	2.07%	

### 6.2 Analysis of changes in yield 2021/22 to latest 2022/23

6.2.1 The reasons for the change in estimated yield, excluding any change in Council Tax level, between 2021/22 and the latest 2022/23 estimate based on the CTB data are:-

- Change in Council Tax Base from by 785.5 from 76,515.1 to 77,300.6 which multiplied by the Band D Council Tax of £1,340.72 results in increased yield of c. £1.053m
- Change in Council Tax collection rate of 1% from 97% to 98%, equivalent to additional council tax base of 742 which multiplied by the Band D Council Tax of £1,340.72 results in increased yield of c. £0.995m

6.2.2 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 521 from 85,612 to 86,133 and the number of exempt dwellings reduced by 17 from 1,011 to 994. This means that the number of chargeable dwellings increased by 538 between years. Based on a full charge, this equates to additional council tax of £0.721m.

b) Amount of Council Tax Support Reduction

Based on October 2020 there was a reduction of 8,320.7 to the Council Tax Base for local council tax support. This has reduced to 8,086.0 based on October 2021 which is a change of 234.7 and equates to an increase in council tax of about £0.315m.

c) Changes in Discounts, Exemptions and Premiums

Overall, the number of properties subject to discounts or exemption increased by 907 and those subject to premiums increased by 57 between October 2020 and October 2021.

d) Change in collection rate

There has been a change made to the estimated collection rate of 1%, which has increased from 97% to 98%.

Summary

The following puts the individual elements together to show how the potential council tax yield changes between 2021/22 and 2022/23:-

	<b>Approx. Change in Council Tax Base</b>	<b>Approx. Change in Council Tax yield</b>
		£m
Increase in number of chargeable dwellings	538.0	0.721
Change in Council Tax Support Reductions	234.7	0.315
Change in discounts, exemptions, premiums and distribution	19.9	0.027
Change in collection rate	742.0	0.995
<b>Total</b>	<b>1,534.6</b>	<b>2.058</b>



### 6.3 Council Tax Yield 2022/23

6.3.1 The draft MTFS assumes a Council Tax increase of 3% in 2022/23 (2% general, 1% Adult Social Care). Assuming this the estimated Council Tax yield for 2022/23 is:-

<b>Council Tax: Whole area</b>	<b>Tax Base</b>	<b>Band D 2022/23</b>	<b>Council Tax Yield 2022/23</b>	<b>Council Tax Yield 2021/22</b>
Merton	75,754.6	1,380.87	£104.607m	£99.508m

6.3.2 The Spending Review 2021, included the following guidance with respect to Council Tax Referendum Principles:-

- The referendum threshold for increases in council tax is expected to remain at 2 per cent per year. In addition, local authorities with social care responsibilities are expected to be able to increase the adult social care precept by up to 1 per cent per year.

6.3.3 The Department for Levelling Up, Housing and Communities (DLUHC) confirmed this guidance and set out full details of the council tax referendum principles in the Provisional Local Government Finance Settlement announced in December 2021.

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

	2022/23	2023/24	2024/25	2025/26
Increase in CT Base	0.5%	0.5%	0.5%	0.5%
Collection Rate	98%	98.75%	98.75%	98.75%
Council Tax – General*	2%	2%	2%	2%
Council Tax – Adult Social Care†	1%	0%	0%	0%

\* Current threshold for referendum, confirmed in the Provisional Settlement

† Announced in Budget allowed to set 1% ASC precept

6.3.5 It should be noted that the referendum principles relate to the average increase in the level of council tax increase. This means that it is necessary to take into account the level of increase in the Wimbledon and Putney Commons Conservators special levy which applies to those properties that are on the boundary of the Commons.

6.3.6 The Band D Council Tax in respect of the WPCC precept in 2022.23 will be £376,231, an increase of £0.023m (6.6%) from the 2021/22 levy of £352,802.

## Wimbledon and Putney Commons Conservators Precept

	2021/22 £000	2022/23 £000	Change %
Wimbledon & Putney Commons Conservators	353	376	6.6%

The average Band D cost to a council taxpayer in the WPCC area has changed from £31.00 in 2021/22 to £32.14 (3.7%) in 2022/23

The 3.7% increase in the WPCC has the effect of limiting the level of Merton's general council tax increase to £1,380.87.

Based on the estimated Council Tax Base calculations set out in the table in paragraph 3.3, and annual Council Tax increases of 2% (subject to average council tax referendum limits) as in the latest MTFs assumptions, the estimated council tax yields over the MTFs period are as follows:-

	2022/23	2023/24	2024/25	2025/26
Council Tax (Band D) b/f from previous year	£1,340.72	£1,380.87	£1,408.48	£1,436.64
2% increase - General	£26.75	£27.61	£28.16	£28.73
1% increase in 2022/23 for Adult Social Care	£13.40	0	0	0
Revised Council Tax (Band D)	£1,380.87	£1,408.48	£1,436.64	£1,465.37
	£m	£m	£m	£m
Estimated Council Tax Yield	104.607	108.052	110.765	113.545

6.3.7 The change in the Council Tax yield compared to that included in the MTFs are:-

	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m
MTFS (Council March 2021)	102.961	106.216	108.706	111.218
Revised Estimated Council Tax Yield	104.607	108.052	110.765	113.545
Change	1.646	1.836	2.059	2.327

## 7. SUMMARY

7.1 Based on the information discussed, the council tax bases for 2022/23 and compared to 2021/22 are summarised in the following table:-

Council Tax Base	2021/22	2022/23	Change
Whole Area	74,220.0	75,754.6	2.1%
Wimbledon & Putney Common Conservators	11,381.8	11,705.0	2.8%

	<b>2022/23 CT Base</b>	<b>2022/23 Band D £</b>	<b>2022/23 Yield £000</b>	<b>2021/22 CT Base</b>	<b>2021/22 Band D £</b>	<b>2021/22 Yield £000</b>
Merton General	75,754.6	1,236.77	93,691	74,220.0	1,210.02	89,807
ASC 2017/18	75,754.6	33.06	2,504	74,222.0	33.06	2,454
ASC 2018/19	75,754.6	11.35	860	74,222.0	11.35	842
ASC 2019/20	75,754.6	23.43	1,775	74,220.0	23.43	1,739
ASC 2020.21	75,754.6	24.56	1,861	74,220.0	24.56	1,823
ASC 2021/22	75,754.6	38.30	2,901	74,220.0	38.30	2,843
ASC 2022/23	75,754.6	13.40	1,015		-	-
Sub-total: ASC		144.10	10,916		130.70	9,701
Sub-total		1,380.87	104,607		1340.72	99,508
WPCC	11,705.0	32.14	353	11,381.8	31.00	353
GLA	75,754.6	395.59	29,968	74,220.0	363.66	26,991

The amounts collected for the GLA and WPCC are paid over to each of them as precepts.

## 8. Business Rates

- 8.1 As previously reported, due to continuing uncertainty surrounding business rates income caused by the pandemic, for the second year running London boroughs have decided to suspend the operation of the London business rates pool.
- 8.2 Therefore, in 2022/23 final projections for Business Rates retention in 2022/23 are based on NNDR1 returns for 2022/23 which were returned to Central government by 31 January 2022.

### 8.3 NNDR1

The statutory framework effectively requires a billing authority, before the beginning of a financial year, to forecast the amount of business rates that it will collect during the course of the year and, from this, to make a number of allowable deductions in order to arrive at a figure for its non-domestic rating income. It is the non-domestic rating income that is shared between the parties to the scheme, being central government, the GLA and Merton. The framework also sets out how the billing authority is to treat allowable deductions – requiring that either they are paid to major precepting authorities, or transferred to the authority's General Fund.

- 8.4 The calculations that authorities make before the start of the financial year determine how much they must pay to central government and their major precepting authorities during the course of the year. Since these payments are fixed at the outset of the year, it follows that any difference between forecast amounts and final outturns will result in a surplus, or deficit on the billing authority's Collection Fund. Any such surplus or deficit is shared between government, billing authorities and their major preceptors (excluding policing bodies) in line with their share of the business rates baseline. As previously reported due to COVID-19 the Government agreed that local authorities could spread any deficit incurred in 2020/21 over three financial years rather than the usual one year.
- 8.5 The estimate for the actual income figure (or net rate yield) for 2022/23 is based on the NNDR1 return to the MHCLG. This had to be returned to the MHCLG by 31 January 2022 and calculates the amounts to be paid to central government, to the GLA and the amount to be retained by Merton to be used as part of the budget setting process.
- 8.6 The Business Rates forecast for 2022/23 included in the MTFS is based solely on Merton's NNDR1 return for 2022/23. It is extremely difficult to forecast Business Rates income over the four year MTFS period as there are a number of unknowns which can have a significant impact. In particular:-
- The ongoing impact of Covid-19 on Business Rates and the ability of businesses to recover and how long it will take.
  - The extent to which the Government provide financial support if the pandemic continues to impact on businesses.
  - The impact of the Fair Funding Review on resource allocations (Deferred from 2020/21)
  - The impact of Brexit
  - Business rates levels in the future and future economic and demographic changes including the decline of the high street and impact on businesses of greater use of on-line shopping
  - the level of business rates appeals
- 8.7 The figures for Business Rates included in the Settlement Funding Assessment are the Government's estimate based on forecasts of annual uprates since the introduction of Business Rates Retention in 2013/14. The figures in the MTFS are based on the latest forecast of Business Rates included in Merton's NNDR1 form which is a statutory return that local authorities were required to submit to the Government by 31 January.

- 8.8 The following table compares the estimate of Business Rates included in the MTFS reported to January Cabinet, the Local Government Finance Settlement Funding Assessment figure and the NNDR1 figure.

**Table 4: Merton's Funding from Business Rates 2022-23**

	2021/22 LGF Settlement £m	MTFS Cabinet 17/01/22 £m	2022/23 LGF Settlement £m	NNDR1 Forecast 2022-2023 £m
MERTON				
Revenue Support Grant	5.187	5.291	5.350	5.350
Estimated Share of Business Rates	26.247	25.492	26.427	22,846
Top-Up	9.534	9.534	9.534	9.534
<b>Settlement Funding Assessment</b>	<b>41.148</b>	<b>40.317</b>	<b>41.311</b>	<b>37,730</b>
Section 31 Grant	1.874	2.256	2.955	*6,048
Total Business Rates Funding	43.022	42.573	44.266	43,778

\* The DLUHC adjust the Section 31 grant for the impact of the multiplier cap and the freezing of the multiplier on the top-up. This will reduce Section 31 grant by c. £0.974m

- 8.9 For 2022/23, it will be assumed that Merton's share of Business Rates will be based on the NNDR1 position as represented by £22.846m in the above table.
- 8.10 The Government will continue to operate a safety net threshold as part of Business Rates Retention. Safety net payments will ensure that a local authority's income does not drop below more than a set percentage of its baseline funding level. The safety net threshold is 7.5%.
- 8.11 Business Rates Collection Fund Estimated Surplus or Deficit  
Due to the variability of some of the factors, it is inevitable that the final figure at the end of each year will be different to the estimate. Therefore, a further calculation is required at the end of each year to estimate the surplus or deficit on the Collection Fund (as is also done for Council Tax).  
The calculation of the amounts and apportionments of the estimated Business Rates surplus/deficit element of the Collection Fund are made using the NNDR1 return which has to be made to the DLUHC by 31 January. The NNDR1 for 2022/23 is included in this Appendix

The calculation has been made more complicated by 2020-21 Collection Fund deficit phasing. On 2 July 2020, the Secretary of State announced that in response to the exceptional circumstances resulting from the COVID-19 pandemic, local authorities would be able to spread the payment of any estimated 2020-21 collection fund deficit over 3 years.

	Government £000	Merton £000	GLA £000	Total £000
<u>To be Paid in 2022/23</u>				
Prior Year Surplus/(Deficit)	(964)	(876)	(1,081)	(2,921)
In Year Surplus/(Deficit)	(3,343)	(3,040)	(3,748)	(10,131)
Total to be paid in 2022/23	(4,307)	(3,916)	(4,829)	(13,052)
<u>To be paid in 2023/24</u>				
Prior Year Surplus/(Deficit)	(632)	(574)	(708)	(1,914)
<b>Total Surplus/(Deficit) @ 31/3/2022</b>	<b>(4,939)</b>	<b>(4,490)</b>	<b>(5,537)</b>	<b>(14,966)</b>

#### 8.12 Forecasting Business Rates over the MTFS period

Given that it is impossible to know what next year's business rates income will be, it is even more difficult to accurately forecast this over the following three years of the MTFS.

The projections in the MTFS going forward assume a 1% annual uplift. Whilst this may be prudent, it is considered that there is considerable uncertainty at present due to the pandemic, problems of reducing footfall in town centres, the impact of Brexit and others which may all have a detrimental impact on future income streams. This will kept under close review as part of next year's business planning process.



Department for Levelling Up,  
Housing & Communities

## NATIONAL NON-DOMESTIC RATES RETURN NNDR1 2022-23

Please e-mail to : [nndr.statistics@communities.gov.uk](mailto:nndr.statistics@communities.gov.uk)

Please enter your details after checking that you have selected the correct authority name

Forms should be returned to the Department for Levelling Up, Housing and Communities by Monday 31 January 2022

**All figures should be entered in whole £**

Please remember that a copy of this form, certified by your Chief Financial Officer / Section 151 officer should also be sent to your relevant Precepting Authorities, and Pool Leads (if applicable).

These instructions highlight the special features of the form and should be read in conjunction with the **Guidance Notes and Validation notes.**

### **Completing the form**

1. The form can be set up for each individual local authority by selecting the appropriate authority name from the list. The example shows the local authority ZZZZ. Once a local authority name is selected the spreadsheet will automatically complete the data for the white cells with a blue border.

2. There are three different type of input cells:



\* White, Black Border - these are blank for new data - Please ensure all white cells are filled before submitting the form including entering zeroes where appropriate.



\* White background, green border - These cells are information cells and have the appropriate formula in them. **Please do not overwrite the formula.**



\* White background, blue border - actual data entered by the Department for Levelling Up, Housing and Communities into these cells.

The **Total column** is greened out - there is no need to enter data in any of these cells.

In addition areas of the form are **greyed out** - especially for those authorities that do not have designated areas. **Please do not enter data** in these areas as this will cause delay as we will have to ask you to complete a revised form.

### **Entering data**

3. All values in the form should be entered in whole £. Except for part 1 of the form, **receipts** (eg sums due to the billing authority from ratepayers, or central government) should always be entered as **positive numbers**. **Payments from the authority, or amounts foregone** (eg reliefs given to ratepayers) should always be entered as **negative numbers**.

4. Where possible, you will be prevented from entering data with the wrong sign (+ve when it should be -ve or vice versa).

### **Updates**

We will use this area to list any updates to the form in the future if required

### **Checking the Validation Sheet**

5. Once the form has been completed go to the validation sheet and check if any of the data require any further explanation. The data are compared with the NNDR1 for 2021-22 and, if the change in number or percentage terms is higher or lower than we would normally expect, you are asked to provide an explanation for the change in the box provided.

For further details on the types of checks we do see *Validation notes for NNDR1 2022-23*.

### **Submitting the Form**

6. When the data have been checked and verified please email the complete file to [nndr.statistics@communities.gov.uk](mailto:nndr.statistics@communities.gov.uk)

7. The form should be sent by your Chief Financial / Section 151 Officer. The email should include the officer's electronic signature and the following statement:

I confirm that the entries in this form are the best I can make on the information available to me and amounts are calculated in accordance with regulations made under Schedule 7B to the Local Government Act 1988. I also confirm that the authority has acted diligently in relation to the collection of non-domestic rates.

8. A copy of the form must also be sent to your NNDR contact at all your major precepting authorities.

9. If you experience any problems using the form please email

[nndr.statistics@communities.gov.uk](mailto:nndr.statistics@communities.gov.uk)

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1****2022-23**Please e-mail with certification to: [nldr.statistics@communities.gov.uk](mailto:nldr.statistics@communities.gov.uk) by no later than 31 January 2022.**All figures must be entered in whole £**

If you are content with your answers please return this form to DLUHC as soon as possible

Select your local authority's name from this list:

Mansfield
Medway UA
Milton
Mendip
Merton
Mid Devon

Authority Name  
E-code  
Local authority contact name  
Local authority contact number  
Local authority e-mail address

Merton
E5044
Donald Freeman
020 8545 3048
<a href="mailto:donald.freeman@merton.gov.uk">donald.freeman@merton.gov.uk</a>

Ver 1.0

**PART 1A: NON-DOMESTIC RATING INCOME**

This section of the form uses entries from other parts to calculate the forecast net business rates income for the authority in 2022-23. Note that you still need to enter data for line 5 and line 9a, but otherwise it is all calculated. Also please note that Parts 1B and 1C are below.

**COLLECTIBLE RATES**

£

1. Net amount receivable from rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs and accounting adjustments

76,404,441

**TRANSITIONAL PROTECTION PAYMENTS**

Not applicable in 2022-23 due to expired transitional scheme

2. Sums due to the authority

0

3. Sums due from the authority

0

**COST OF COLLECTION (See Note A)**

4. Cost of collection formula

250,091

5. Legal costs

0

6. Allowance for cost of collection

250,091

**SPECIAL AUTHORITY DEDUCTIONS**

7. City of London Offset : Not applicable for your authority

0

**DISREGARDED AMOUNTS**

8. Amounts retained in respect of Designated Areas

0

9. Amounts retained in respect of Renewable Energy Schemes (see Note B)

0

of which:

9a. sums retained by billing authority

0

9b. sums retained by major precepting authority

0

10. Amounts retained in respect of Shale Oil and Gas Sites Schemes (see Note C)

0

**NON-DOMESTIC RATING INCOME**

11. Line 1 plus line 2, minus lines 3, 6 to 9 and 10

76,154,350



## NATIONAL NON-DOMESTIC RATES RETURN - NDR1

2022-23

Please e-mail with certification to: nndr.statistics@communities.gov.uk by no later than 31 January 2022.

All figures must be entered in whole £

If you are content with your answers please return this form to DLUHC as soon as possible

Local Authority : Merton

Ver 1.0

## PART 1B: PAYMENTS

This page is for information only; please do not amend any of the figures

The payments to be made, during the course of 2022-23 to:

- i) the Secretary of State in accordance with Regulation 4 of the Non-Domestic Rating (Rates Retention) Regulations 2013;
- ii) major precepting authorities in accordance with Regulations 5, 6 and 7; and to be
- iii) transferred by the billing authority from its Collection Fund to its General Fund,

are set out below

	Column 1 Central Government	Column 2 Merton	Column 3 Greater London Authority	Column 4	Column 5 Total
	£	£	£	£	£
<b>Retained NDR shares</b>					
12. % of non-domestic rating income to be allocated to each authority in 2022-23	33%	30%	37%	0%	100%
<b>Non-Domestic Rating Income for 2022-23</b>					
13. Non-domestic rating income from rates retention scheme	25,130,935	22,846,305	28,177,110	0	76,154,350
14. (less) deductions from central share	0				0
15	<b>TOTAL:</b>				
	25,130,935	22,846,305	28,177,110	0	76,154,350
<b>Other Income for 2022-23</b>					
16. add: cost of collection allowance		250,091			250,091
17. add: amounts retained in respect of Designated Areas		0			0
18. add: amounts retained in respect of renewable energy schemes		0	0		0
19. add: amounts retained in respect of Shale oil and gas sites schemes		0	0	0	0
20. add: qualifying relief in Designated Areas		0	0	0	0
21. add: City of London Offset		0			0
22. add: in respect of Port of Bristol hereditament		0			0
<b>Estimated Surplus/Deficit on Collection Fund</b>					
23. Surplus/Deficit at end of 2021-22 (+ive = surplus, -ive = deficit) (including adjustment for three year spread)	-4,307,250	-3,915,682	-4,829,341	0	-13,052,272
<b>TOTAL FOR THE YEAR</b>					
24. Total amount due to authorities	20,823,685	19,180,714	23,347,769	0	63,352,169

## NATIONAL NON-DOMESTIC RATES RETURN - NDR1

2022-23

Please e-mail with certification to: ndr.statistics@communities.gov.uk by no later than 31 January 2022.

All figures must be entered in whole £

If you are content with your answers please return this form to DLUHC as soon as possible

Local Authority : Merton

Ver 1.0

## PART 1C: SECTION 31 GRANT (See Note D)

This page is for information only; please do not amend any of the figures

Estimated sums due from Government via Section 31 grant, to compensate authorities for the cost of changes to the business rates system announced in the 2013 to 2016 Autumn Statements, 2020 and 2021 spending reviews, and 2017 (March and November), 2018 (October) and 2021 (October) Budgets

	Column 2 Merton	Column 3 Greater London Authority	Column 4	Column 5 Total
	£	£	£	£
Adjustment Factor: 1.1				
<b>Multiplier Cap</b>				
25. Cost of cap on 2014-15, 2015-16 and post-2018-19 and freezing of 2021-22 and 2022-23 small business rates multipliers	2,334,993	2,879,825	0	5,214,818
<b>Small Business Rate Relief</b>				
26. Cost of doubling SBRR & threshold changes for 2022-23	1,311,188	1,617,132	0	2,928,320
26a. Additional compensation for loss of supplementary multiplier income	79,409	97,938	0	177,347
27. Cost to authorities of maintaining relief on "first" property	0	0	0	0
<b>Rural Rate Relief</b>				
28. Cost to authorities of providing 100% rural rate relief	0	0	0	0
<b>2022/23 Transitional Relief and Supporting Small Business Scheme</b>				
29. Cost to authorities of providing relief	22,447	27,684	0	50,131
<b>Designated Areas qualifying relief in 100% business rates retention areas</b>				
30. Cost to authorities of providing relief	0	0	0	0
<b>Local newspaper relief</b>				
31. Cost to authorities of providing relief	0	0	0	0
<b>Public lavatories relief</b>				
32. Cost to authorities of providing relief	0	0	0	0
<b>Retail, Hospitality and Leisure relief</b>				
33. Cost to authorities of providing relief	3,274,578	4,038,646	0	7,313,224
<b>Freeports relief</b>				
34. Cost to authorities of providing relief	0	0	0	0
<b>TOTAL FOR THE YEAR</b>				
35. Amount of Section 31 grant due to authorities to compensate for reliefs	7,022,615	8,661,225	0	15,683,840

**NB** To determine the amount of S31 grant due to it, the authority will have to add / deduct from the amount shown in line 35, a sum to reflect the adjustment to tariffs / top-ups in respect of the multiplier cap (See notes for Line 35)

This completed Excel form should be e-mailed to ndr.statistics@communities.gov.uk and any relevant precepting authorities by the Chief Financial / Section 151 Officer. The email should include the officer's electronic signature and the following statement:

I confirm that the entries in this form are the best I can make on the information available to me and amounts are calculated in accordance with regulations made under Schedule 7B to the Local Government Act 1988. I also confirm that the authority has acted diligently in relation to the collection of non-domestic rates.

**NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2022-23**

All figures must be entered in whole £  
Note that any reliefs for the year 2022/23 announced after this form has gone out will be covered by future supplementary data collections

If you are content with your answers please return this form to DLUHC as soon as possible

Ver 1.0

**Local Authority : Merton**

**PART 2: RELIEFS AND NET RATES PAYABLE**

This section of the form is for you to enter the gross rates value and the amount of various business rates reliefs forecast for 2022-23. This will then calculate the forecast net rates payable. These values also populate the section 31 payment calculations in Part 1.

**You should complete column 1 only**

	Column 1 BA Area (exc. Designated areas) <b>Complete this column</b>	Column 2 Designated areas <b>Do not complete this column</b>	Column 3 <b>TOTAL</b> (All BA Area) <b>Do not complete this column</b>
	£		£
<b>GROSS RATES PAYABLE</b> (All data should be entered as +ve unless specified otherwise) - see Note E			
1. Rateable Value at <input type="text" value="04/01/2022"/>	<input type="text" value="210,430,619"/>	<input type="text"/>	<input type="text" value="210,430,619"/>
2. Small business rating multiplier for 2022-23 (pence) <input type="text" value="49.9"/>			
3. Gross rates 2022-23 (RV x multiplier)	<input type="text" value="105,004,879"/>	<input type="text"/>	
4. Estimated growth/decline in gross rates (+ = increase, - = decrease)	<input type="text" value="-150,000"/>	<input type="text"/>	
5. Forecast gross rates payable in 2022-23	<input type="text" value="104,854,879"/>	<input type="text"/>	<input type="text" value="104,854,879"/>
<b>TRANSITIONAL ARRANGEMENTS (See Note F)</b>	<b>Not applicable in 2022-23 due to expired transitional scheme</b>		
6. Revenue foregone because increases in rates have been deferred (Show as -ve)	<input type="text" value="0"/>	<input type="text"/>	<input type="text" value="0"/>
7. Additional income received because reductions in rates have been deferred (Show as +ve)	<input type="text" value="0"/>	<input type="text"/>	<input type="text" value="0"/>
8. Net cost of transitional arrangements	<input type="text" value="0"/>	<input type="text"/>	
9. Changes as a result of estimated growth / decline in cost of transitional arrangements (+ = decline, - = increase)	<input type="text" value="0"/>	<input type="text"/>	
10. Forecast net cost of transitional arrangements	<input type="text" value="0"/>	<input type="text"/>	<input type="text" value="0"/>
<b>TRANSITIONAL PROTECTION PAYMENTS (See Note F(a))</b>			
11. Sum due to/(from) authority	<input type="text" value="0"/>	<input type="text"/>	<input type="text" value="0"/>

**NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2022-23**

All figures must be entered in whole £

Note that any reliefs for the year 2022/23 announced after this form has gone out will be covered by future supplementary data collections

If you are content with your answers please return this form to DLUHC as soon as possible

Ver 1.0

**Local Authority : Merton**

**PART 2: RELIEFS AND NET RATES PAYABLE**

This section of the form is for you to enter the gross rates value and the amount of various business rates reliefs forecast for 2022-23. This will then calculate the forecast net rates payable. These values also populate the section 31 payment calculations in Part 1.

**You should complete column 1 only**

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
<b>MANDATORY RELIEFS (See Note G) (All data should be entered as -ve unless specified otherwise)</b>			
<b>Small Business Rate Relief</b>			
12. Forecast of relief to be provided in 2022-23	-5,439,439		-5,439,439
13. <i>of which:</i> relief on existing properties where a 2nd property is occupied	0		0
14. Additional yield from the small business supplement (Show as +ve)	2,123,021		2,123,021
15. Net cost of small business rate relief (line 12 + line 14)	-3,316,418		-3,316,418
<b>Charitable occupation</b>			
16. Forecast of relief to be provided in 2022-23	-6,823,055		-6,823,055
<b>Community Amateur Sports Clubs (CASCs)</b>			
17. Forecast of relief to be provided in 2022-23	-121,037		-121,037
<b>Rural rate relief</b>			
18. Forecast of relief to be provided in 2022-23	0		0
<b>Public Lavatories relief (see note H)</b>			
19. Forecast of relief to be provided in 2022-23	0		0
20. Forecast of mandatory reliefs to be provided in 2022-23 (Sum of lines 15 to 19)	-10,260,510		-10,260,510
21. Changes as a result of estimated growth/decline in mandatory relief (+ = decline, - = increase)	0		
<b>22. Total forecast mandatory reliefs to be provided in 2022-23</b>	<b>-10,260,510</b>		<b>-10,260,510</b>
<b>UNOCCUPIED PROPERTY (See Note J) (All data should be entered as -ve unless specified otherwise)</b>			
<b>Partially occupied hereditaments</b>			
23. Forecast of 'relief' to be provided in 2022-23	0		0
<b>Empty premises</b>			
24. Forecast of 'relief' to be provided in 2022-23	-893,018		-893,018
25. Forecast of unoccupied property 'relief' to be provided in 2022-23 (Line 23 + line 24)	-893,018		
26. Changes as a result of estimated growth/decline in unoccupied property 'relief' (+ = decline, - = increase)	-1,300,000		
<b>27. Total forecast unoccupied property 'relief' to be provided in 2022-23</b>	<b>-2,193,018</b>		<b>-2,193,018</b>

**NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2022-23**

All figures must be entered in whole £

Note that any reliefs for the year 2022/23 announced after this form has gone out will be covered by future supplementary data collections

If you are content with your answers please return this form to DLUHC as soon as possible

Ver 1.0

**Local Authority : Merton**

**PART 2: RELIEFS AND NET RATES PAYABLE**

This section of the form is for you to enter the gross rates value and the amount of various business rates reliefs forecast for 2022-23. This will then calculate the forecast net rates payable. These values also populate the section 31 payment calculations in Part 1.

**You should complete column 1 only**

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
<b>DISCRETIONARY RELIEFS (See Note K) (All data should be entered as -ve unless specified otherwise)</b>			
<b>Charitable occupation</b>			
28. Forecast of relief to be provided in 2022-23	-167,125		-167,125
<b>Non-profit making bodies</b>			
29. Forecast of relief to be provided in 2022-23	-23,550		-23,550
<b>Community Amateur Sports Clubs (CASCs)</b>			
30. Forecast of relief to be provided in 2022-23	0		0
<b>Rural shops etc</b>			
31. Forecast of relief to be provided in 2022-23	0		0
<b>Small rural businesses</b>			
32. Forecast of relief to be provided in 2022-23	0		0
<b>Other ratepayers (refer to guidance for further details)</b>			
33. Forecast of relief to be provided in 2022-23	-100,000		-100,000
<i>of which:</i>	<i>of which:</i>		
34. Relief given to Case A hereditaments			
35. Relief given to Case B hereditaments	0		
36. Relief given to Freeports (see Note L)	0		
37. Forecast of discretionary relief to be provided in 2022-23 (Sum of lines 28 to 33)	-290,675		
38. Changes as a result of estimated growth/decline in discretionary relief (+ = decline, - = increase)	-15,000		
<b>39. Total forecast discretionary relief to be provided in 2022-23</b>	<b>-305,675</b>		<b>-305,675</b>

**NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2022-23**

All figures must be entered in whole £  
Note that any reliefs for the year 2022/23 announced after this form has gone out will be covered by future supplementary data collections

If you are content with your answers please return this form to DLUHC as soon as possible

Ver 1.0

**Local Authority : Merton**

**PART 2: RELIEFS AND NET RATES PAYABLE**

This section of the form is for you to enter the gross rates value and the amount of various business rates reliefs forecast for 2022-23. This will then calculate the forecast net rates payable. These values also populate the section 31 payment calculations in Part 1.

**You should complete column 1 only**

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
<b>DISCRETIONARY RELIEFS FUNDED THROUGH SECTION 31 GRANT (See Note M) (All data should be entered as -ve unless specified otherwise)</b>			
<b>Rural Rate Relief</b>			
40. Forecast of relief to be provided in 2022-23	0		0
<b>2022/23 Transitional Relief and Supporting Small Business Scheme (see Note F)</b>			
41. Forecast of relief to be provided in 2022-23	-67,884		-67,884
<b>Local newspaper relief</b>			
42. Forecast of relief to be provided in 2022-23	0		0
<b>Retail, Hospitality and Leisure relief</b>			
43. Forecast of relief to be provided in 2022-23	-9,903,117		-9,903,117
44. Forecast of discretionary reliefs funded through S31 grant to be provided in 2022-23 (Sum of lines 40 to 43)	-9,971,001		-9,971,001
45. Changes as a result of estimated growth/decline in Section 31 discretionary relief (+ = decline, - = increase)	-200,000		
46. Total forecast of discretionary reliefs funded through S31 grant to be provided in 2022-23	-10,171,001		-10,171,001
<b>NET RATES PAYABLE</b>			
47. Forecast of net rates payable by rate payers after taking account of transitional adjustments, unoccupied property relief, mandatory and discretionary reliefs	£ 81,924,675		£ 81,924,675

**NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2022-23**

All figures must be entered in whole £

If you are content with your answers please return this form to DLUHC as soon as possible

Ver 1.0

**Local Authority : Merton**

**PART 3: COLLECTABLE RATES AND DISREGARDED AMOUNTS**

Enter accounting adjustments in this section, which calculations will deduct from the net rates calculated from entries in Part 2.

**You should complete column 1 only**

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated Areas	Column 3 TOTAL (All BA Area)
	Complete this column	Do not complete this column	Do not complete this column
	£	£	£
<b>NET RATES PAYABLE</b>			
1. Sum payable by rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs	81,924,675	0	81,924,675
<b>(LESS) LOSSES (Data should be entered as -ive)</b>			
2. Estimated bad debts in respect of 2022-23 rates payable	-4,096,234	0	-4,096,234
3. Estimated repayments in respect of 2022-23 rates payable	-1,424,000	0	-1,424,000
<b>COLLECTABLE RATES</b>			
4. Net Rates payable less losses	76,404,441	0	76,404,441
<b>DISREGARDED AMOUNTS (Data should be entered as +ive)</b>			
5. Renewable Energy	0	0	0
6. Shale oil and gas sites scheme (see Note C)	0	0	0
7. Transitional Protection Payment		0	
8. Baseline		0	
<b>DISREGARDED AMOUNTS</b>			
9. Total Disregarded Amounts		0	0
<b>DESIGNATED AREAS IN 100% BRR AUTHORITIES</b>			
10. Designated Areas Qualifying Relief: Not applicable	0	0	0
<b>DEDUCTIONS FROM CENTRAL SHARE</b>			
11. Designated Areas Qualifying Relief	0	0	0
<b>Port of Bristol</b>			
12. In respect of Port of Bristol: Not applicable	0		0
<b>DEDUCTIONS FROM CENTRAL SHARE</b>			
13. Total Deductions	0	0	0





**NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2022-23**

All figures must be entered in whole £

If you are content with your answers please return this form to DLUHC as soon as possible

Ver 1.0

**Local Authority : Merton**

**PART 4: ESTIMATED COLLECTION FUND BALANCE**

This section estimates the collection fund closing balance for the current year (not the forecast year otherwise referred to in this form). Please refer to guidance notes for details. Note that you can edit the blue-bordered cells, but you will be asked to provide a comment explaining why they are changed from the prepopulated figures.

**OPENING BALANCE**

1. Opening Balance (From Collection Fund Statement)

£

£

-49,602,885

**BUSINESS RATES CREDITS AND CHARGES**

2. Business rates credited and charged to the Collection Fund in 2021-22 (enter as +ive)

71,849,452

3. Sums written off in excess of the allowance for non-collection (enter as -ive)

0

4. Changes to the allowance for non-collection

2,368,283

5. Amounts charged against the provision for alteration of lists and appeals following RV list changes (enter as +ive)

1,765,731

6. Changes to the provision for alteration of lists and appeals

3,927,090

**7. Total business rates credits and charges (Total lines 2 to 6)**

79,910,556

**OTHER RATES RETENTION SCHEME CREDITS (enter as +ve)**

8. Transitional protection payments received, or to be received in 2021-22

0

9. Transfers/payments to the Collection Fund for end-year reconciliations

0

10. Transfers/payments into the Collection Fund in 2021-22 in respect of a previous year's deficit

44,767,161

**11. Total Other Credits (Total lines 8 to 10)**

44,767,161

**OTHER RATES RETENTION SCHEME CHARGES (enter as -ve)**

12. Transitional protection payments made, or to be made, in 2021-22

-400,992

13. Payments made, or to be made, to the Secretary of State in respect of the central share in 2021-22

-29,497,563

14. Payments made, or to be made to, major precepting authorities in respect of business rates income in 2021-22

-33,073,026

15. Transfers made, or to be made, to the billing authority's General Fund in respect of business rates income in 2021-22

-26,815,967

16. Transfers made, or to be made, to the billing authority's General Fund; and payments made, or to be made, to a precepting authority in respect of disregarded amounts in 2021-22

-253,678

17. Transfers/payments from the Collection Fund for end-year reconciliations

0

18. Transfers/payments made from the Collection Fund in 2021-22 in respect of a previous year's surplus

0

**19. Total Other Charges (Total lines 12 to 18)**

-90,041,226

**20. Adjustment for 3 year spread (See Note N)**

1,914,122

**ESTIMATED SURPLUS/(DEFICIT) ON COLLECTION FUND IN RESPECT OF FINANCIAL YEAR 2021-22 - Surplus (positive), Deficit (Negative)**

£

21. Opening balance plus total credits, less total charges, plus adjustment for three year spread (Total lines 1, 7, 11, 19 & 20)

-13,052,272

**APPORTIONMENT OF ESTIMATED SURPLUS / DEFICIT**

	Column 1 Central Government	Column 2 Merton	Column 3 Greater London Authority	Column 4	Column 5 Total
22. % for distribution of prior year surplus/deficit (i.e. 2020-21)	33%	30%	37%	0%	100%
23. Total prior year surplus (+)/deficit (-)	-1,595,789	-1,450,717	-1,789,218	0	-4,835,724
of which:					
23a. Amount deferred (to be paid in 2023-24)	-631,660	-574,237	-708,225	0	-1,914,122
23b. Amount to be paid in 2022-23	-964,129	-876,481	-1,080,993	0	-2,921,602
24. % for distribution of in-year surplus/deficit (i.e. 2021-22)	33%	30%	37%	0%	100%
25. In year surplus (+)/deficit (-)	-3,343,121	-3,039,201	-3,748,348	0	-10,130,670
<b>26. Total (total lines 23b and 25)</b>	<b>-4,307,250</b>	<b>-3,915,682</b>	<b>-4,829,341</b>	<b>0</b>	<b>-13,052,272</b>

## OTHER CORPORATE ITEMS - CABINET February 2022

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Asset Rentals: Depreciation	(25,593)	(25,593)	(25,593)	(25,593)
Change in corporate Specific and Special Grants	0	0	0	0
CHAS Dividend	(2,223)	(2,223)	(2,223)	(2,223)
WPCC	376	376	376	376
Bad Debt provision	1,500	1,000	500	500
Further provision for revaluisation/RCCO	70	70	70	70
Overheads - Charge to non-general fund	(0)	(0)	0	(0)
Contingency	1,500	1,500	1,500	1,500
Pensions Strain/Redundancy	1,000	1,000	1,000	1,000
Transport	121	121	121	121
Local Election	400	0	0	0
LPFA - Provision for deficit contribution	86	86	86	86
Balance Sheet Management - CT & HB Credits	(220)	(220)	(220)	(220)
Loss of HB Admin. Grant	23	23	23	23
Apprenticeship Levy	450	450	450	450
Provision for current notional loss on Merantun	0	231	0	0
Cyber Security	200	200	200	200
Replenish Reserves	750	750	750	750
Internal Review	1,828	1,828	1,828	1,828
Croydon - Pensions addition	130	130	130	130
Disaster recovery	80	80	80	80
Rounding	(2)	(1)	0	0
<b>Other Corporate items</b>	<b>(19,524)</b>	<b>(20,192)</b>	<b>(20,922)</b>	<b>(20,922)</b>

## Summarised Transition from Council March 2021 to Cabinet 7 February 2022

<b>Budget Forecast 2022/23 to 2025/26</b>				
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Budget Gap Council March 2021</b>	<b>3,892</b>	<b>11,476</b>	<b>14,344</b>	<b>17,664</b>
<b>EXPENDITURE</b>				
Inflation - Pay	560	1,120	1,680	2,240
Inflation - Prices	1,456	1,487	1,517	1,548
Inflation - Pay Award 2021/22 additional effect	230	234	239	244
Inflation - Provision for excess inflation	2,250	250	250	250
Additional Employer's NI for Social Care	989	1,008	1,029	1,049
FYE - Amendments to existing savings since Cabinet March 2021	3,641	3,041	2,466	2,466
External Borrowing Costs	(929)	(512)	(484)	(1,608)
Freedom Passes and Taxicards	(2,259)	(1,984)	24	266
<b>NEW SAVINGS 2022-23</b>	<b>(936)</b>	<b>(2,718)</b>	<b>(2,607)</b>	<b>(2,496)</b>
Proposed Growth - Services	909	909	1,359	909
Croydon - Pensions addition	130	130	130	130
Disaster recovery	80	80	80	80
DSG - Additional resource	1,100	1,100	1,100	1,100
<b><u>Social Care changes:</u></b>				
ASC - 1% precept resources allocated to C&H	976	953	943	933
Adult Social Care Better Care Funded expenditure	147	147	147	147
Market Sustainability and Fair Cost of Care Funded Expenditure	505	0	0	0
Social Care Grant funded expenditure	1,647	1,647	1,647	1,647
<b><u>Levies</u></b>				
WPCC	23	23	23	23
<b>FUNDING</b>				
Market Sustainability and Fair Cost of Care Fund	(505)	0	0	0
Settlement Funding Assessment including RSG, top-up and S.31 grant	(1,206)	(792)	(366)	74
Adult Social Care - Better Care Fund LGF Settlement 2022-23	(147)	(147)	(147)	(147)
Social Care Grant - LGF Settlement 2022-23	(3,122)	(2,732)	(2,732)	(2,732)
Council Tax income	(1,646)	(1,837)	(2,059)	(2,327)
Council Tax - WPCC Levy	(23)	(23)	(23)	(23)
Collection Fund - t/f of Ctax surplus(-)/deficit	(3,796)	0	0	0
Collection Fund - t/f of BRates surplus(-)/deficit	3,342	0	0	0
New Homes Bonus	18	200	200	200
Impact of COVID-19 on income	(995)	(469)	0	0
Bad Debt provision	0	500	0	0
BREXIT / FAIR FUNDING REVIEW PROVISION	(3,000)	0	0	0
2022/23 Services Grant	(2,479)	0	0	0
Use of Reserves	(852)	(8,518)	0	0
<b>Cabinet 7 February 2022</b>	<b>(0)</b>	<b>4,573</b>	<b>18,760</b>	<b>21,636</b>

## STATEMENT OF COUNCIL TAX REQUIREMENTS AND BALANCES

	ORIGINAL BUDGET 2018/19	ORIGINAL BUDGET 2019/20	ORIGINAL BUDGET 2020/21	ORIGINAL BUDGET 2021/22	ORIGINAL BUDGET 2022/23	2018/19 Band D Council Tax	2019/20 Band D Council Tax	2020/21 Band D Council Tax	2021/22 Band D Council Tax	2022/23 Band D Council Tax
	£m	£m	£m	£m	£m	£	£	£	£	£
<b>Merton</b>										
Net Cost of General Fund Services	136.059	138.095	155.227	166.142	171.625	1,835.56	1,842.45	2,042.73	2,238.51	2,265.54
Contingency	1.500	1.500	1.500	1.500	1.500	20.24	20.01	19.74	20.21	19.80
	137.559	139.595	156.727	167.642	173.125	1,855.80	1,862.47	2,062.47	2,258.72	2,285.34
<b>Levies</b>										
Lee Valley	0.179	0.178	0.178	0.179	0.179	2.41	2.37	2.34	2.41	2.36
London Pensions Fund	0.260	0.258	0.253	0.258	0.258	3.51	3.44	3.33	3.48	3.41
Environment Agency	0.168	0.171	0.174	0.174	0.174	2.27	2.28	2.29	2.34	2.30
Total Levies	0.607	0.607	0.605	0.611	0.611	8.19	8.10	7.96	8.23	8.07
<b>TOTAL BUDGET (before balances, etc adjustment)</b>	<b>138.166</b>	<b>140.202</b>	<b>157.332</b>	<b>168.253</b>	<b>173.736</b>	<b>1,863.98</b>	<b>1,870.56</b>	<b>2,070.43</b>	<b>2,266.95</b>	<b>2,293.41</b>
<u>Provisions, Contributions and Balances</u>										
Appropriations to/from Reserves	(1.332)	(4.186)	(11.275)	(12.515)	(12.086)	(17.97)	(55.85)	(148.37)	(168.62)	(159.54)
<b>TOTAL BUDGET REQUIREMENT</b>	<b>136.834</b>	<b>136.016</b>	<b>146.057</b>	<b>155.738</b>	<b>161.650</b>	<b>1,846.01</b>	<b>1,814.72</b>	<b>1,922.06</b>	<b>2,098.33</b>	<b>2,133.86</b>
<b>Less: Central Government Support</b>										
Government (Formula) Grant:										
Revenue Support Grant (including Transition Grant)	0.000	0.000	(5.159)	(5.187)	(5.350)	0.00	0.00	(67.89)	(69.89)	(70.62)
National Non-Domestic Rates inc. Section 31 Grant	(47.611)	(44.026)	(38.676)	(36.551)	(38.428)	(642.32)	(587.39)	(508.96)	(492.47)	(507.27)
Covid - RNF and LCTS Grant				(6.811)	0.000				(91.77)	0.00
Brexit Grant		(0.210)	0.000	0.000	0.000		(2.80)	0.00	0.00	0.00
Social Care Grant				(4.466)	(6.282)				(60.17)	(82.93)
Adult Social Care Improved Better Care Fund	(2.115)	(1.054)	(4.862)	(4.862)	(5.009)	(28.53)	(14.06)	(63.98)	(65.51)	(66.12)
Market Sustainability and Fair Cost of Care Fund	0.000	0.000	0.000	0.000	(0.505)				0.00	(6.67)
2022-23 Services Grant	0.000	0.000	0.000	0.000	(2.479)				0.00	(32.72)
Total Government Grant + Baseline NNDR Funding:	(49.726)	(45.290)	(48.697)	(57.877)	(58.053)	(670.85)	(604.26)	(640.84)	(779.80)	(766.33)
Contribution to/(from) Collection Fund	(0.430)	1.301	(0.327)	1.647	1.010	(5.80)	17.36	(4.30)	22.19	13.33
<b>Council Tax Requirement</b>										
Merton - General (excluding WPCC)	86.678	92.027	97.033	99.508	104.607	1,169.36	1,227.82	1,276.92	1,340.72	1,380.87
<b>Merton - COUNCIL TAX FUNDING REQUIREMENT</b>	<b>86.678</b>	<b>92.027</b>	<b>97.033</b>	<b>99.508</b>	<b>104.607</b>	<b>1,169.36</b>	<b>1,227.82</b>	<b>1,276.92</b>	<b>1,340.72</b>	<b>1,380.87</b>
<u>Greater London Authority Precept</u>										
Metropolitan Police Authority/Mayor's Office for Policing and Crime	16.169	18.148	19.159	19.826	20.994	218.13	242.13	252.13	267.13	277.13
Other Non-Police Services	5.641	5.875	6.075	7.164	8.974	76.10	78.38	79.94	96.53	118.46
<b>Greater London Authority Precept</b>	<b>21.810</b>	<b>24.023</b>	<b>25.234</b>	<b>26.991</b>	<b>29.968</b>	<b>294.23</b>	<b>320.51</b>	<b>332.07</b>	<b>363.66</b>	<b>395.59</b>
<b>TOTAL COUNCIL TAX REQUIREMENT</b>	<b>108.488</b>	<b>116.050</b>	<b>122.267</b>	<b>126.499</b>	<b>134.575</b>	<b>1,463.59</b>	<b>1,548.33</b>	<b>1,608.99</b>	<b>1,704.38</b>	<b>1,776.46</b>

<b>DRAFT MTFS 2022-26:</b>				
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Departmental Base Budget 2021/22</b>	<b>161,837</b>	<b>161,837</b>	<b>161,837</b>	<b>161,837</b>
Inflation (Pay, Prices)	8,506	10,755	16,485	20,544
NI increase	989	1,008	1,029	1,049
Salary oncost increase (15.2% to 17.06%)	24	48	72	96
FYE – Previous Years Savings	(3,305)	(3,176)	(2,651)	(2,651)
FYE – Previous Years Growth	384	774	774	774
Amendments to previously agreed savings/growth	3,641	3,041	2,466	2,466
Change in Net Appropriations to/(from) Reserves	(905)	(1,936)	(1,935)	(1,935)
Taxi card/Concessionary Fares	(2,737)	(1,280)	1,731	2,975
Social Care - Additional Spend offset by grant/precept	1,668	1,176	1,181	1,186
Growth	909	909	1,359	909
DSG Safety Valve	1,100	1,100	1,100	1,100
Provision - DSG Deficit	10,543	11,628	12,714	13,799
Other	2,092	2,308	2,387	2,565
<b>Re-Priced Departmental Budget</b>	<b>184,745</b>	<b>188,192</b>	<b>198,548</b>	<b>204,714</b>
Treasury/Capital financing	10,679	11,537	12,593	12,420
Pensions	0	0	0	0
Other Corporate items	(19,524)	(20,192)	(20,922)	(20,922)
Levies	606	606	606	606
<b>Sub-total: Corporate provisions</b>	<b>(8,239)</b>	<b>(8,049)</b>	<b>(7,723)</b>	<b>(7,896)</b>
<b>Sub-total: Repriced Departmental Budget + Corporate Provisions</b>	<b>176,505</b>	<b>180,143</b>	<b>190,825</b>	<b>196,817</b>
Savings/Income Proposals 2022/23	(936)	(2,718)	(2,607)	(2,496)
<b>Sub-total</b>	<b>175,569</b>	<b>177,425</b>	<b>188,218</b>	<b>194,321</b>
Appropriation to/from departmental reserves	(1,301)	(270)	(271)	(271)
Appropriation to/from Balancing the Budget Reserve	(8,107)	(8,518)	0	0
ONGOING IMPACT OF COVID-19 (NET)	1,143	505	0	0
<b>BUDGET REQUIREMENT</b>	<b>167,305</b>	<b>169,141</b>	<b>187,947</b>	<b>194,050</b>
<b>Funded by:</b>				
Revenue Support Grant/Covid RNF & LCTS grant	0	0	0	0
Business Rates (inc. Section 31 grant)	(43,778)	(41,216)	(41,658)	(42,105)
Adult Social Care Grants inc. BCF	(5,009)	(5,009)	(5,009)	(5,009)
Social Care Grant	(6,282)	(6,282)	(6,282)	(6,282)
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	(482)	(300)	(300)	(300)
Council Tax inc. WPC	(104,983)	(108,428)	(111,141)	(113,921)
Collection Fund – (Surplus)/Deficit	1,010	1,464	0	0
Market Sustainability and Fair Cost of Care Fund	(505)	0	0	0
2022/23 Services Grant	(2,479)	0	0	0
<b>TOTAL FUNDING</b>	<b>(167,305)</b>	<b>(164,568)</b>	<b>(169,187)</b>	<b>(172,414)</b>
<b>GAP including Use of Reserves (Cumulative)</b>	<b>0</b>	<b>4,573</b>	<b>18,760</b>	<b>21,636</b>

## Reserves

Forecast Movement in Reserves 2021-26	Bal. at 31/3/21 £'000	Net Movt. in year £'000	Bal. at 31/3/22 £'000	Net Movt. in year £'000	Bal. at 31/3/23 £'000	Net Movt. in year £'000	Bal. at 31/3/24 £'000	Net Movt. in year £'000	Bal. at 31/3/25 £'000	Net Movt. in year £'000	Bal. at 31/3/26 £'000
General Fund Reserve	14,000	0	14,000	0	14,000	0	14,000	0	14,000	0	14,000
Earmarked Reserves	83,881	(14,804)	69,077	(5,260)	63,817	750	64,568	11,875	76,443	(339)	76,104
Grants & Contributions	6,150	(1,980)	4,169	(1,147)	3,022	0	3,022	0	3,022	0	3,022
<b>Total Available Gen. Fund Rev. Reser</b>	<b>104,030</b>	<b>(16,784)</b>	<b>87,246</b>	<b>(6,407)</b>	<b>80,840</b>	<b>750</b>	<b>81,590</b>	<b>11,875</b>	<b>93,465</b>	<b>(339)</b>	<b>93,127</b>
<b>Fixed to Contracts</b>	<b>1,955</b>	<b>0</b>	<b>1,955</b>	<b>0</b>	<b>1,955</b>	<b>0</b>	<b>1,955</b>	<b>0</b>	<b>1,955</b>	<b>0</b>	<b>1,955</b>
<b>Total General Fund revenue reserves</b>	<b>105,985</b>	<b>(16,784)</b>	<b>89,201</b>	<b>(6,407)</b>	<b>82,794</b>	<b>750</b>	<b>83,545</b>	<b>11,875</b>	<b>95,420</b>	<b>(339)</b>	<b>95,081</b>
<b>Schools Balances &amp; Reserves</b>	<b>18,100</b>	<b>(52)</b>	<b>18,048</b>	<b>0</b>	<b>18,048</b>	<b>0</b>	<b>18,048</b>	<b>0</b>	<b>18,048</b>	<b>0</b>	<b>18,048</b>

## APPENDIX 8

Analysis	Bal. at 31/3/21 £'000	Net Movt. in year £'000	Bal. at 31/3/22 £'000	Net Movt. in year £'000	Bal. at 31/3/23 £'000	Net Movt. in year £'000	Bal. at 31/3/24 £'000	Net Movt. in year £'000	Bal. at 31/3/25 £'000	Net Movt. in year £'000	Bal. at 31/3/26 £'000
<b>Earmarked Reserves</b>											
Outstanding Council Programme Board Reserve	5,504	(3,039)	2,465	(1,338)	1,127	0	1,127	0	1,127	0	1,127
For use in future years' budgets	7,924	8,701	16,625	(8,107)	8,518	(8,518)	0	0	0	0	0
Revenue Reserve for Capital/Revenuisation	3,867	(3,757)	110	(110)	(0)	0	(0)	0	(0)	0	(0)
Energy renewable reserve	1,792	(110)	1,682	(610)	1,072	(500)	572	(500)	72	0	72
Repairs and Renewals Fund	2,090	0	2,090	(1,990)	100	0	100	0	100	0	100
Pension Fund additional contribution	453	(453)	(0)	0	(0)	0	(0)	0	(0)	0	(0)
Local Land Charges	2,579	(1,738)	841	(300)	541	0	541	0	541	0	541
Apprenticeships	1,923	(778)	1,144	(366)	779	(551)	228	(31)	197	(31)	166
Community Care Reserve	896	0	896	0	896	0	896	0	896	0	896
Local Welfare Support Reserve	763	460	1,223	(540)	683	(290)	393	(40)	353	(40)	313
LEP - New Homes Bonus funded projects	122	0	122	0	122	0	122	0	122	0	122
Corporate Services Reserves	3,207	(199)	3,008	(837)	2,171	(417)	1,754	(268)	1,487	(268)	1,219
Spending Review Reserve	23,744	7,662	31,406	10,543	41,949	11,628	53,577	12,714	66,291	0	66,291
COVID-19 Emergency Funding	5,970	(5,864)	106	0	106	0	106	0	106	0	106
Business Rates - Covid-19 Adjustments Reserve	14,418	(10,518)	3,900	0	3,900	0	3,900	0	3,900	0	3,900
COVID-19: Year End Balances - Government Grant	4,979	(4,367)	612	0	612	0	612	0	612	0	612
Your Merton Fund	1,000	(333)	667	(612)	55	0	55	0	55	0	55
Climate Change Reserve	2,000	(470)	1,530	(842)	688	(602)	86	0	86	0	86
Voluntary Sector Support/Merton Giving	500	0	500	0	500	0	500	0	500	0	500
Wimbledon Tennis Court Renewal Fund	150	0	150	(150)	(0)	0	(0)	0	(0)	0	(0)
<b>Earmarked Reserves</b>	<b>83,881</b>	<b>(14,804)</b>	<b>69,077</b>	<b>(5,260)</b>	<b>63,817</b>	<b>750</b>	<b>64,568</b>	<b>11,875</b>	<b>76,443</b>	<b>(339)</b>	<b>76,104</b>
Culture and Environment contributions	193	(164)	30	(30)	(0)	0	(0)	0	(0)	0	(0)
Culture and Environment grant	428	(311)	117	(117)	0	0	0	0	0	0	0
Childrens & Education grant	343	(44)	299	0	299	0	121	0	121	0	121
Adult Social care grants	3,825	(1,403)	2,423	(1,000)	1,423	0	3,469	0	3,469	0	3,469
Housing GF grants	866	(59)	806	0	806	0	866	0	866	0	866
Public Health Grant Reserve	494	0	494	0	494	0	93	0	93	0	93
<b>Grants &amp; Contributions</b>	<b>6,150</b>	<b>(1,980)</b>	<b>4,169</b>	<b>(1,147)</b>	<b>3,022</b>	<b>0</b>	<b>4,549</b>	<b>0</b>	<b>4,549</b>	<b>0</b>	<b>4,549</b>
<b>Total</b>	<b>90,030</b>	<b>(16,784)</b>	<b>73,246</b>	<b>(6,407)</b>	<b>66,840</b>	<b>750</b>	<b>69,117</b>	<b>11,875</b>	<b>80,992</b>	<b>(339)</b>	<b>80,654</b>
Insurance Reserve	1,955	0	1,955	0	1,955	0	1,955	0	1,955	0	1,955
<b>Fixed to Contracts</b>	<b>1,955</b>	<b>0</b>	<b>1,955</b>	<b>0</b>	<b>1,955</b>	<b>0</b>	<b>1,955</b>	<b>0</b>	<b>1,955</b>	<b>0</b>	<b>1,955</b>

## APPENDIX 8

Analysis	Bal. at 31/3/21 £'000	Net Movt. in year £'000	Bal. at 31/3/22 £'000	Net Movt. in year £'000	Bal. at 31/3/23 £'000	Net Movt. in year £'000	Bal. at 31/3/24 £'000	Net Movt. in year £'000	Bal. at 31/3/25 £'000	Net Movt. in year £'000	Bal. at 31/3/26 £'000
Governor Support Reserve	28	0	28	0	28	0	28	0	28	0	28
Schools Reserve	0	0	0	0	0	0	0	0	0	0	0
CSF reserve	52	(52)	0	0	0	0	0	0	0	0	0
Refund of PFI contributions	0	0	0	0	0	0	0	0	0	0	0
Schools PFI Fund	6,292	0	6,292	0	6,292	0	6,292	0	6,292	0	6,292
Earmarked Schools Balances	11,578	0	11,578	0	11,578	0	11,578	0	11,578	0	11,578
Schools Standards Fund balances	0	0	0	0	0	0	0	0	0	0	0
Schools Fund	150	0	150	0	150	0	150	0	150	0	150
<b>Schools Reserves</b>	<b>18,100</b>	<b>(52)</b>	<b>18,048</b>	<b>0</b>	<b>18,048</b>	<b>0</b>	<b>18,048</b>	<b>0</b>	<b>18,048</b>	<b>0</b>	<b>18,048</b>



## CAPITAL RESERVES

Forecast Movement in Reserves 2021-26	Bal. at 31/3/21 £'000	Net Movt. in year £'000	Bal. at 31/3/22 £'000	Net Movt. in year £'000	Bal. at 31/3/23 £'000	Net Movt. in year £'000	Bal. at 31/3/24 £'000	Net Movt. in year £'000	Bal. at 31/3/25 £'000	Net Movt. in year £'000	Bal. at 31/3/26 £'000
Capital Grants	1,703	(1,225)	478	(478)	(0)	0	(0)	0	(0)	0	(0)
Capital Contributions	118	(118)	0	0	0	0	0	0	0	0	0
CIL Reserve	25,169	(4,487)	20,682	(3,408)	17,274	4,770	22,044	5,761	27,805	5,376	33,181
S106 Reserve - CGU	1,568	4,846	6,414	(1,269)	5,145	(150)	4,995	(5)	4,990	(5)	4,985
Capital Receipts	451	(451)	(0)	0	(0)	0	(0)	0	(0)	0	(0)
<b>Capital Reserves</b>	<b>29,009</b>	<b>(1,435)</b>	<b>27,574</b>	<b>(5,155)</b>	<b>22,419</b>	<b>4,620</b>	<b>27,039</b>	<b>5,756</b>	<b>32,795</b>	<b>5,371</b>	<b>38,166</b>

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Forecast Movement in Reserves 2021-26	Bal. at 31/3/21 £'000	Net Movt. in year £'000	Bal. at 31/3/22 £'000	Net Movt. in year £'000	Bal. at 31/3/23 £'000	Net Movt. in year £'000	Bal. at 31/3/24 £'000	Net Movt. in year £'000	Bal. at 31/3/25 £'000	Net Movt. in year £'000	Bal. at 31/3/26 £'000
GF	14,000	0	14,000	0	14,000	0	14,000	0	14,000	0	14,000
Earmarked Reserves	83,881	(14,804)	69,077	(5,260)	63,817	750	64,568	11,875	76,443	(339)	76,104
Grants	6,150	(1,980)	4,169	(1,147)	3,022	0	3,022	0	3,022	0	3,022
Insurance	1,955	0	1,955	0	1,955	0	1,955	0	1,955	0	1,955
Schools	18,100	(52)	18,048	0	18,048	0	18,048	0	18,048	0	18,048
Capital	29,009	(1,435)	27,574	(5,155)	22,419	4,620	27,039	5,756	32,795	5,371	38,166
	<b>153,093</b>	<b>(18,270)</b>	<b>134,823</b>	<b>(11,562)</b>	<b>123,261</b>	<b>5,370</b>	<b>128,631</b>	<b>17,631</b>	<b>146,263</b>	<b>5,032</b>	<b>151,295</b>

# **Draft Departmental Budget Summaries 2022-23**

NB: The financial information in the budget summaries includes the latest available details but may be subject to small changes as figures continue to be reviewed.

<b>SUMMARY</b>					
<b>FULL TIME EQUIVALENTS</b>				<b>2021/22</b>	<b>2022/23</b>
Total FTE Staff				1,905.5	1,940.5
<b>SERVICE AREA ANALYSIS</b>		<b>2021/22</b>		<b>Other</b>	<b>2022/23</b>
		<b>Estimate</b>	<b>Inflation</b>	<b>Variations</b>	<b>Estimate</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Corporate Services		11,865	575	164	12,603
Education Services	]				
	] CSF	63,126	1,164	1,746	66,036
Children's Services	]				
Environment and Regeneration		14,356	843	2,448	17,646
Adult Social Care	]				
Cultural Services	] C&H	69,403	1,572	(120)	70,855
Housing General Fund	]				
Employers National Insurance for Social Care		0	0	393	393
Corporate Provision for National Minimum Wage		1,500	0	0	1,500
London Living Wage - Contract reletting		0	0	521	521
Pay Award not allocated yet		1,588	0	1,883	3,470
<b>TOTAL NET SERVICE EXPENDITURE</b>		<b>161,837</b>	<b>4,154</b>	<b>7,034</b>	<b>173,025</b>
<i>Corporate Provisions/Appropriations</i>		<b>2,526</b>	<b>0</b>	<b>(8,246)</b>	<b>(5,720)</b>
<b>NET EXPENDITURE</b>		<b>164,363</b>	<b>4,154</b>	<b>(1,211)</b>	<b>167,305</b>
<b>Funded by:</b>					
Revenue Support Grant		(11,998)	0	11,998	0
Business Rates		(36,551)	0	(7,227)	(43,778)
Improved Better Care Fund		(4,862)	0	(147)	(5,009)
Social Care Grant		(4,466)	0	(1,816)	(6,282)
Sales, Fees & Charges Compensation		(2,643)	0	2,643	0
Market Sustainability and Fair Cost of Care Fund		0	0	(505)	(505)
2022/23 Services Grant		0	0	(2,479)	(2,479)
New Homes Bonus		(612)	0	130	(482)
Council Tax		(99,508)	0	(5,099)	(104,607)
WPCC Levy		(353)	0	(23)	(376)
Collection Fund		1,427	0	(417)	1,010
PFI Grant		(4,797)	0	0	(4,797)
		<b>(164,363)</b>	<b>0</b>	<b>(2,942)</b>	<b>(167,305)</b>
<b>NET</b>		<b>(0)</b>	<b>4,154</b>	<b>(4,154)</b>	<b>0</b>
NB					
<b>Public Health</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Other Variations: Contingency/Other</i>					
<b>Major Items: Corporate Provisions</b>		<b>£000</b>			<b>fte</b>
Corporate borrowing and Investment		(100)			0.0
Further provision for revaluation/RCCO		70			0.0
Pension Fund and Auto-enrolment		24			0.0
Contingency and centrally held provisions		2,250			0.0
Change in Grants		0			0.0
Appropriation to/from Reserves		(4,407)			0.0
Depreciation and impairment		0			0.0
Cyber Security		0			0.0
Change in levies		23			0.0
Overheads - Charge to non-general fund		0			0.0
Transport - Additional provision		6			0.0
Elections		350			0.0
Apprenticeship Levy		0			0.0
Balance Sheet Management CT & HB		0			0.0
CHAS - IP/Dividend		0			0.0
Provision against DSG Deficit		(3,535)			0.0
Social Care Grant - balance not earmarked		130			0.0
Loss of HB Admin. Grant		0			0.0
Growth		0			0.0
Loss of income due to COVID		(3,133)			0.0
Disaster Recovery		80			0.0
Rounding		(3)			0.0
<b>TOTAL</b>		<b>(8,246)</b>			<b>0</b>

<b>SUMMARY - SUBJECTIVE ANALYSIS</b>				
<b>FULL TIME EQUIVALENTS</b>		<b>2021/22</b>	<b>2022/23</b>	
Total FTE Staff		1,905.5	1,940.5	
<b>SUBJECTIVE ANALYSIS OF ESTIMATES</b>				
	<b>2021/22 Estimate £000</b>	<b>Inflation £000</b>	<b>Other Variations £000</b>	<b>2022/23 Estimate £000</b>
<b>Expenditure</b>				
Employees	100,861	701	4,920	106,482
Premises	8,217	201	260	8,678
Transport	9,510	235	143	9,888
Supplies and Services	202,551	1,412	2,244	206,207
Third Party Payments	83,992	1,614	1,552	87,159
Transfer Payments	73,705	1	(7,999)	65,708
Support Services	34,145	2	1,570	35,718
Depreciation and Impairment Losses	25,573	0	(0)	25,573
<b>GROSS EXPENDITURE</b>	<b>538,555</b>	<b>4,168</b>	<b>2,690</b>	<b>545,413</b>
<b>Income</b>				
Government Grants	(242,612)	0	6,543	(236,069)
Other Reimbursements and Contributions	(29,126)	0	(1,035)	(30,161)
Customer and Client Receipts	(72,072)	0	211	(71,860)
Interest	0	0	0	0
Recharges	(34,564)	(14)	(1,644)	(36,222)
Reserves	1,656	0	269	1,925
<b>GROSS INCOME</b>	<b>(376,718)</b>	<b>(14)</b>	<b>4,344</b>	<b>(372,388)</b>
<b>NET EXPENDITURE</b>	<b>161,837</b>	<b>4,154</b>	<b>7,034</b>	<b>173,025</b>
Corporate Provisions	2,526	0	(8,246)	(5,720)
<b>NET EXPENDITURE</b>	<b>164,363</b>	<b>4,154</b>	<b>(1,211)</b>	<b>167,305</b>
<b>Funded by:</b>				
Revenue Support Grant	(11,998)	0	11,998	0
Business Rates	(36,551)	0	(7,227)	(43,778)
Improved Better Care Fund	(4,862)	0	(147)	(5,009)
Social Care Grant	(4,466)	0	(1,816)	(6,282)
Sales, Fees & Charges Compensation	(2,643)	0	2,643	0
Market Sustainability and Fair Cost of Care Fund	0	0	(505)	(505)
2022/23 Services Grant	0	0	(2,479)	(2,479)
New Homes Bonus	(612)	0	130	(482)
Council Tax	(99,508)	0	(5,099)	(104,607)
WPCC Levy	(353)	0	(23)	(376)
Collection Fund	1,427	0	(417)	1,010
PFI Grant	(4,797)	0	0	(4,797)
	<b>(164,363)</b>	<b>0</b>	<b>(2,942)</b>	<b>(167,305)</b>
<b>NET</b>	<b>(0)</b>	<b>4,154</b>	<b>(4,153)</b>	<b>(0)</b>
Other Variations: Contingency/Other				
<b>Major Items: Corporate Provisions</b>		<b>£000</b>	<b>fte</b>	
Corporate borrowing and Investment		(100)	0.0	
Further provision for revaluation/RCCO		70	0.0	
Pension Fund and Auto-enrolment		24	0.0	
Contingency and centrally held provisions		2,250	0.0	
Change in Grants		0	0.0	
Appropriation to/from Reserves		(4,407)	0.0	
Depreciation and impairment		0	0.0	
Cyber Security		0	0.0	
Change in levies		23	0.0	
Overheads - Charge to non-general fund		0	0.0	
Transport - Additional provision		6	0.0	
Elections		350	0.0	
Apprenticeship Levy		0	0.0	
Balance Sheet Management CT & HB		0	0.0	
CHAS - IP/Dividend		0	0.0	
Provision against DSG Deficit		(3,535)	0.0	
Social Care Grant - balance not earmarked		130	0.0	
Loss of HB Admin. Grant		0	0.0	
Growth		0	0.0	
Loss of income due to COVID		(3,133)	0.0	
Disaster Recovery		80	0.0	
Rounding		(3)	0.0	
<b>TOTAL</b>		<b>(8,246)</b>	<b>0</b>	

<b>CORPORATE ITEMS ANALYSIS</b>				
	<b>2021/22 Estimate £000</b>	<b>Inflation £000</b>	<b>Other Variations £000</b>	<b>2022/23 Estimate £000</b>
<b>Expenditure</b>				
Cost of Borrowing including Minimum Revenue Provision	11,157	0	(91)	11,066
Further provision for revaluation/RCCO	0	0	70	70
Pension Fund	0	0	24	24
Adjustment re Income re P3/P4	400	0	0	400
Overheads - Charge to non-general fund	0	0	0	0
Provision for excess inflation	250	0	2,250	2,500
Bad Debt Provision	1,500	0	0	1,500
Redundancy/Pension Strain	1,000	0	0	1,000
Transport - Additional provision	121	0	6	126
Contingency	1,500	0	0	1,500
Apprenticeship Levy	450	0	0	450
Elections	50	0	350	400
Loss of HB Admin. Grant	23	0	0	23
Change in Corporate Specific and Special Grants	0	0	0	0
LPFA - Provision for deficit contribution	86	0	0	86
Cyber Security	200	0	0	200
Other/Rounding			(3)	(3)
Provision against DSG Deficit	14,078	0	(3,535)	10,543
PROPOSED GROWTH - Replenish Reserves	1,478		0	1,478
PROPOSED GROWTH - Internal Review	1,100		0	1,100
Croydon - Pensions Recovery	0	0	130	130
Disaster Recovery	0	0	80	80
Levies:-				
Lee Valley	179		0	179
London Pensions Fund	253		0	253
Environment Agency	174		0	174
WPCC	353		23	376
<b>GROSS EXPENDITURE</b>	<b>34,352</b>	<b>0</b>	<b>(696)</b>	<b>33,655</b>
<b>Income</b>				
Investment Income	(387)		(9)	(396)
Depreciation & Impairment	(25,593)		0	(25,593)
Appropriations to/from reserves (excluding Public Health)	(7,678)		(4,407)	(12,086)
Balance Sheet Management CT & HB	(220)		0	(220)
CHAS - IP/Dividend	(2,223)		0	(2,223)
Loss of income due to COVID	4,276		(3,133)	1,143
<b>GROSS INCOME</b>	<b>(31,826)</b>	<b>0</b>	<b>(7,549)</b>	<b>(39,375)</b>
<b>NET EXPENDITURE</b>	<b>2,526</b>	<b>0</b>	<b>(8,246)</b>	<b>(5,720)</b>



**2022/2023 ESTIMATES**

**CORPORATE SERVICES  
DEPARTMENT**

## SUMMARY: CORPORATE SERVICES DEPARTMENT

**FULL TIME EQUIVALENTS (FTE)**
**Number of Permanent Staff**
**Number of Fixed term contracts**
**Total FTE**

2021/22	2022/23
481.6	481.7
25.6	24.0
<b>507.2</b>	<b>505.7</b>

**SERVICE AREA ANALYSIS**

Customers, Policy and Improvement

Infrastructure &amp; Technology

Corporate Governance

Resources

HR

Corporate Items

**TOTAL EXPENDITURE**

Contingency / Other

Capital Financing Adjustment

Levies

**NET EXPENDITURE**

CHANGE BETWEEN YEARS			
2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000
1,987	95	(80)	2,001
228	209	(69)	368
300	59	401	759
2,679	130	2	2,811
0	26	(2)	25
6,672	56	(88)	6,640
<b>11,865</b>	<b>575</b>	<b>164</b>	<b>12,603</b>
0	0	0	0
0	0	0	0
0	0	0	0
<b>11,865</b>	<b>575</b>	<b>164</b>	<b>12,603</b>

**SUMMARY: CORPORATE SERVICES DEPARTMENT****FULL TIME EQUIVALENTS (FTE)**

**Number of Permanent Staff**  
**Number of Fixed term contracts**  
**Total FTE**

2021/22	2022/23
481.6	481.7
25.6	24.0
<b>507.2</b>	<b>505.7</b>

**SUBJECTIVE ANALYSIS OF ESTIMATES**

	2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000
<b>Expenditure</b>				
Employees	27,298	161	726	28,185
Premises	2,473	62	(0)	2,534
Transport	207	5	2	214
Supplies and Services	12,016	318	161	12,495
Third Party Payments	1,468	28	(34)	1,462
Transfer Payments	64,746	0	(6,000)	58,746
Support Services	12,675	0	(113)	12,562
Depreciation and Impairment Losses	2,805	0	0	2,805
<b>GROSS EXPENDITURE</b>	<b>123,687</b>	<b>575</b>	<b>(5,259)</b>	<b>119,002</b>
<b>Income</b>				
Government Grants	(67,056)	0	6,000	(61,056)
Other Reimbursements and Contributions	(1,698)	0	(23)	(1,721)
Customer and Client Receipts	(15,577)	0	(1,045)	(16,622)
Interest	0	0	0	0
Recharges	(29,147)	0	(20)	(29,167)
Reserves	1,656	0	511	2,167
<b>GROSS INCOME</b>	<b>(111,822)</b>	<b>0</b>	<b>5,423</b>	<b>(106,399)</b>
<b>NET EXPENDITURE</b>	<b>11,865</b>	<b>575</b>	<b>164</b>	<b>12,603</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(178)	(4)
Growth	0	0
Transfer between departments	(36)	(1)
Technical adjustments	0	(1)
Depreciation adjustments	0	0
Overheads adjustments	(133)	0
Use of reserves	511	4
<b>TOTAL</b>	<b>164</b>	<b>(1.5)</b>



## Customers, Policy and Improvement

The Customers, Policy and Improvement Division consists of: Merton Link (including the Cash Office, Translation Services and Contact Centre), Registrars, Corporate Communications, Policy and Strategy, Web Team and Consultation & Community Engagement

### FULL TIME EQUIVALENTS (FTE)

**Number of Permanent Staff**

**Number of Fixed term contracts**

**Total FTE**

	2021/22	2022/23
Number of Permanent Staff	48.1	55.2
Number of Fixed term contracts	4.0	3.0
<b>Total FTE</b>	<b>52.1</b>	<b>58.2</b>

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000
<b>Expenditure</b>				
Employees	2,312	19	131	2,462
Premises	94	2	0	97
Transport	1	0	0	2
Supplies and Services	2,732	69	(70)	2,731
Third Party Payments	195	5	(33)	167
Transfer Payments	0	0	0	0
Support Services	724	0	21	744
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>6,058</b>	<b>95</b>	<b>49</b>	<b>6,202</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(3)	0	0	(3)
Customer and Client Receipts	(982)	0	(32)	(1,014)
Interest	0	0	0	0
Recharges	(4,234)	0	4	(4,230)
Reserves	1,148	0	(102)	1,046
<b>GROSS INCOME</b>	<b>(4,071)</b>	<b>0</b>	<b>(130)</b>	<b>(4,201)</b>
<b>NET EXPENDITURE</b>	<b>1,987</b>	<b>95</b>	<b>(80)</b>	<b>2,001</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(233)	(2)
Growth	0	
Transfer between departments	0	
Technical adjustments	230	4.7
Depreciation adjustments	0	
Overheads adjustments	25	
Use of reserves	(102)	3.0
<b>TOTAL</b>	<b>(80)</b>	<b>6.1</b>

## INFRASTRUCTURE & TECHNOLOGY

The Infrastructure & Technology Division consists of Facilities Management, Procurement, IT Service Delivery, Business Systems, Post & Print Room and Transactional services.

### FULL TIME EQUIVALENTS (FTE)

**Number of Permanent Staff**

**Number of Fixed term contracts**

**Total FTE**

2021/22	2022/23
112.2	109.8
7.0	7.0
<b>119.2</b>	<b>116.8</b>

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000
<b>Expenditure</b>				
Employees	5,755	45	(97)	5,704
Premises	2,355	59	0	2,414
Transport	26	1	0	27
Supplies and Services	4,070	102	107	4,279
Third Party Payments	103	3	0	105
Transfer Payments	10	0	0	10
Support Services	1,888	0	(23)	1,865
Depreciation and Impairment Losses	2,805	0	0	2,805
<b>GROSS EXPENDITURE</b>	<b>17,012</b>	<b>209</b>	<b>(12)</b>	<b>17,208</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(36)	0	0	(36)
Customer and Client Receipts	(3,000)	0	(99)	(3,099)
Interest	0	0	0	0
Recharges	(14,183)	0	(23)	(14,206)
Reserves	435	0	66	501
<b>GROSS INCOME</b>	<b>(16,784)</b>	<b>0</b>	<b>(56)</b>	<b>(16,840)</b>
<b>NET EXPENDITURE</b>	<b>228</b>	<b>209</b>	<b>(69)</b>	<b>368</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(50)	(1.0)
Growth	0	
Transfer between departments	(38)	(1.0)
Technical adjustments	0	(0.3)
Depreciation adjustments	0	
Overheads adjustments	(46)	
Use of reserves	66	0.0
<b>TOTAL</b>	<b>(69)</b>	<b>(2.3)</b>

## CORPORATE GOVERNANCE

The Corporate Governance Division consists of Internal Audit, Investigations, Democracy Services, Electoral Services, Information team and SLLp (South London Legal Partnership)

### FULL TIME EQUIVALENTS (FTE)

**Number of Permanent Staff**

**Number of Fixed term contracts**

**Total FTE**

	2021/22	2022/23
Number of Permanent Staff	152.0	149.4
Number of Fixed term contracts	6.6	6.0
<b>Total FTE</b>	<b>158.6</b>	<b>155.4</b>

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000
<b>Expenditure</b>				
Employees	9,376	8	314	9,698
Premises	5	0	(0)	5
Transport	43	1	(1)	43
Supplies and Services	1,462	39	139	1,641
Third Party Payments	408	10	0	418
Transfer Payments	0	0	0	0
Support Services	631	0	(38)	593
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>11,924</b>	<b>59</b>	<b>414</b>	<b>12,397</b>
<b>Income</b>				
Government Grants	(13)	0	0	(13)
Other Reimbursements and Contributions	(130)	0	0	(130)
Customer and Client Receipts	(9,142)	0	(634)	(9,776)
Interest	0	0	0	0
Recharges	(2,340)	0	286	(2,054)
Reserves	0	0	335	335
<b>GROSS INCOME</b>	<b>(11,625)</b>	<b>0</b>	<b>(13)</b>	<b>(11,638)</b>
<b>NET EXPENDITURE</b>	<b>300</b>	<b>59</b>	<b>401</b>	<b>759</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	68	(1.0)
Growth	0	
Transfer between departments	0	
Technical adjustments	(250)	(2.2)
Depreciation adjustments	0	
Overheads adjustments	248	
Use of reserves	335	
<b>TOTAL</b>	<b>401</b>	<b>(3.2)</b>

## RESOURCES

The Resources Division consists of Business Planning, Accountancy, Insurance, Treasury, Local Taxation, Bailiffs, Benefits Administration and Support team.

### FULL TIME EQUIVALENTS

**Number of Permanent Staff**  
**Number of Fixed term contracts**  
**Total FTE**

2021/22	2022/23
136.6	134.3
8.0	6.0
<b>144.6</b>	<b>140.3</b>

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000
<b>Expenditure</b>				
Employees	6,721	49	378	7,148
Premises	2	0	0	2
Transport	132	3	2	138
Supplies and Services	2,833	73	18	2,925
Third Party Payments	513	4	(71)	446
Transfer Payments	0	0	0	0
Support Services	2,233	0	(10)	2,223
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>12,435</b>	<b>130</b>	<b>317</b>	<b>12,882</b>
<b>Income</b>				
Government Grants	(1,039)	0	0	(1,039)
Other Reimbursements and Contributions	(1,442)	0	(23)	(1,465)
Customer and Client Receipts	(2,066)	0	(270)	(2,336)
Interest	0	0	0	0
Recharges	(5,249)	0	(65)	(5,315)
Reserves	40	0	43	83
<b>GROSS INCOME</b>	<b>(9,756)</b>	<b>0</b>	<b>(315)</b>	<b>(10,071)</b>
<b>NET EXPENDITURE</b>	<b>2,679</b>	<b>130</b>	<b>2</b>	<b>2,811</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	32	0
Growth	0	0
Transfer between departments	2	0
Technical adjustments	(0)	(4)
Depreciation adjustments	0	0
Overhead adjustments	(75)	0
Use of Reserves	43	0
<b>TOTAL</b>	<b>2</b>	<b>(4.4)</b>

## HR

The HR division consists of: Strategic HR, Business Partnerships, Corporate Learning & Development, Diversity, iTrent Client team, Recruitment & Resourcing, Central Operations Team. The function also interfaces with Staff Side.

### FULL TIME EQUIVALENTS (FTE)

**Number of Permanent Staff**

**Number of Fixed term contracts**

**Total FTE**

2021/22	2022/23
32.8	33.0
0.0	2.0
<b>32.8</b>	<b>35.0</b>

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000
<b>Expenditure</b>				
Employees	2,023	18	0	2,041
Premises	16	0	0	16
Transport	4	0	0	5
Supplies and Services	52	1	(5)	48
Third Party Payments	249	6	70	325
Transfer Payments	0	0	0	0
Support Services	390	0	6	396
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>2,734</b>	<b>26</b>	<b>71</b>	<b>2,831</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(87)	0	0	(87)
Customer and Client Receipts	(386)	0	(10)	(396)
Interest	0	0	0	0
Recharges	(2,293)	0	(232)	(2,525)
Reserves	32	0	169	201
	0			
<b>GROSS INCOME</b>	<b>(2,734)</b>	<b>0</b>	<b>(73)</b>	<b>(2,807)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>26</b>	<b>(2)</b>	<b>25</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	55	
Growth	0	
Transfer between departments	0	
Technical adjustments	0	1.3
Depreciation adjustments	0	
Overheads adjustments	(226)	
Use of reserves	169	1.0
<b>TOTAL</b>	<b>(2)</b>	<b>2.3</b>

## CORPORATE ITEMS

Corporate Management is composed of Housing Benefit subsidy payments and entitlements, Agency contract, Democratic Representation & Management, Coroners Court and Severance payments.

### FULL TIME EQUIVALENTS(FTE)

Number of Permanent Staff

2021/22	2022/23
0	0

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000
<b>Expenditure</b>				
Employees*	1,111	22	0	1,134
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	866	34	(29)	871
Third Party Payments	0	0	0	0
Transfer Payments	64,736	0	(6,000)	58,736
Support Services	6,810	0	(69)	6,741
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>73,524</b>	<b>56</b>	<b>(6,099)</b>	<b>67,482</b>
<b>Income</b>				
Government Grants	(66,004)	0	6,000	(60,004)
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Interest	0	0	0	0
Recharges	(848)	0	10	(838)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(66,852)</b>	<b>0</b>	<b>6,010</b>	<b>(60,842)</b>
<b>NET EXPENDITURE</b>	<b>6,672</b>	<b>56</b>	<b>(88)</b>	<b>6,640</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(50)	
Growth	0	
Transfer between departments	0	
Technical adjustments	21	
Depreciation Adjustment	0	
Overheads adjustments	(59)	
Use of Reserves	0	
<b>TOTAL</b>	<b>(88)</b>	<b>0.0</b>

\* The employee budgets shown here relate to employee redundancy payments. There are no FTEs in Corporate Items



## **2022/2023 ESTIMATES**

# **CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT**

## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

This Page contains the Budget for the whole Children, Schools and Families Department including funding provided directly to Merton's Schools

**FULL TIME EQUIVALENTS**

Number of Permanent Staff  
Number of DSG Staff  
Number of Fixed term contracts  
Total FTE

	2021/22	2022/23
Number of Permanent Staff	438.3	446.9
Number of DSG Staff	80.8	80.9
Number of Fixed term contracts	7.2	7.2
Total FTE	526.3	535.0

**SUBJECTIVE ANALYSIS OF ESTIMATES**

	2021/22 Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000	2022/23 DSG Estimate £000	2022/23 LA Estimate £000
<b>Expenditure</b>						
Employees	29,613	248	153	30,014	5,315	24,699
Premises	1,696	38	(67)	1,667	151	1,516
Transport	6,579	163	181	6,923	64	6,858
Supplies and Services	164,981	428	529	165,938	141,162	24,776
Third Party Payments	27,886	287	633	28,807	16,051	12,756
Transfer Payments	0	0	0	0	0	0
Support Services	5,479	0	156	5,636	233	5,402
Depreciation and Impairment Losses	10,236	0	0	10,236	0	10,236
<b>GROSS EXPENDITURE</b>	<b>246,471</b>	<b>1,164</b>	<b>1,585</b>	<b>249,220</b>	<b>162,976</b>	<b>86,244</b>
<b>Income</b>						
Government Grants	(173,338)	0	0	(173,338)	(161,083)	(12,255)
Other Reimbursements and Contributions	(7,602)	0	14	(7,588)	(1,508)	(6,080)
Customer and Client Receipts	(2,359)	0	148	(2,211)	(355)	(1,857)
Interest	0	0	0	0	0	0
Recharges	(46)	0	0	(46)	0	(46)
Reserves	0	0	0	0	0	0
	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>(183,345)</b>	<b>0</b>	<b>162</b>	<b>(183,183)</b>	<b>(162,946)</b>	<b>(20,237)</b>
<b>NET EXPENDITURE</b>	<b>63,126</b>	<b>1,164</b>	<b>1,746</b>	<b>66,036</b>	<b>29</b>	<b>66,007</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(378)	
Growth	1,484	
Overhead adjustments	158	
Depreciation adjustments	0	
Transfer between departments	0	
Use of Reserves adjustment	(3)	
NNDR Adjustments	0	
Technical adjustments	485	
<b>TOTAL</b>	<b>1,746</b>	<b>0</b>



**SUMMARY: CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT**

<b>SERVICE AREA ANALYSIS</b>	<b>2021/22 Estimate £000</b>	<b>Inflation £000</b>	<b>Other Variations £000</b>	<b>2022/23 Estimate £000</b>	<b>2022/23 DSG Estimate £000</b>	<b>2022/23 LA Estimate £000</b>
Senior Management	1,178	21	1,119	2,318	0	2,318
Childrens Social Care	22,911	326	1,017	24,254	46	24,207
Education	39,217	371	(273)	39,315	21,363	17,952
Schools	(11,541)	0	(38)	(11,579)	(21,380)	9,801
Other Childrens, Schools and Families	11,361	447	(79)	11,729	0	11,728
<b>TOTAL NET EXPENDITURE</b>	<b>63,126</b>	<b>1,164</b>	<b>1,746</b>	<b>66,036</b>	<b>29</b>	<b>66,007</b>

## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

### Senior Management

This budget contains provision for the Senior Management of Children, Schools and Families Department.

#### FULL TIME EQUIVALENTS

	2021/22	2022/23
Number of Permanent Staff	3.0	3.0
Number of DSG Staff	0.0	0.0
Number of Fixed term contracts	0.0	0.0
Total FTE	3.0	3.0

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000	2022/23 DSG Estimate £000	2022/23 LA Estimate £000
<b>Expenditure</b>						
Employees	546	6	3	555	0	555
Premises	0	0	20	20	0	20
Transport	3	0	0	3	0	3
Supplies and Services	587	15	1,099	1,701	0	1,701
Third Party Payments	2	0	0	3	0	3
Transfer Payments	0	0	0	0	0	0
Support Services	39	0	(2)	37	0	37
Depreciation and Impairment Losses	0	0	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>1,178</b>	<b>21</b>	<b>1,119</b>	<b>2,318</b>	<b>0</b>	<b>2,318</b>
<b>Income</b>						
Government Grants	0	0	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0	0	0
Customer and Client Receipts	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>1,178</b>	<b>21</b>	<b>1,119</b>	<b>2,318</b>	<b>0</b>	<b>2,318</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	0	
Growth - DSG Safety Valve	1,100	
Overhead adjustments	0	
Transfer between departments	0	
Technical adjustments	19	
<b>TOTAL</b>	<b>1,119</b>	<b>0.0</b>

## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

### Children's Social Care

This budget contains the funding for central social work; family and adolescent service; Mash and child protection; permanency, placements and looked after children; as well as safeguarding, standards and training.

#### FULL TIME EQUIVALENTS

Number of Permanent Staff  
Number of DSG Staff  
Number of Fixed term contracts  
Total FTE

	2021/22	2022/23
Number of Permanent Staff	191.5	203.8
Number of DSG Staff	1.0	1.0
Number of Fixed term contracts	7.2	7.2
Total FTE	199.7	212.0

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000	2022/23 DSG Estimate £000	2022/23 LA Estimate £000
<b>Expenditure</b>						
Employees	11,068	85	91	11,245	40	11,204
Premises	32	0	(20)	13	0	13
Transport	207	5	0	212	1	210
Supplies and Services	341	8	(2)	347	1	346
Third Party Payments	9,393	226	400	10,019	0	10,019
Transfer Payments	0	0	0	0	0	0
Support Services	2,575	0	547	3,122	3	3,119
Depreciation and Impairment Losses	0	0	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>23,616</b>	<b>326</b>	<b>1,017</b>	<b>24,958</b>	<b>46</b>	<b>24,912</b>
<b>Income</b>						
Government Grants	(381)	0	0	(381)	0	(381)
Other Reimbursements and Contributions	(203)	0	0	(203)	0	(203)
Customer and Client Receipts	(121)	0	0	(121)	0	(121)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>(704)</b>	<b>0</b>	<b>0</b>	<b>(704)</b>	<b>0</b>	<b>(704)</b>
<b>NET EXPENDITURE</b>	<b>22,911</b>	<b>326</b>	<b>1,017</b>	<b>24,254</b>	<b>46</b>	<b>24,207</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	0	
Growth	0	
Transfer between departments	0	
Overhead adjustments	547	
Depreciation adjustments	0	
Use of Reserves adjustment	0	
Technical adjustments	470	
<b>TOTAL</b>	<b>1,017</b>	<b>0.0</b>

## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

### Education

To page contains the budgets for school improvement; early years and children's centres; education inclusion; as well as special educational needs and disability integrated service.

#### FULL TIME EQUIVALENTS

Number of Permanent Staff  
 Number of DSG Staff  
 Number of Fixed term contracts  
 Total FTE

	2021/22	2022/23
Number of Permanent Staff	226.5	224.8
Number of DSG Staff	78.8	78.9
Number of Fixed term contracts	0.0	0.0
Total FTE	305.3	303.7

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000	2022/23 DSG Estimate £000	2022/23 LA Estimate £000
<b>Expenditure</b>						
Employees	14,566	118	153	14,837	4,352	10,485
Premises	960	24	(67)	917	9	908
Transport	6,366	158	181	6,704	63	6,641
Supplies and Services	3,823	59	(335)	3,546	1,474	2,072
Third Party Payments	16,414	13	(13)	16,415	15,895	520
Transfer Payments	0	0	0	0	0	0
Support Services	2,644	0	(339)	2,305	230	2,075
Depreciation and Impairment Losses	436	0	0	436	0	436
<b>GROSS EXPENDITURE</b>	<b>45,209</b>	<b>371</b>	<b>(420)</b>	<b>45,160</b>	<b>22,022</b>	<b>23,138</b>
<b>Income</b>						
Government Grants	(1,059)	0	0	(1,059)	0	(1,059)
Other Reimbursements and Contributions	(2,774)	0	0	(2,774)	(304)	(2,469)
Customer and Client Receipts	(2,159)	0	148	(2,012)	(355)	(1,657)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>(5,992)</b>	<b>0</b>	<b>148</b>	<b>(5,845)</b>	<b>(659)</b>	<b>(5,186)</b>
<b>NET EXPENDITURE</b>	<b>39,217</b>	<b>371</b>	<b>(273)</b>	<b>39,315</b>	<b>21,363</b>	<b>17,952</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(278)	
Growth	224	
Overhead adjustments	(339)	
Transfer between departments	0	
Use of Reserves adjustment	10	
NNDR Adjustments	0	
Depreciation adjustments	0	
Technical adjustments	110	
<b>TOTAL</b>	<b>(273)</b>	<b>0.0</b>

## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

## Schools

This budget covers schools funding as well as some centrally retained DSG money to support the schools function.

## FULL TIME EQUIVALENTS

Number of Permanent Staff  
Number of DSG Staff  
Number of Fixed term contracts  
Total FTE

2021/22	2022/23
0.0	0.0
1.0	1.0
0.0	0.0
1.0	1.0

## SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000	2022/23 DSG Estimate £000	2022/23 LA Estimate £000
<b>Expenditure</b>						
Employees	922	0	0	922	922	0
Premises	142	0	0	142	142	0
Transport	0	0	0	0	0	0
Supplies and Services	149,340	0	(38)	149,302	139,687	9,615
Third Party Payments	156	0	0	156	156	0
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Depreciation and Impairment Losses	9,801	0	0	9,801	0	9,801
<b>GROSS EXPENDITURE</b>	<b>160,361</b>	<b>0</b>	<b>(38)</b>	<b>160,322</b>	<b>140,907</b>	<b>19,415</b>
<b>Income</b>						
Government Grants	(170,698)	0	0	(170,698)	(161,083)	(9,615)
Other Reimbursements and Contributions	(1,204)	0	0	(1,204)	(1,204)	0
Customer and Client Receipts	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>(171,902)</b>	<b>0</b>	<b>0</b>	<b>(171,902)</b>	<b>(162,287)</b>	<b>(9,615)</b>
<b>NET EXPENDITURE</b>	<b>(11,541)</b>	<b>0</b>	<b>(38)</b>	<b>(11,579)</b>	<b>(21,380)</b>	<b>9,801</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Depreciation adjustments	0	
Use of Reserves adjustment	0	
NNDR Adjustments	0	
Technical adjustments	(38)	
<b>TOTAL</b>	<b>(38)</b>	<b>0.0</b>

## CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

## Other Children Schools and Families Budgets

This budget covers asylum seeker costs, past and present pension and redundancy costs, ESG income and PFI unitary charges.

## FULL TIME EQUIVALENTS

Number of Permanent Staff  
Number of DSG Staff  
Number of Fixed term contracts  
Total FTE

2021/22	2021/22
17.3	15.3
0.0	0.0
0.0	0.0
17.3	15.3

## SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000	2022/23 DSG Estimate £000	2022/23 LA Estimate £000
<b>Expenditure</b>						
Employees	2,511	38	(94)	2,455	0	2,455
Premises	561	14	0	575	0	575
Transport	3	0	0	3	0	3
Supplies and Services	10,890	346	(195)	11,042	0	11,042
Third Party Payments	1,921	48	246	2,215	0	2,215
Transfer Payments	0	0	0	0	0	0
Support Services	222	0	(50)	171	0	171
Depreciation and Impairment Losses	0	0	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>16,107</b>	<b>447</b>	<b>(93)</b>	<b>16,461</b>	<b>0</b>	<b>16,461</b>
<b>Income</b>						
Government Grants	(1,200)	0	0	(1,200)	0	(1,200)
Other Reimbursements and Contributions	(3,422)	0	14	(3,408)	0	(3,408)
Customer and Client Receipts	(79)	0	0	(79)	0	(79)
Interest	0	0	0	0	0	0
Recharges	(46)	0	0	(46)	0	(46)
Reserves	0	0	0	0	0	0
<b>GROSS INCOME</b>	<b>(4,747)</b>	<b>0</b>	<b>14</b>	<b>(4,733)</b>	<b>0</b>	<b>(4,733)</b>
<b>NET EXPENDITURE</b>	<b>11,361</b>	<b>447</b>	<b>(79)</b>	<b>11,729</b>	<b>0</b>	<b>11,728</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(100)	
Growth	160	
Transfer between departments	0	
Overhead adjustments	(50)	
Use of Reserves adjustment	(13)	
Technical adjustments	(76)	
<b>TOTAL</b>	<b>(79)</b>	<b>0.0</b>



## **2022/2023 ESTIMATES**

# **ENVIRONMENT AND REGENERATION DEPARTMENT**

## SUMMARY: ENVIRONMENT & REGENERATION

### FULL TIME EQUIVALENTS (FTE)

Permanent Staff

Fixed Term Contract

**Total FTE**

2021/22	2022/23
371	381
13	17
<b>384</b>	<b>398</b>

### SERVICE AREA ANALYSIS

Public Space, Contracting & Commissioning

Public Protection and Development

Sustainable Communities

Senior Management and Support

**TOTAL EXPENDITURE**

CHANGE BETWEEN YEARS			
2021/22 Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000
17,920	570	814	19,304
(13,461)	126	1,053	(12,282)
9,897	139	578	10,614
(0)	8	2	10
<b>14,356</b>	<b>843</b>	<b>2,448</b>	<b>17,646</b>



## ENVIRONMENT AND REGENERATION DEPARTMENT

### Departmental Summary

#### FULL TIME EQUIVALENTS (FTE)

Permanent Staff

Fixed Term Contract

Total FTE

2021/22	2022/23
371	381
13	17
384	398

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000
<b>Expenditure</b>				
Employees	19,792	131	20	19,943
Premises	3,079	78	305	3,462
Transport	1,342	32	(62)	1,312
Supplies and Services	21,544	532	285	22,360
Third Party Payments	3,242	83	63	3,388
Transfer Payments	0	0	0	0
Support Services	7,844	2	87	7,933
Depreciation and Impairment Losses	11,700	0	0	11,700
<b>GROSS EXPENDITURE</b>	<b>68,543</b>	<b>857</b>	<b>698</b>	<b>70,098</b>
<b>Income</b>				
Government Grants	(8)	0	(41)	(49)
Other Reimbursements and Contributions	(7,873)	0	(656)	(8,529)
Customer and Client Receipts	(44,245)	0	1,133	(43,113)
Recharges	(2,061)	(14)	0	(2,075)
Reserves	(0)	0	1,314	1,314
<b>GROSS INCOME</b>	<b>(54,187)</b>	<b>(14)</b>	<b>1,750</b>	<b>(52,452)</b>
<b>NET EXPENDITURE</b>	<b>14,356</b>	<b>843</b>	<b>2,448</b>	<b>17,645</b>

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(523)	0
Growth	909	4
Depreciation adjustments	0	0
Overheads adjustments	66	0
Transfer between departments	694	0
Technical adjustments	0	12
Use of Reserves adjustments	(432)	0
<b>TOTAL*</b>	<b>714</b>	<b>17</b>

\* Any difference due to roundings.

## ENVIRONMENT AND REGENERATION DEPARTMENT

### Public Space, Contracting, and Commissioning:

Greenspaces, Leisure & Culture, Transport Services, and Waste Management and Operations.

#### FULL TIME EQUIVALENTS (FTE)

Permanent Staff

Fixed Term Contract

Total FTE

2021/22	2022/23
70	70
1	1
71	71

#### SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000
<b>Expenditure</b>				
Employees	3,500	25	(119)	3,406
Premises	1,108	28	300	1,436
Transport	1,087	26	(47)	1,066
Supplies and Services	17,264	428	13	17,705
Third Party Payments	2,532	63	(7)	2,588
Transfer Payments	0	0	0	0
Support Services	1,663	0	19	1,682
Depreciation and Impairment Losses	2,883	0	0	2,883
<b>GROSS EXPENDITURE</b>	<b>30,037</b>	<b>570</b>	<b>159</b>	<b>30,766</b>
<b>Income</b>				
Government Grants	(7)	0	(41)	(48)
Other Reimbursements and Contributions	(1,063)	0	(611)	(1,674)
Customer and Client Receipts	(11,047)	0	832	(10,215)
Recharges	0	0	0	0
Reserves	0	0	475	475
<b>GROSS INCOME</b>	<b>(12,117)</b>	<b>0</b>	<b>655</b>	<b>(11,462)</b>
<b>NET EXPENDITURE</b>	<b>17,920</b>	<b>570</b>	<b>814</b>	<b>19,304</b>

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(104)	
Growth	475	
Depreciation adjustments	0	
Overheads adjustments	0	
Transfer between departments	(51)	
Technical adjustments	0	1.8
Use of reserves adjustments	0	
<b>TOTAL*</b>	<b>320</b>	<b>1.8</b>

\* Any difference due to roundings.

## ENVIRONMENT AND REGENERATION DEPARTMENT

**Public Protection:** Regulatory Services Partnership, Parking Control, Safer Merton.

### FULL TIME EQUIVALENTS (FTE)

Permanent Staff  
Fixed Term Contract  
Total FTE

2021/22	2022/23
202	206
10	16
211	222

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000
<b>Expenditure</b>				
Employees	10,176	62	200	10,438
Premises	788	20	0	808
Transport	175	4	(14)	165
Supplies and Services	1,220	29	366	1,615
Third Party Payments	351	11	70	432
Transfer Payments	0	0	0	0
Support Services	3,313	0	56	3,369
Depreciation and Impairment Losses	424	0	0	424
<b>GROSS EXPENDITURE</b>	<b>16,445</b>	<b>126</b>	<b>678</b>	<b>17,249</b>
<b>Income</b>				
Government Grants	(0)	0	0	(0)
Other Reimbursements and Contributions	(5,670)	0	(45)	(5,715)
Customer and Client Receipts	(24,236)	0	413	(23,823)
Recharges	0	0	0	0
Reserves	0	0	7	7
<b>GROSS INCOME</b>	<b>(29,906)</b>	<b>0</b>	<b>375</b>	<b>(29,531)</b>
<b>NET EXPENDITURE</b>	<b>(13,461)</b>	<b>126</b>	<b>1,053</b>	<b>(12,282)</b>

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(179)	
Growth	434	
Depreciation adjustments	0	
Overheads adjustments	43	
Transfer between departments	736	
Technical adjustments	0	10.5
Use of Reserves adjustments	(22)	
<b>TOTAL*</b>	<b>1,012</b>	<b>11</b>

\* Any difference due to roundings.

## ENVIRONMENT AND REGENERATION DEPARTMENT

**Sustainable Communities\*:** Traffic and Highway Services, Development Control, Building Control, Physical Regeneration, Spatial Planning and Policy, Regeneration Partnerships, Property Management, Transport Planning & Safety Education.

\* Greenspaces and Leisure & Development transferred to Public Space, Contracting & Commissioning.

### FULL TIME EQUIVALENTS (FTE)

Permanent Staff

Fixed Term Contract

Total FTE

2021/22	2022/23
91	98
2	
93	98

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000
<b>Expenditure</b>				
Employees	5,327	42	(61)	5,308
Premises	1,182	30	5	1,217
Transport	74	2	(1)	74
Supplies and Services	2,818	69	(94)	2,793
Third Party Payments	357	9	0	366
Transfer Payments	0	0	0	0
Support Services	2,735	2	9	2,746
Depreciation and Impairment Losses	8,394	0	0	8,394
<b>GROSS EXPENDITURE</b>	<b>20,886</b>	<b>153</b>	<b>(142)</b>	<b>20,897</b>
<b>Income</b>				
Government Grants	(1)	0	0	(1)
Other Reimbursements and Contributions	(1,140)	0	0	(1,140)
Customer and Client Receipts	(8,962)	0	(112)	(9,074)
Recharges	(886)	(14)	0	(900)
Reserves	(0)	0	832	832
<b>GROSS INCOME</b>	<b>(10,989)</b>	<b>(14)</b>	<b>720</b>	<b>(10,283)</b>
<b>NET EXPENDITURE</b>	<b>9,897</b>	<b>139</b>	<b>578</b>	<b>10,614</b>

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(240)	
Growth	0	4.3
Depreciation adjustments	0	
Overheads adjustments	21	
Transfer between departments	9	
Technical adjustments	0	
Use of Reserves adjustments	(410)	
<b>TOTAL*</b>	<b>(620)</b>	<b>4.3</b>

\* Any difference due to roundings.

## ENVIRONMENT AND REGENERATION DEPARTMENT

**Senior Management and Support:** The Department's senior management and secretarial support, and Business Performance.

### FULL TIME EQUIVALENTS (FTE)

**Permanent Staff**  
**Fixed Term Contract**  
**Total FTE**

2021/22	2022/23
8	8
0	0
8	8

### SUBJECTIVE ANALYSIS OF ESTIMATES

	2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Estimate £000
<b>Expenditure</b>				
Employees	790	2	0	792
Premises	1	0	0	1
Transport	7	0	0	7
Supplies and Services	242	6	0	248
Third Party Payments	2	0	0	2
Transfer Payments	0	0	0	0
Support Services	133	0	2	135
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>1,175</b>	<b>8</b>	<b>2</b>	<b>1,185</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Recharges	(1,175)	0	0	(1,175)
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(1,175)</b>	<b>0</b>	<b>0</b>	<b>(1,175)</b>
<b>NET EXPENDITURE</b>	<b>(0)</b>	<b>8</b>	<b>2</b>	<b>10</b>

Other variations are analysed as follows:

Major Items	£000	fte
Inflation on Income saving		
Savings	0	
Overheads adjustments	2	
Technical adjustments	0	
Use of Reserves adjustments	0	
<b>TOTAL*</b>	<b>2</b>	<b>0.0</b>

\* Any difference due to roundings.



## **2022/23 ESTIMATES**

# **COMMUNITY AND HOUSING DEPARTMENT**

**SUMMARY: COMMUNITY AND HOUSING**

	<b>2021/22</b>	<b>2022/23</b>
Number of FTE Staff	462.36	481.29
Number of FTE TUPE staff	14.26	8.58
Number of Fixed Term contract	11.40	11.49
<b>Total FTE</b>	<b>488.02</b>	<b>501.36</b>

**SERVICE AREA ANALYSIS**

	<b>2021/22 Original Estimate £000</b>	<b>Inflation £000</b>	<b>Other Variations £000</b>	<b>2022/23 Estimate £000</b>
Adult Social Care	62,232	1,345	171	63,748
Libraries and Heritage	3,201	65	(53)	3,213
Merton Adult Education	32	0	0	33
Housing General Fund	3,938	161	(238)	3,861
Public Health	0	0	0	0
<b>NET EXPENDITURE</b>	<b>69,403</b>	<b>1,572</b>	<b>(120)</b>	<b>70,855</b>

**COMMUNITY AND HOUSING DEPARTMENT**  
**Total**

The department includes Adult Social Care, Housing, Libraries, Public Health and Merton Adult Learning.

<b>FULL TIME EQUIVALENTS</b>	<b>2021/22</b>	<b>2022/23</b>
Number of FTE Staff	462.36	481.29
Number of FTE TUPE staff	14.26	8.58
Number of Fixed Term contract	11.40	11.49
<b>Total FTE</b>	<b>488.02</b>	<b>501.36</b>

**SUBJECTIVE ANALYSIS OF ESTIMATES**

	<b>2021/22 Original Estimate £000</b>	<b>Inflation £000</b>	<b>Other Variations £000</b>	<b>2022/23 Original Estimate £000</b>
<b>Expenditure</b>				
Employees	21,070	162	1,224	22,456
Premises	970	24	22	1,016
Transport	1,381	35	23	1,440
Supplies and Services	4,010	134	1,270	5,414
Third Party Payments	51,396	1,216	890	53,502
Transfer Payments	8,959	1	(1,999)	6,962
Support Services	8,147	0	1,440	9,587
Depreciation and Impairment Losses	832	0	(0)	832
<b>GROSS EXPENDITURE</b>	<b>96,766</b>	<b>1,572</b>	<b>2,870</b>	<b>101,208</b>
<b>Income</b>				
Government Grants	(2,210)	0	584	(1,626)
Other Reimbursements and Contributions	(11,952)	0	(370)	(12,323)
Customer and Client Receipts	(9,891)	0	(24)	(9,915)
Recharges	(3,310)	0	(1,624)	(4,934)
Reserves	0	0	(1,556)	(1,556)
<b>GROSS INCOME</b>	<b>(27,363)</b>	<b>0</b>	<b>(2,991)</b>	<b>(30,354)</b>
<b>NET EXPENDITURE</b>	<b>69,403</b>	<b>1,572</b>	<b>(120)</b>	<b>70,855</b>

Other Variations are analysed as follows:

<b>Major Items</b>	<b>£000</b>	<b>fte</b>
Salary	1,212	8.55
Savings	(1,659)	
Growth	1,521	
Overheads adjustments	(183)	
Depreciation & NNDR adjustments	0	
Inflation	0	
Rebasing of Income	0	
Technical adjustments	(2,373)	
Transfers between departments	(285)	
Grants-social care	1,647	
Other	0	
<b>TOTAL</b>	<b>(120)</b>	<b>8.55</b>



**COMMUNITY AND HOUSING DEPARTMENT**  
**Adult Social Care**

Adult Social Care is divided into three areas:- 1) Access & Assessment includes the following services:- older people, mental health, learning & physical disability, concessionary, reablement, equipment and safeguarding services. 2) Commissioning which includes:- Contracts, brokerage and voluntary organisation. 3) Direct Provision which includes all in-house provisions.

<b>FULL TIME EQUIVALENTS</b>	<b>2021/22</b>	<b>2022/23</b>
Number of FTE Staff	379.09	396.49
Number of FTE TUPE staff	14.26	8.58
Number of Fixed Term Contract	11.40	11.49
<b>Total FTE</b>	<b>404.75</b>	<b>416.56</b>

**SUBJECTIVE ANALYSIS OF ESTIMATES**

	<b>2021/22 Original Estimate £000</b>	<b>Inflation £000</b>	<b>Other Variations £000</b>	<b>2022/23 Original Estimate £000</b>
<b>Expenditure</b>				
Employees	18,275	140	1,212	19,627
Premises	366	9	22	398
Transport	1,347	34	23	1,404
Supplies and Services	3,189	86	1,332	4,607
Third Party Payments	46,317	1,075	1,133	48,525
Transfer Payments	8,429	1	(1,999)	6,432
Support Services	7,027	0	1,425	8,452
Depreciation and Impairment Losses	143	0	0	143
<b>GROSS EXPENDITURE</b>	<b>85,093</b>	<b>1,345</b>	<b>3,148</b>	<b>89,587</b>
<b>Income</b>				
Government Grants	(607)	0	585	(22)
Other Reimbursements and Contributions	(9,759)	0	(370)	(10,129)
Customer and Client Receipts	(9,185)	0	(12)	(9,197)
Interest	0	0	0	0
Recharges	(3,310)	0	(1,624)	(4,934)
Reserves	0	0	(1,556)	(1,556)
<b>GROSS INCOME</b>	<b>(22,861)</b>	<b>0</b>	<b>(2,978)</b>	<b>(25,839)</b>
<b>NET EXPENDITURE</b>	<b>62,232</b>	<b>1,345</b>	<b>171</b>	<b>63,748</b>

Other Variations are analysed as follows:

<b>Major Items</b>	<b>£000</b>	<b>fte</b>
Salaries	1,212	8.55
Savings	(1,594)	
Growth- Social Care Funding, Market Sustainability, Social Care Precept	1,521	
Overheads adjustments	(199)	
Depreciation & NNDR adjustments	0	
Inflation	0	
Rebasing of Income	0	
Technical adjustments- Concessionary Fares	(2,372)	
Transfers between departments/Service	(44)	
Grants-social care	1,647	
Other Income	0	
<b>TOTAL</b>	<b>171</b>	<b>8.55</b>

**COMMUNITY AND HOUSING DEPARTMENT**  
**Library & Heritage Services**

This service is provided through three main town centre libraries, Mitcham, Morden, Wimbledon and four neighbourhood libraries, Colliers Wood, Pollards Hill, Raynes Park and West Barnes. There are also additional services available for home visits and there is a Heritage Service located at Morden Library. The Service has also ventured into securing small grants from various organisations to produce various activities .

**FULL TIME EQUIVALENTS**

	2021/22	2022/23
Number of FTE Staff	30.05	29.58
Number of FTE TUPE staff	0.00	0.00
Number of Fixed Term Contract	0.00	0.00
<b>Total FTE</b>	<b>30.05</b>	<b>29.58</b>

**SUBJECTIVE ANALYSIS OF ESTIMATES**

	2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Original Estimate £000
<b>Expenditure</b>				
Employees	1,138	8	10	1,156
Premises	523	13	0	536
Transport	4	0	0	4
Supplies and Services	580	43	(59)	563
Third Party Payments	36	1	(1)	36
Transfer Payments	0	0	0	0
Support Services	725	0	9	733
Depreciation and Impairment Losses	621	0	0	621
<b>GROSS EXPENDITURE</b>	<b>3,627</b>	<b>65</b>	<b>(41)</b>	<b>3,651</b>
<b>Income</b>				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(85)	0	0	(85)
Customer and Client Receipts	(341)	0	(12)	(353)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(426)</b>	<b>0</b>	<b>(12)</b>	<b>(438)</b>
<b>NET EXPENDITURE</b>	<b>3,201</b>	<b>65</b>	<b>(53)</b>	<b>3,213</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Salary-contract post ended	0	
Savings	(62)	
Growth	0	
Overheads adjustments	9	
Depreciation adjustments	0	
Inflation	0	
Rebasing of Income	0	
Technical adjustments	0	
Transfers between departments	0	
Grants Decrease/(Increase)	0	C
Other	0	
<b>TOTAL</b>	<b>(53)</b>	<b>0.00</b>

**COMMUNITY AND HOUSING DEPARTMENT**  
**Merton Adult Learning**

This a commissioned service via South Thames College, RHACC, GSS and May Project Gardens. The service continues to provide popular courses whilst expanding provision for families and enhancing offer in Maths, English, employability courses and all funded by the Greater London Authority.

**FULL TIME EQUIVALENTS**

	2021/22	2022/23
Number of FTE Staff	3.75	3.75
Number of FTE TUPE staff	0.00	0.00
Number of Fixed Term contract	0.00	0.00
<b>Total FTE</b>	<b>3.75</b>	<b>3.75</b>

**SUBJECTIVE ANALYSIS OF ESTIMATES**

	2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Original Estimate £000
<b>Expenditure</b>				
Employees	200	0	1	201
Premises	17	0	0	17
Transport	0	0	0	0
Supplies and Services	21	0	0	21
Third Party Payments	1,228	0	0	1,228
Transfer Payments	0	0	0	0
Support Services	32	0	1	33
Depreciation and Impairment Losses	0	0	(0)	0
<b>GROSS EXPENDITURE</b>	<b>1,499</b>	<b>0</b>	<b>1</b>	<b>1,501</b>
<b>Income</b>				
Government Grants	(1,466)	0	(1)	(1,468)
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(1,466)</b>	<b>0</b>	<b>(1)</b>	<b>(1,468)</b>
<b>NET EXPENDITURE</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>33</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Salary	0	
Savings	0	
Growth	0	
Overheads adjustments	0	
Depreciation adjustments	0	
Inflation	0	
Rebasing of Income	0	
Technical adjustments	0	
Transfers between departments	0	
Grants-Decrease (Increase)	0	
Use of Reserves Adjustment	0	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>

**COMMUNITY AND HOUSING DEPARTMENT**  
**Housing General Fund**

This service provides a statutory housing functions which includes prevention ,relief of homelessness, enforcement of regulations for the private rented sector and the provision of mandatory grant assistance for improvements and adaptations via the Disabled Facilities Grant.

**FULL TIME EQUIVALENTS**

Number of FTE Staff

Number of FTE TUPE staff

Number of Fixed Term Contract

**Total FTE**

	2021/22	2022/23
Number of FTE Staff	31.41	33.41
Number of FTE TUPE staff	0.00	0.00
Number of Fixed Term Contract	0.00	0.00
<b>Total FTE</b>	<b>31.41</b>	<b>33.41</b>

**SUBJECTIVE ANALYSIS OF ESTIMATES**

	2021/22 Original Estimate £000	Inflation £000	Other Variations £000	2022/23 Original Estimate £000
<b>Expenditure</b>				
Employees	1,457	13	1	1,471
Premises	64	2	(0)	65
Transport	31	1	(0)	31
Supplies and Services	220	6	(3)	223
Third Party Payments	3,815	140	(242)	3,713
Transfer Payments	530	0	0	530
Support Services	363	0	7	369
Depreciation and Impairment Losses	68	0	0	68
<b>GROSS EXPENDITURE</b>	<b>6,547</b>	<b>161</b>	<b>(238)</b>	<b>6,470</b>
<b>Income</b>				
Government Grants	(136)	0	0	(136)
Other Reimbursements and Contributions	(2,108)	0	0	(2,108)
Customer and Client Receipts	(365)	0	0	(365)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(2,609)</b>	<b>0</b>	<b>0</b>	<b>(2,609)</b>
<b>NET EXPENDITURE</b>	<b>3,938</b>	<b>161</b>	<b>(238)</b>	<b>3,861</b>

Other Variations are analysed as follows:

Major Items	£000	fte
Salary	0	
Savings	(3)	
Growth	0	
Overheads adjustments	7	
Depreciation	0	
Inflation	0	
Rebasing of Income	0	
Technical adjustments	0	
Transfers between services	(242)	
Grants-Decrease (Increase)	0	
Other	0	
<b>TOTAL</b>	<b>(238)</b>	<b>0.00</b>

**COMMUNITY AND HOUSING DEPARTMENT**  
**Public Health**

Public Health services comprise of • Mandatory Services : Sexual health, NHS health checks, National Child Measurement Programme, Commissioning Support to CCG and the council, Health Protection Oversight and Health Intelligence including JSNA. • Universal Services : Smoking Cessation, Drugs and Alcohol, Obesity, Health Visiting Services, Improving Health and Wellbeing and all funded by the Public Health Grant.

<b>FULL TIME EQUIVALENTS</b>	<b>2021/22</b>	<b>2022/23</b>
Number of FTE Staff	18.06	18.06
Number of FTE TUPE staff	0.00	0.00
Number of Fixed Term Contracts	0.00	0.00
<b>Total FTE</b>	<b>18.06</b>	<b>18.06</b>

**SUBJECTIVE ANALYSIS OF ESTIMATES**

	<b>2021/22 Original Estimate £000</b>	<b>Inflation £000</b>	<b>Other Variations £000</b>	<b>2022/23 Original Estimate £000</b>
<b>Expenditure</b>				
Employees	1,298	0	0	1,298
Premises	2	0	0	3
Transport	2	0	(0)	2
Supplies and Services	2,605	0	2	2,607
Third Party Payments	6,696	0	240	6,936
Transfer Payments	0	0	0	0
Support Services	163	0	(2)	162
Depreciation and Impairment Losses	0	0	0	0
<b>GROSS EXPENDITURE</b>	<b>10,767</b>	<b>0</b>	<b>240</b>	<b>11,007</b>
<b>Income</b>				
Government Grants	(10,546)	0	(240)	(10,786)
Other Reimbursements and Contributions	(221)	0	0	(221)
Customer and Client Receipts	0	0	0	0
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
<b>GROSS INCOME</b>	<b>(10,767)</b>	<b>0</b>	<b>(240)</b>	<b>(11,007)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Other Variations are analysed as follows:

<b>Major Items</b>	<b>£000</b>	<b>fte</b>
Salary	0	
Savings	0	
Growth	0	
Overheads adjustments	0	
Depreciation adjustments	0	
Inflation	0	
Rebasing of Income	0	
Technical adjustments	0	
Transfers between departments	0	
Grants Reduction/(Increase)	0	
Other Income	0	
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>

## Standard Subjective Analysis – The Key

The CIPFA Service Reporting Code of Practice (SeRCOP) replaced the previous Best Value Accounting Code of Practice (BVACOP). SeRCOP applies to all local authority services throughout the United Kingdom from 1 April 2019 for the preparation of 2019/20 Budgets, Performance Indicators and Statements of Accounts.

The *Service Reporting Code of Practice* (SeRCOP) sets out guidelines for financial reporting, supplementing the principles and practice set out in the *Code of Practice on Local Authority Accounting in the United Kingdom*. It establishes proper practice with regard to consistent financial reporting below the statement of accounts level. It is prepared under International Financial Reporting Standards (IFRS) in accordance with the *Code of Practice on Local Authority Accounting*.

The aim is to ensure that there is consistent reporting of service costs and income across different service areas, thus building the framework for the production of comparative performance indicators. The code is revised annually to reflect changing circumstances across local authority services and changes in accounting standards.

The SeRCOP provides guidance in following areas:

- the definition of total cost
- service expenditure analysis – this provides service classifications and defines the mandatory divisions of service to which costs must be aggregated
- the recommended standard subjective analysis.

The **Recommended Standard Subjective Analysis** provides an analysis that is consistent with the subjective analysis required by government returns such as the Whole of Government Accounts.

**Subjective Analysis 2019-20** (Source: Cipfa SeRCOP)**Groups            Sub-groups****Employees**

This group includes the cost of employee expenses, both direct and indirect, to the authority.

## Direct employee expenses and benefits

- Salaries
- Employer's National Insurance contributions
- Employer's retirement benefit costs:
  - current service costs
  - past service costs
  - settlements
- Agency staff
- Employee allowances (not including travel and subsistence)

## Indirect employee expenses

- Relocation
- Interview
- Training
- Advertising
- Severance payments
- Employee-related schemes (eg welfare schemes, discount schemes)

## Contributions to employee-related provisions

- Debits relating from soft loans - employees
- Employee expenses and benefits - Schools

**Premises-related expenditure**

This group includes expenses directly related to the running of premises and land.

- Repairs, alterations and maintenance of buildings
- Energy costs
- CRC allowances
- Rents
- Rates
- Water services
- Fixtures and fittings
- Apportionment of expenses of operational buildings
- Cleaning and domestic supplies
- Grounds maintenance costs
- Premises insurance
- Contributions to premises-related provisions

**Transport-related expenditure**

This group includes all costs associated with the provision, hire or use of transport, including travelling allowances and home to school transport.

## Direct transport costs

- Repairs and maintenance, running costs and contributions to provisions in respect of vehicles, for example.
- Repairs and maintenance of (for example) roads are not included in this heading, but should be included in the relevant subjective headings (such as staff costs, supplies and services, etc).
- This could include the write-off in the year of any assets not deemed material by the authority's capital accounting policies (i.e. below de minimis thresholds set).

## Recharges

## Contract hire and operating leases

## Public transport

## Transport insurance

## Car allowances

## Contributions to transport-related provisions

**Supplies and services**

This group includes all direct supplies and service expenses to the authority.

## Equipment, furniture and materials

- All items used in the operation or administration of the service, unless specifically contained in another sub-group (e.g. communications and computing). This could include the write-off in the year of any assets not deemed material by the authority's capital accounting policies (i.e. below de minimis thresholds set).

## Catering

## Clothes, uniform and laundry

## Printing, stationery and general office expenses

## Services

## Communications and computing

## Members' allowances

## Expenses

## Grants and subscriptions

## Private Finance Initiative and Public Private Partnership schemes

## Contributions to provisions

## Miscellaneous expenses



**Third party payments**

A third party payment is a payment to an external provider or an internal service delivery unit defined as a trading operation – categories (a) to (d) in paragraph 2.30 of SeRCOP – which is operating independently, in return for the provision of a service or a subdivision of service as defined by Section 3 of SeRCOP.

- Independent units within the council; include services defined as category (a) to (d) in paragraph 2.30 of SeRCOP
- Joint authorities
- Other local authorities
- Health authorities
- Government departments
- Voluntary associations
- Other establishments
- Private contractors
- Other agencies
- Transport operators (in respect of concessionary fares)
- Debits relating from soft loans - third party payments

**Transfer payments**

This includes the cost of payments to individuals for which no goods or services are received in return by the local authority. Four sub-groups are suggested; however, this list is not exhaustive.

- Schoolchildren and students
- Adult Social Services clients
- Housing benefits
- Debits relating from soft loans - transfer payments

**Support services**

Charges for services that support the provision of services to the public. The charges should be apportioned or allocated to the service divisions which they support on the basis of the seven principles of apportionment specified in Section 2 of SeRCOP.

- Finance
- IT
- Human Resources
- Property Management/Office Accommodation
- Legal Services
- Procurement Services
- Corporate Services
- Transport Functions

**Depreciation and impairment losses**

This provides the subjective analysis that will record the revenue impact of capital items in the service revenue accounts of the authority.

- Depreciation
- Revaluation losses
- Loss on impairment of assets

Amortisation of intangible fixed assets  
 Movement in fair value of investment property

### **Income**

This group includes all income received by the service from external users or by way of charges. This group also includes recharges to internal users

Government grants

- Specific and special government grants.

Other grants reimbursements and contributions

- Revenue income received to finance a function/project jointly or severally undertaken with other bodies.
- Contributions from other local authorities.
- Value of costs recharged to outside bodies including other committees.

Customer and client receipts

- Sales of products or materials, data technology or surplus products.
- Fees and charges for services, use of facilities, admissions and lettings.
- Rents, tithes, acknowledgements, way leaves and other land and property-based charges of a non-casual user.

Interest

Recharges

- Value of costs recharged to internal users.

Credits resulting from soft loans

- All credits resulting from soft loans should be included in this subjective group (as a corporate entry).

### **Capital financing costs**

This group includes the corporate capital financing costs of the authority.

Interest payments

- Interest payments will include the interest element of payments made under on Balance Sheet PFI/PPP schemes

Debt management expenses

## Risk Analysis for General Fund

- 1 The Council's draft budget for 2022/23, has been analysed to identify key areas of risk. Costs that are regarded as fixed have been disregarded along with Schools' budgets.

	£m
<b>Expenditure</b>	
Employees	101.2
Premises Related Expenditure	8.5
Transport Related Expenditure	9.8
Supplies and Services	65.0
Third Party Payments	71.1
Transfer Payments	65.7
Support Services	35.5
Depreciation and Impairment Costs	25.6
Cost of Borrowing	11.2
Contingency	1.5
Corporate Provisions	8.5
<b>Incomes</b>	
Government Grants	100.0
Other Grants, Reimbursements and Contributions	28.7
Customer and Client Receipts	70.8
Recharges	36.2
Corporate Provisions	1.7
Asset Rentals: Depreciation & Impairment	25.6
<b>Overall Total</b>	<b>666.6</b>

2. In addition the savings proposals for 2022-26 have been assessed in terms of deliverable risk. The level of deliverable risk is:

Risk Rating	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total 2022-26 £000
Low	(46)	803	50	0	807
Medium	1,378	890	(111)	(111)	2,046
High	(732)	560	0	0	(172)
<b>Total</b>	<b>600</b>	<b>2,253</b>	<b>(61)</b>	<b>(111)</b>	<b>2,681</b>

3. Using the data available the levels of risk for the key areas have been assessed as shown in the following table:-

### Risk Analysis 2022/23

	£m	Min %	Mid %	Max %
Employees (exc.DSG)	101.2	0.30	0.50	0.75
Premises Related Expenditure	8.5	1.50	2.50	3.50
Transport Related Expenditure	9.8	1.00	2.00	3.00
Supplies and Services exc. DSG	65.0	1.25	2.00	3.00
Third Party Payments	71.1	3.75	5.50	7.50
Transfer Payments	65.7	2.75	3.75	4.75
<b>Incomes</b>				
Government Grants exc. DSG	75.0	1.00	2.00	3.00
Other Grants, Reimbursements and Contributions	28.7	1.00	2.00	3.00
Customer and Client Receipts	71.5	1.75	3.00	4.00
<b>Savings</b>				
Low Deliverability Risk	(0.1)	1.50		
Medium Deliverability Risk	1.4		3.00	
High Deliverability Risk	(0.1)			7.50
DSG (based on deficit - December 2021 monitoring)	37.8	10.00	50.00	100.00
Safety Net Threshold	1.7	100.00	100.00	100.00
Price Inflation Risk (per 1% increase)	1.5	25.00	50.00	75.00
<b>Total</b>	<b>538.7</b>			

4. Applying the risk levels in the table above produces the following level of addressed risk:

	£m	Min £m	Mid £m	Max £m
Employees exc.DSG	101.2	0.30	0.51	0.76
Premises Related Expenditure	8.5	0.13	0.21	0.30
Transport Related Expenditure	9.8	0.10	0.20	0.29
Supplies and Services exc. DSG	65.0	0.81	1.30	1.95
Third Party Payments	71.1	2.67	3.91	5.33
Transfer Payments	65.7	1.81	2.46	3.12
Incomes				
Government Grants exc. DSG	75.0	0.75	1.50	2.25
Other Grants, Reimbursements and Contributions	28.7	0.29	0.57	0.86
Customer and Client Receipts	71.5	1.25	2.15	2.86
Savings				
Low Deliverability Risk	(0.1)	(0.0)		
Medium Deliverability Risk	1.4		0.04	
High Deliverability Risk	(0.1)			-0.01
DSG (based on deficit - December 2021 monitoring)	37.8	3.78	18.91	37.82
Safety Net Threshold	1.7	1.71	1.71	1.71
Price Inflation Risk (per 1% increase)	1.5	0.37	0.74	1.11
Total	538.7	13.97	34.21	58.36

## 1. SECTION 3: Schools Funding 2022/23

- 1.1 The Government announced the Dedicated Schools Grant (DSG) allocation on 16<sup>th</sup> December 2021, and Merton's allocation is split over the four blocks as below:

<b>DEDICATED SCHOOLS GRANT ALLOCATIONS</b>			
<b>Description</b>	<b>2022/23 £'000</b>	<b>2021/22 £'000</b>	<b>% increase</b>
Schools Block	*139,774	137,499	2%
Central Schools Services Block	1,106	1,094	1%
Early Years Block	15,486	16,518	-6%
High Needs Block	43,161	40,081	8%
Less TPG/TPECG	*inc in base	-6,333	-3%
Less NNDR	-2,868	*inc in base	0%
<b>Total as at Schools Forum meeting</b>	<b>196,658</b>	<b>188,859</b>	
Academy recoupment	-33,194	-30,446	9%
<b>Final allocation for the year</b>	<b>163,464</b>	<b>158,413</b>	
	<i>Overall % increase</i>	<i>4%</i>	<i>3%</i>

- 1.2 The DSG allocation for 2022/23 now includes the allocation for the Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grant (TPECG) within the DSG school block baseline.
- 1.3 From 2022/23 the National and Non Domestic Rates (NNDR) payments will be administered by the Education and Skills Funding Agency (ESFA) and the 2021/22 rates for schools have been used and the final NNDR cost will be deducted from the DSG allocation received by the local authority (LA).
- 1.4 This section provides details of how the four blocks of the DSG are budgeted to be used in 2022/23.

## 2. Schools Block

- 2.1 The Schools Block allocation of £139.774m is split into the following expenditure types as below:

<b>Schools Block</b>	<b>2022/23</b>	<b>2021/22</b>	<b>%</b>
<b>Description</b>	<b>£'000</b>	<b>£'000</b>	<b>increase</b>
Growth Fund/Falling Rolls	300	640	-213%
Transfers to the High Needs Block (0.5%)	698	656	6%
*Secretary of State approval (cash transfer £500k to High Needs block)	*500		0%
De-delegated items	1,910	1,905	0%
Central duties to maintained schools (ESG)	629	628	-1%
Individual School Budgets	135,737	133,670	3%
<b>Total Schools Block</b>	<b>139,774</b>	<b>137,499</b>	<b>2%</b>

2.2 The proposed falling rolls/ growth fund is £300k (0.21%) for 2022/23 (£640k in 2021/22).

2.3 Due to schools' falling rolls especially within the primary sector and in support of schools planning for this reduction, it is proposed to re-designate some of the growth funding and allocate to schools with falling rolls in accordance with the Department of Education (DfE) falling rolls criteria, outside of the school budget formula.

2.4 The proposed DfE Falling Rolls fund criteria to adopt is as designated by the DfE:

Identification of schools with falling rolls:

- The school must have been judged good or outstanding at their last Ofsted inspection
- The total NOR has dropped by at least 5% between last October census and the previous year's October census
  - Capacity of school is a minimum of 15% of published admission number (PAN)
  - The school doesn't have excessive balances (10% or more) • local planning data shows the places will be required within the next 3 – 5 years

Where a school meets all the above criteria, funding will be provided using the following calculation:

- The NOR as at last October census will be deducted from the NOR of the previous October's census. The result will be multiplied by the current base rate, appropriate to phase, pro rata April - August (5 months).

2.5 The table below details the proposed funding to schools for financial year 2022/23 and proposed allocation of £249k 5/12ths funding covering April 2022

to August 2022, for maintained schools and 7/12ths covering September 2022 to March 2023 for academies:

URN	LAESTAB	School Name	NOR 2021/22	NOR 2022/23	Pupil change (number)	% change	50% AWPU (pro-rotta)	Balances above 10%	Ofsted
<b>Total</b>			<b>24,506</b>	<b>24,145</b>	<b>- 361</b>	<b>1.5%</b>	<b>£3,716</b>		
102672	3153506	The Priory CofE School	266	204	- 62	23%	£48,004	N	G
141027	3152001	Park Academy	154	138	- 16	10%	£12,388	Academy	G
146401	3152004	Stanford Primary School	167	151	- 16	10%	£12,388	Academy	no inspection
102661	3152090	William Morris Primary School	300	274	- 26	9%	£20,131	N	G
102667	3153500	St Peter and Paul Catholic Primary School	343	316	- 27	8%	£20,905	N	G
102638	3152066	Merton Abbey Primary School	196	181	- 15	8%	£11,614	N	G
102636	3152064	Lonesome Primary School	342	318	- 24	7%	£18,582	N	G
102646	3152074	The Sherwood School	339	316	- 23	7%	£17,808	N	G
102655	3152084	Hillcross Primary School	455	428	- 27	6%	£20,905	N	G
102664	3153302	St Matthew's CofE Primary School	188	177	- 11	6%	£8,517	N	G
102643	3152071	Haslemere Primary School	364	344	- 20	5%	£15,485	N	G
147970	3152054	Benedict Academy	200	190	- 10	5%	£7,743	Academy	no inspection
133774	3153507	St Thomas of Canterbury Catholic Primary School	437	416	- 21	5%	£16,259	N	G
143133	3152003	Beecholme Primary School	177	172	- 5	3%	£3,871	N (A) 19/20	G

- 2.6 There is budget provision for one Primary school that are continuing to provide extra classes flowing through the school with a funding allocation of £60k if required.
- 2.7 With regard to existing secondary schools including Academies, there is budget allocation of £80k based upon allocations for 2021/22. If necessary to ensure sufficient school places are provided in the area as the first priority is to make all schools fill first; a review will be undertaken in mid-February as in previous years when the first results of the Pan-London admissions data exchange is known.
- 2.8 New free schools as they increase in size (Park Community School that opened in 2014 and Harris Academy Wimbledon that opened in September 2018) are funded through the schools funding formula rather than through bulge classes. These costs are included in the formula and not funded from the growth fund. The maximum block transfer allowed without applying for a disapplication request is 0.5%.
- 2.8.1 School Forum approval is required for the Growth Fund provision each year and new proposed Falling Rolls criteria for 2022/23. This was approved at the meeting 13<sup>th</sup> January 2022.
- 2.9 For 2022/23 Merton will transfer £698k (0.5%) from the Schools Block to the High Needs Block (£656k in 2021/21). This represents 0.5% of the School Block allocation and will be used to fund the growing cost pressure of increased SEN pupils in mainstream schools with Education Health and Care Plans (EHCPs).
- 2.9.1 Following the consultation with schools, School Forum agreed the transfer from the schools block to the high needs block at their meeting on 3rd November 2021 and ratified this decision at the meeting 13<sup>th</sup> January 2022.



2.10 As reported to School Forum 3rd November and in support of the DfE Safety Valve plan as part of the recovery of the cumulative DSG deficit £25m, it was proposed to top-slice £500k from the school block to the high needs block in support of continued high needs ongoing pressures. This will be a Dis-application request application submitted to the Secretary of State (SOS) for approval in January 2022.

2.11 The Dis-application request was submitted to the Secretary of State (SOS) on 19th November 2021 for approval and outcome will be known end of January 2022.

2.12 Total de-delegated budget for 2022/23 is £1.910m (£1.905m in 2021/22). The table details the total allocation of de-delegated services as well as the unit cost for each of these services for 2022/23 and comparable 2021/22 for transparency reporting to schools.

2.12.1 Both Primary and Secondary schools de-delegated budgets have been set based on the agreement by the relevant phase representatives at Schools Forum on the 3rd November 2021 and ratified at School Forum 13<sup>th</sup> January 2022.

<b>Table 4- De-delegated budgets</b>	<b>Budget 2022/23</b>	<b>Sector</b>	<b>2021/22 Unit Cost</b>	<b>Budget 2021/22</b>	<b>2020/21 Unit Cost</b>	<b>Measure</b>
<b>Service</b>	<b>£'000</b>			<b>£'000</b>		
Copyright Licensing Agency (CLA) <i>recharged via DfE</i>	£123	Primary	£6.46	£119	£6.36	NOR
		Secondary				
Schools catering equipment insurance	£40	Primary	£2.91	£40	£2.79	NOR
		Secondary	n/a		n/a	
Support & Challenge Programme	£400	Primary	£29.08	£400	£20.35	NOR
		Secondary	£74.92		£74.85	
Attain	£100	Primary	£7.27	£100	£5.09	NOR
		Secondary	£18.73		£18.71	
Parenting cover and public duties	£756	Primary	£39.59	£755	£38.40	NOR
		Secondary				
Ethnic minorities & bilingual learners	£70	Primary	£20.07	£70	£19.03	EAL
		Secondary				
Tree insurance / maintenance	£65	Primary	£3.40	£65	£3.31	NOR
		Secondary				
Behaviour Support	£207	Primary	£44.98	£207	£42.03	Low Att
		Secondary				
School Improvement	£149	Primary	£7.80	£149	£7.58	NOR
		Secondary				
<b>Total budget</b>	<b>£1,910</b>			<b>£1,905</b>		

(NOR= Number on Roll; EAL factor= English as an Additional Language; Low Att= Lower Attainment factor for low cost, high incidence SEN)

- 2.13 In order to maintain the statutory central duties to Merton maintained schools (the services previously funded by the Education Service Grant (ESG)), schools are required to make a contribution towards these services based on numbers on roll through the Age Weighted Pupil Unit (AWPU) factor (funded NOR for special schools). The cost to primary, secondary and special schools will be £31.95 per pupil on roll to provide an overall de-delegated budget of £650k (the same as in 2021/22).
- 2.13.1 Schools Forum approval is required for a contribution to responsibilities that local authorities hold for maintained schools.
- 2.14 For 2022/23 budget setting this means that £628k is contributed from the schools block while £22k comes from the high needs block for special schools (2021/22 budget split was same £628k school block and £22k high needs block). As detailed in the schools consultation document, schools are funding 32% of the costs while the LA funds 68%. We have maintained the local authority funding of these services to minimise the impact on school budgets.
- 2.15 The total amount available to be paid to schools, academies and free schools for 2022/23 as part of the Individual Schools Budget (ISB) is £135.737m (£133.819m in 2021/22) Details of which can be found at Annex 1.

### **3. School Funding Formula Factors**

- 3.1 Following consultation with schools and the agreement of the Schools Forum at their meeting on the 3rd November 2021, Merton is using the National Funding Formula (NFF) to delegate funding to schools and academies in 2022/23. (Option A as per the consultation). A summary of the factors used and the total budgets allocated against each factor is set out in the Authority Proforma Tool (APT) which can be found at Annex 2.
- 3.2 Core NFF funding covers funding through the basic per-pupil, deprivation, low prior attainment (LPA), English as an additional language (EAL), mobility, lump sum, and sparsity factors. The area cost adjustment (ACA) is also applied to uplift funding in line with local labour market costs. The minimum per pupil funding and the funding floor are applied to ensure that all schools attract at least the minimum level of per pupil funding through the formula and that all schools attract at least a 2% increase compared to their 2021-22 baseline pupil-led funding per pupil.
- 3.3 The Age Weighted Pupil Unit (AWPU) rates for Primary and Secondary KS3 and KS4 are the NFF rates plus an Area Cost Adjustment (ACA) of 1.1485. These are shown below with a comparison against 2020/21.

AWPU rates	2022/23	2021/22
Description		
Primary	£3,695	£3,386
Secondary Key Stage 3	£5,210	£4,796
Secondary Key Stage 4	£5,871	£5,400

- 3.4 The primary to secondary funding ratio is 1:1.35 in 2022/23 to 1:1.34 in 2021/22. This is due to growth in census in secondary schools.
- 3.5 The Income Deprivation Affecting Children Index (IDACI) element of the deprivation factor is based on the IDACI dataset for 2019, which is published by the Ministry for Housing, Communities and Local Government (MHCLG). IDACI is a relative measure of socio-economic deprivation: an IDACI 'score' is calculated for a lower super output area (LSOA, an area with typically about 1,500 residents) based on the characteristics of households in that area. The IDACI score of a given area does not mean that every child living in that area has particular deprivation characteristics: it is a measure of the likelihood that a child is in a household experiencing relative socio-economic deprivation. LSOAs are ranked by score, from the most deprived LSOA, with the highest score, to the least deprived LSOA is a subset of the Indices of Multiple Deprivation (IMD). It is an area-based measure which is interpreted as the proportion of families with children under 16 which is income deprived
- 3.6 For school funding purposes, the NFF uses IDACI ranks to group LSOAs into seven bands of decreasing deprivation; for example, Band A comprises the most deprived 2.5% of LSOAs:
- Pupils in the most deprived 2.5% of LSOAs 1 to 821 - Band A
  - Pupils in the next 5% most deprived LSOAs 822 to 2463 – Band B
  - Pupils in the next 5% most deprived LSOAs 2464 to 4105 – Band C
  - Pupils in the next 5% most deprived LSOAs 4106 to 5747 – Band D
  - Pupils in the next 10% most deprived LSOAs 5748 to 9032 - Band E
  - Pupils in the next 10% most deprived LSOAs 9033 to 12316- Band F
- 3.6 Pupils eligible to attract funding through the NFF English Additional Language (EAL) factor are those recorded on the census as having entered state education in England during the last three years, whose first language is not English. This measure is called "EAL3" in the current LA local funding arrangements. The EAL factor unit values used are NFF rates £648.89 (£625.44 for 2021/22) and £1,757.17 (£1,683.45 in 2021/22) for Primary and Secondary schools respectively. This allocates a total budget of £3.034m (£3.041m in 2021/22) for Primary schools. The reduction in EAL budgets is due to a reduction in census of 5% decline in EAL pupils recorded on census
- 3.7 In calculating Low Prior Attainment (LPA) the early years foundation stage profile (EYFSP) and key stage 2 (KS2) attainment data is used to work out how

many pupils are eligible for funding through the LPA factor. As with the other factors, data for LPA as recorded in the 2021-22.

- 3.8 The cancellation of assessments due to the COVID-19 pandemic means that Attainment data is not available for those who would have taken the tests in 2020. The same proportion of these pupils is assumed to have LPA as those who took the tests in 2019.
- 3.13 In the APT, the Low Prior Attainment (LPA) pupil numbers are weighted to reflect the fact that the proportion of pupils reaching the expected standard in key stage 2 tests has changed over time. The weightings are:
- For pupils in year 7 and 8 in October 2020: 0.64527
  - For pupils in year 9 in October 2020: 0.63586
  - For pupils in year 10 in October 2020: 0.58045
  - For pupils in year 11 in October 2020: 0.48019
- 3.9 APT Primary Low Attainment NFF unit value for 2022/23 is £1,297.78 per eligible primary pupil (£1,245.05 in 2021/22), and the Secondary NFF unit value is £1,757.17 (£1,882.20 in 2021/22). This results in budgets of £8.601m (2022/23) and £8.978m (2021/22) for schools respectively
- 3.10 The pupils' eligible for funding through the NFF mobility factor are pupils whose school census record at their current school (or one of its predecessors) in the last three years indicates an entry date which is not typical<sup>9</sup>. For year groups 1 to 11, 'typical' means that the first census on which a pupil is recorded as attending the school (or its predecessors) is the October census. So, 'not typical' means that the first census a pupil is recorded as attending the school is a January or May census. For the reception year, 'typical' means the first census is October or January.
- 3.11 Due to COVID-19, there was no school census in May 2020, so it was not possible to detect a pupil's arrival at a school in the usual way. Instead, where a pupil who was not at the school in the January census has an entry date recorded in the October 2020 census of between the date of the January 2020 census and the date of the (cancelled) May 2020 census, that pupil attracts mobility funding (as long as the school itself was open before the January 2020 census).
- 3.12 NFF Mobility rates of £1,062.34 primary, secondary £1,527.48 per eligible pupil starting outside of normal entry dates (2022/23) and £1,022.93 primary, secondary £1,461.33 (2021/22). The increase in 2022/23 budget is due to an increase in pupils starting school outside of the normal entry dates forecasted by the DfE.
- 3.13 The 2022/23 NFF lump sum factor is £110k, and each school receives this funding irrespective of its size or phase. From last year there is a small reduction from 2021/22 of £135k to reflect the falling rolls fund to allocate funding directly to those schools with falling rolls outside of the formula.

The split site factor has been increased by the ACA from £90k (2021/22) to £91k (2022/23). This is payable to one school in Merton.

- 3.14 The minimum funding guarantee (MFG) was set at 1.91% based upon affordability within the financial funding envelope in 2021/22 and in the consultation document with schools agreed at the Schools Forum meeting on the 4th November of 2% MFG protection to be set for 2022/23. Due to reduced census and DfE guidance on the MFG, this is permissible up to 2% maximum protection. Schools will be protected up to 2% on the funding floor for 2022/23. This requirement for MFG has decreased from £5.639m in 2021/22 to £702k funding protection in 2022/23. The majority of the protection is due to the census reduction in 2022/23 and in 2021/22, the protection related to the TPG/TPECG grant that is now included in the schools' funding baseline.
- 3.15 Capping and scaling within the formula has been applied as last year for 2022/23 of 10% capping and 100% scaling. This caps allows school funding gains at 10% and ensures all schools are scaled or set at 100% maximum formula within the Authority Proforma Tool (APT).
- 3.16 These figures exclude the 6th form funding which still needs to be provided by the ESFA and does not form part of the schools funding formula. It also excludes additional resource provision and individual pupil statement funding which forms part of the high needs block.
- 3.17 The figures in Annex 1 exclude the bulge class funding, falling rolls and growth funding which is held centrally and will be paid to schools as part of monthly advance payments.
- 3.18 Pupil Premium funding is not included in these figures and the 2022/23 allocations will be provided separately when maintained schools are informed of their budgets for 2022/23 on 28th February 2022. Schools should use the 2021/22 figures to estimate their funding for 2022/23 until school allocations are published.
- 3.19.1 School Forum approval is required for the formula based upon the consultation exercise and meeting 4th November 2021 and responses received plus final ratification 13<sup>th</sup> January 2021. School Forum noted that there may be changes due to the ESFA data checking and validation exercise they undertake on all LA formulas for compliance but an update would be provided.
- 3.20 **Schools Supplementary Grant Funding**
- 3.21 As part of the published DSG allocations for 2022/23, schools' will receive an additional Schools' Supplementary Grant, **outside of the DSG** and individual school allocations are due to be published Spring 2022, this funding is to reflect the costs of the health and social care levy, and other cost pressures.
- 3.22 Indicative published allocations for Merton is:
- School block £4m

- High needs block £2m

DfE guidance specifies the schools supplementary grant will fund the following providers:

- maintained nursery schools
- primary and secondary maintained schools
- primary and secondary academies and free schools (*will receive funding direct from ESFA*)
- all through maintained schools
- all through academies (*will receive funding direct from ESFA*)
- 16 to 19 maintained schools
- 16 to 19 academies (*will receive funding direct from ESFA*)
- city technology colleges

The schools supplementary grant will only be payable to public sector employers. This means that further education colleges, sixth form colleges, independent learning providers, as well as private and voluntary sector early years providers will not be eligible to receive this funding.

Indicative rates published:

- The base per-pupil funding rate for early years provision in schools, and for maintained nursery schools, will be £24 per pupil.
- The base funding rates for 5 to 16 schools -
- £97 for primary pupils,
- £137 for key stage 3 pupils,
- £155 for key stage 4 pupils.
- Lump sum of £3,680
- FSM6 per-pupil rate of £85 per eligible primary pupil
- FSM6 per-pupil rate of £124 per eligible secondary pupil
- The base per-student funding rate for 16-19 provision in schools, including 16 to 19 schools and academies, will be £35 per student.

From 2023/24 this grant will be rolled into the NFF funding allocations (part of DSG in 2023/24).

#### **4. Central Schools Services Block**

4.1 The central school services block (CSSB) was introduced in 2018/19 to fund local authorities for the statutory duties that they hold for both maintained schools and academies. The CSSB brings together:

- Funding for ongoing central functions, such as admissions, previously top-sliced from the schools block.
- Residual funding for historic commitments, previously top-sliced from the schools block and now subject to 20% (saving) reduction each year.

- Funding previously allocated through the retained duties element of the Education Services Grant (ESG).
- Provisional NFF allocations published in July was based upon forecast census and final allocations are:

Region	LA number	LA name	NFF funding in 2022-23				
			Per-pupil rate for ongoing responsibilities	2021-22 DSG schools' block pupil count	Total funding for historic commitments	Total central school services block funding	
Outer London	315	Merton	£41.55	24,424	£106,107	£1,120,886	PROVISIONAL
			£41.55	24,068	£106,107	£1,106,094	FINAL

4.2 Merton's Central Schools Services Block retained items are detailed in the table below.

Central Services School Block (CSSB)	2021/22	2021/22
Description	£'000	£'000
Central licences negotiated by the Secretary of State	126	125
School admissions	276	276
Servicing of school forums	12	12
Prudential borrowing	207	207
Statutory and regulatory duties LAs hold for all schools (including academies & free schools)	412	412
One off transfer from school block	0	0
Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grant (TPECG)	74	67
<b>Total Schools Block</b>	<b>1,106</b>	<b>1,099</b>

4.2.1 School Forum approval is required on a line by line basis for School admissions, servicing of school forums, Prudential borrowing and Statutory and regulatory duties that LA's hold for all schools (including academies and free schools).

4.3 The statutory and regulatory duties that LAs hold for all schools, including academies and free schools, (as set out in Schedule 2, Parts 1 to 5 of the School and Early Years Finance Regulations 2017) does not include funding that has been retained centrally from maintained school budgets only (as set out in Schedule 2, Parts 6 and 7).

## 5. Early Years Block

5.1 The DFE allocated Early Years Block allocation is split into the following areas as detailed below:

Description	2021/2022 £'000	PTE	Hourly rate	2022/23 £'000	PTE	Hourly rate	Difference in places take up
3&4 YO universal funding	£11,619,725	3,526.90	£5.78	£10,929,652	3,222.66	£5.95	-9%
3&4 YO extended funding	£3,242,711	984.25	£5.78	£3,137,986	925.25	£5.95	-6%
2 Year Old Offer	£1,496,724	431.88	£6.08	£1,252,812	349.43	£6.29	-19%
Pupil Premium	£113,720	376.43	.53p	£108,302	316.67	.60p	-16%
Disability Access Fund	£44,895	73	£615 per annum	£56,800	71	£800 per annum	-3%
<b>Total Early Years Block</b>	<b>£16,517,775</b>			<b>£15,485,552</b>			

## 5.2 Funding for the free early years childcare entitlements

The increased hourly rates for the early years free entitlements for 2-year-olds and 3 and 4-year-olds were announced in November 2021 as set out in the [2022 to 2023 early years technical note](#).

Funding for the early years free entitlements includes:

- universal 15-hour entitlement for 3 and 4-year-olds
- additional 15-hour entitlement for 3 and 4-year-old children of eligible working parents
- 15 hours entitlement for disadvantaged 2-year-olds

The indicative allocations for each local authority for the above funding streams is calculated as follows:

- the number of part-time equivalents (PTEs) taking up the entitlements as recorded on the January 2021 schools, early years and AP censuses
- multiplied by 15 hours x 38 weeks x local authority's hourly funding rate ESFA will update these initial allocations in:
- July 2022 based on January 2022 PTE census numbers
- July 2023, based on five-twelfths of the January 2022 PTE census numbers (to cover the April 2022 to August 2023 period), and seven-twelfths of the January 2023 PTE census numbers (to cover the September 2022 to March 2023 period)

This means that the final allocations for each of these funding streams will be based on (five-twelfths January 2022 PTE census numbers) + (seven-twelfths January 2023 PTE census numbers)

### Early years pupil premium (EYPP)

The national rate for EYPP is 60 pence per hour per eligible child, up to a maximum 570 hours per year, as set out in the [2022 to 2023 early years technical note](#).



The indicative allocation for each local authority is calculated as follows:

- the number of PTEs taking up the EYPP as recorded on the January 2021 schools, early years and AP censuses.
- multiplied by 15 hours × 38 weeks × £0.60

ESFA update these initial allocations in:

- July 2022 based on January 2022 PTE census number
- July 2023, based on five-twelfths of the January 2022 PTE census numbers (to cover the April 2022 to August 2023 period), and seven-twelfths of the January 2023 PTE census numbers (to cover the September 2022 to March 2023 period)

### **Disability Access Fund**

The national rate for DAF is £800 per eligible child per year.

Allocations are calculated based on Disability Living Allowance (DLA) data from February 2021. These allocations will not change and are final for 2022 to 2023.

For each local authority, the total February 2021 DLA claimant count of 3 and 4-year-old children, using data from the Department for Work and Pensions (DWP), is adjusted to remove an estimated number of children in reception. This gives an estimate of the number of 3 and 4-year-olds eligible to take up DAF in the local authority, which is multiplied by £800 to arrive at the final allocation

- 5.3 On receipt of the 3 and 4 allocation, the LA does the following:
- Allocates 5% for retained items (the maximum that can be retained is 5%)
  - Allocates 95% of the budget (called pass through) to the required base rate and supplements (not be greater than 10% of the total allocation within the formula), SENDIF and contingency.

### **5.4 Early Years Funding Rates**

The table below shows how the DFE allocation of £5.95 per hour is applied across the various elements. To note not all children receive all elements, the purpose is to show the proportionate amount for each element (not per child), and how the 95% high pass through rate is applied.

### 3 and 4-year-old formula

3 4 Year Old		
Type	%	£ / Hour
Gov Rate	100.00%	£5.95
Retention	5.00%	£0.30
Base Rate – all places	86.72%	£5.16
Sparsity	0.18%	£0.01
Deprivation	2.44%	£0.15
SENIF 1b	0.12%	£0.01
SENIF 1c	2.99%	£0.18
SENIF 1d	0.93%	£0.06
Contingency	1.62%	£0.10

5.5 On receipt of the 2 year allocation, the LA does the following

- Allocates 100% to the required base rate, SENDIF and contingency

### 2 year old formula

2 Year Old		
Type	%	£ / Hour
Gov Rate	100.00%	£6.29
Retention	0.00%	£0.00
Base Rate	94.59%	£5.95
Sparsity	0.00%	£0.00
Deprivation	0.00%	£0.00
SENIF 1b	0.30%	£0.02
SENIF 1c	5.07%	£0.32
Contingency	0.03%	£0.00

5.6 Due to the coronavirus outbreak, parental demand for childcare has changed, resulting in a decrease in demand in the number of families requiring childcare and early years education provision.

5.7 The Early years DSG budget at the start of the financial year is distributed on the previous year's take up, the funding allocation is then updated and adjusted mid-year to reflect more recent data and then a final reconciliation is made in the financial year based on actual take up

- 5.8 This means that the LA (Local Authority) needs to consider any grant clawback or carry forward at the end of the financial year to reflect any adjustment the DFE make around July time.
- 5.9 In 2022/23, the majority of LAs received an increase in their hourly rate for 2-, 3- and 4-year-old places. Most of this funding, as part of the 95% high pass through rate must be given to providers, and on this basis, Merton are increasing the hourly rate of the base rate and the deprivation rate for 3 and 4 year olds , and the hourly rate for 2-year-olds
- 5.10 Spend for 3 and 4-year-old children for Merton maintained schools and PVI settings is planned/estimated in line with the table above. However, these are estimated budgets and the figures will be updated every term following the actual pupil counts.
- 5.11 A summary of the factors used and the total indicative budget allocations against each factor and payments of the formula for the maintained sector can be found at Annex 3.
- 5.12 Based on the allocation of budget from the DfE, the estimated funding relating to 2 year old children for Merton settings is shown above. The formula used to allocate this funding is detailed in section 4 of this report.
- 5.13 From the amounts given for places for 2-, 3- and 4-year-olds there is an allocation for centrally retained items which includes funding for training, inclusion and SEND support and advisory work, market management/ sufficiency and information, and back office/administrative functions. This represents 5% of the expected 3&4 year old grant which is £703,382. The amount of funding that must pass through to providers for 3- and 4-year-olds is called the “High Pass-Through Rate”.
- 5.14 The contingency for 2022/23 has been set at £227,372 and forms part of the high pass-through rate. This provides a small amount of funding to accommodate any variance in the actual take up of places that are not fully accounted for in the overall final grant allocation. It also allows some additional funds to support any possible pressure on the SENDIF or deprivation factor.
- 5.15 Early Years Pupil Premium (EYPP) is a separate funding stream. This is paid to settings and schools after each term’s headcount at 0.60 pence per hour. Any underspend on EYPP is expected to be clawed back. Total allocated budget is £108,301
- 5.16 The Disability Access Fund (DAF) is a one-off lump sum payment of £800 and the total budget is £56,800 The LA is currently able to retain the DAF, which has not been distributed to a setting, and use this in line with the principles and aims of DAF.

## 6. Early Years Funding Formula

- 6.1 In line with the statutory requirement Merton has one **base rate** in the formula for 3- and 4-year-olds (universal and extended entitlement) for all settings as below.

3 and 4 year old rate Description	2021/22 Rate	2022/23 Rate
All settings	£5.02	£5.16

- 6.2 Criteria for EYPP will continue to be used as a measure of **deprivation** for 2020/21.

Deprivation rate Description	2021/22 Rate	2022/23 Rate
Criteria for EYPP (deprivation)	1.00	£1.90p

- 6.3 The table below shows the optional supplementary supplement for “sparsity”

Sparsity rate Description	2021/22 Rate	2022/23 Rate
Sparsity/small providers child-minders	60p	60p

### Outside of formula: SEN Inclusion Fund

- 6.4 The table below shows the mandatory **SEN inclusion Fund** (SENIF) pupil rates (3- and 4-year-olds)

SENIF rate Description	2021/22 Rate	2022/23 Rate
SEN Support Level 1a (local offer)	nil	nil
SEN Support Level 1b	£2.80	£2.80
SEN Support Level 1c	£10.50	£10.50
SENDIF contribution to Special schools' level 1d – with EHCP	£14.05	£14.05

- 6.5 SEN support funding is allocated following the published criteria and associated processes. The SENDIF, whilst not an allowable supplement within the formula, is included within the 95% high pass through rate. There is a requirement to publish the value of the fund each year.
- 6.6 The indicative SENDIF budget for 2022/23 is £568,142
- 6.7 The funding element for each SEN support level of the SENIF is through this inclusion fund now more closely aligned to the schools methodology and maximises EY funding to support children with EHCPs.

### Outside of formula: Contingency

- 6.8 There is a contingency of £227,372 for 3- and 4-year-olds and to support any in-year growth for children, including those with SEND, children eligible for the deprivation factor and for children who start mid-way through a funding period (after headcount).
- 6.9 The contingency is included as part of the high pass-through rate and as such any surplus will be distributed across the sector following agreed methodology.

### Outside of formula: Retained Items

- 6.10 Within the grant allocation LAs can retain up to 5% of the total 3- and 4-year-old allocation for 2022/23.
- 6.11 Retained items can only be used to support the delivery of early year's provision in accordance with the statutory duties, including advice; training; information and securing sufficiency and market management. These duties are embedded within the Childcare Act 2006 and are underpinned by Statutory Guidance.
- 6.12 This year £703,382 has been given for retained items for 3- and 4-year-olds.

### 2-year-old formula

- 6.13 The table below shows the **base rate** for 2-year-olds

2 year old base rate Description	2021/2022 Rate	2022/23 Rate
All settings	£5.80	£5.95

### Outside of formula: SEN Inclusion Fund

- 6.15 The table below shows the **discretionary SEN Inclusion Fund** for 2-year-olds

SEN Inclusion 2 year old fund rate Description	2021/22 Rate	2022/23 Rate
SEN Support Level 1a (local offer)	nil	nil
SEN Support Level 1b	£2.55	£2.55
SEN Support Level 1c	£7.80	£7.80

- 6.16 The funding element for each level of the SENIF is through the inclusion fund,
- 6.17 There is no requirement to have a SENDIF for 2-year funding, and therefore there is not a requirement to publish this. However, the total indicative fund for 2-year-olds is £67,357.

## Outside of formula: Contingency

6.18 There is a limited contingency, which is a balancing budget.

6.20.1 School forum approval to retain 5% towards LA central costs is required.

## 7 High Needs Block

7.1 The high needs funding system is designed to support a continuum of provision for pupils and students with Special Educational Needs and Disabilities (SEND), from their early years to age 25.

7.2 Funding to institutions from the high needs block is allocated within the 'place plus' funding approach. The base funding ("place funding") is given to local authorities to distribute (commission) to institutions for them to provide places on an on-going basis. This is supplemented with "top-up funding" which follows individual pupils and students. The top-up funding provided to local authorities includes funding for central services or statutory duties to support these high cost places.

7.3 The table below shows how Merton's High Needs Block funding is allocated.

High Needs Block	2022/23	2021/22
Description	£'000	£'000
Mainstream settings (Individual SEN statements)	4,360	4,761
Special Schools	10,396	9,978
Additional Resource Provision bases	2,083	2,648
Pupil Referral Unit (PRU)	2,034	1,974
Centrally retained High Needs funding for commissioned services	466	466
SEN EHCPs (statements) for CYP	20,841	16,998
Post 16 FE and ISP funding	2,452	2,620
HN Contingency – additional funding	3,651	2,732
Centrally retained High Needs funding for special schools	52	52
Central duties to maintained schools (ESG)	15	15
Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grant (TPECG)	155	155
Recoupment for academies places commissioned	-1,668	- 1,662
Transfers from other blocks	-698	-656
SOS transfer (awaiting approval)	-500	
<b>Total Funding</b>	<b>44,359</b>	<b>40,081</b>

## Mainstream settings and SEN

- 7.4 Schools are expected to contribute the first £6,000 of additional educational support for High Needs pupils and students. This additional support is for a provision over and above the standard offer of teaching and learning for all pupils or students in a setting. Pre-16, schools and Academies will continue to receive a clearly identified 'notional' SEN budget from which to make this contribution. Merton will provide this budget for maintained schools while the ESFA will provide it for Academies. The notional SEN will comprise three elements as detailed below in the table below.

Notional Formula factor	2022/23
Age Weighted Pupil Allowance (AWPU)	2.50%
Deprivation (Free School Meals & IDACI)	10%
Low cost, high incidence SEN (Low Attainment)	100%

- 7.5 The total notional SEN budget is £12.453m for 2022/23 (£12.624m 2021/22) and should be used to support pupils with low cost, high incidence (LCHI) SEN as well as the first £6,000 support for pupils with EHCPs/statements.
- 7.6 The notional allocation is only a guide and schools are expected to set their budgets in such a way as to meet the needs of all their pupils, including those with additional needs, within the resources available.
- 7.7 Early Years settings with SEN children are funded differently from mainstream schools at SEN support, as all funding is child led. All children whose places are funded through the EY DSG (school nursery classes and PVI) receive their SEN funding as described in section 6 of this report.
- 7.8 Where schools have a high number of SEN students, the allocation to support these pupils through the schools formula might not be sufficient. Funding will be set aside in the High Needs Block to support such schools. If more than 2.5% of a school's NOR are pupils with statements, the excess percentage will be multiplied by the school's NOR and multiplied by £6,000 to calculate additional support for the school.
- 7.9 In 2022/23 £538k is earmarked from the budget to be allocated to schools through this mechanism and the table below details the calculation

Example of calculation	
9 pupils as a percentage of 186	4.84%
Less 2.5% threshold	2.34%
186 x 2.34%	4.35 pupils
4.35 pupils x £6,000	£26,100

- 7.10 The NOR is based on the October count and the numbers of SEN EHCPs are based on the numbers as per the October SEN EHCPs payment to schools. The number of EHCPs used will exclude pupils funded in special units.

7.11 Merton's basic EHCP/statement funding will be kept the same as in 2021/22 and is detailed in the table below.

EHCP funding			Universal	Entitlement	Extended	Entitlement
	Reception	onwards	2, 3 and 4	year olds	2, 3 and 4	year olds
Band	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
Band1	Part of £6,000 notional SEN funding	Part of £6,000 notional SEN funding	Part of SEN support funding	Part of SEN support funding	Part of SEN support funding	Part of SEN support funding
Band 2	£5,805	£5,805	£5,903	£5,903	£9,739	£9,739
Band 3	£7,983	£7,983	£6,992	£6,992	£11,536	£11,536
Band 4	£10,160	£10,160	£8,080	£8,080	£13,332	£13,332
Band 5	£12,338	£12,338	£9,169	£9,169	£15,129	£15,129

7.12 The band amounts shown for 2, 3 and 4 year olds are inclusive, and represent the total funds that a setting will receive. This amount is made up from the EYDSG as explained in section 6 above and the "top up" is from the HNB. For children taking up the extended entitlement the EHCP is not transferable and therefore a child can only access one provision. On this basis, the extended hours EHCP is funded at 60%.

### Special Schools

7.13 Specialist SEN and LDD schools will continue to receive a base level of funding on the basis of an agreed number of planned places commissioned at £10,000 per place. Top-up funding above this level will be commissioned by the LA for 2022/23 as in previous years and as mainstream school percentage increase.

7.14 In addition to the place funding £660 per place will be paid to specialist SEN settings, including Alternative Provision (AP) in support of the Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grant (TPECG) that previously was paid outside of the DSG in a grant but for 2021/22 this has now been rolled into the DSG. There is a minimum place setting of 40 for this additional grant funding as designated by the DfE.

7.15 Due to the budgeted increase in pupil numbers at special schools (additional 25), the special school budget will be increased to cover the cost pressure of supporting these additional children and is built into the budget as reported in the table above.



- 7.16 The total for specialist SEN and LDD settings includes the school budgets for Cricket Green, Perseid, and Melrose special schools.

### **Additional Resource Provision bases**

- 7.17 Places in special units and resourced provision attracts a base level of funding of either £6,000 or £10,000 per place, depending on whether a place was occupied or empty at the time of the October census. Each child will also receive a 'top-up' element of funding which is recalculated annually to ensure that the funding change does not impact on the total base funding settings received in the previous financial year. The place funding is included in the school block formula and current settings and place numbers are:

<b>LAESTAB</b>	<b>UPIN</b>	<b>Institution Name</b>	<b>Pre 16 SEN Places</b>	<b>Total Schools</b>
3152002	130046	Harris Primary Academy Merton	22.00	22.00
3152004	146401	Stanford Academy	24.00	24.00
3152059		Hatfeild Primary School	16.00	16.00
3152081		West Wimbledon Primary School	25.00	25.00
3152091		Wimbledon Chase Primary School	16.00	16.00
3154050		Ricards Lodge High School	10.00	10.00
3154052		Raynes Park High School	27.00	27.00
3154500		Rutlish School	10.00	10.00
			<b>150.00</b>	<b>150.00</b>

- 7.18 Where numbers have increased/decreased, top-up funding has been adjusted to reflect these adjustments. Any additional funding to the base totals will be equal to band 5 (£12,338) of EHCP funding as agreed by the SEN Manager.
- 7.19 ARP allocations for 2022/32 will remain similar to the 2021/22 allocations.

### **Pupil Referral Unit (SMART Centre)**

- 7.20 The PRU will receive a base level of funding of £10,000 per place. Top-up funding above this level is set at £6,765 (total place plus £16,765).
- 7.21 Mainstream schools and Academies have important commissioning responsibilities with regard to pupils of compulsory school age who are placed in Alternative Provision (AP) for the purpose of early intervention or as a result of fixed-term exclusion. In such instances they are responsible for paying top-up funding to the AP settings in which they place pupils.
- 7.22 Alternative education and medical service provision are also delivered through the SMART Centre.
- 7.23 The exclusion process currently involves a deduction of Age Weighted Pupil Unit (AWPU) against a national criteria and a local agreement to pay £3,000

per excluded pupil and receive £3,000 for a re-integrated pupil. This agreement is between all secondary maintained schools and academies and will continue in 2022/23.

### Centrally retained funding for commissioned services

- 7.24 These services are retained centrally by the Local Authority to deliver direct services or procure services from external providers to ensure the most economic use of resources. The following table details these services:

<b>Centrally retained funding for commissioned services</b>	<b>2022/23</b>	<b>2021/22</b>
<b>Description</b>	<b>£'000</b>	<b>£'000</b>
Cost of Merton pupils in other LA maintained schools	2,164	1,865
Cost to other LAs for their children in Merton maintained schools	-1,159	-1,159
Merton academies (Individual SEN statements)	1,459	795
Virtual school	265	265
Sensory team	422	409
Schools standards quality core offer	350	339
Language and learning therapy	662	662
Other non-maintained school related costs	357	357
Education psychology	177	177
Behaviour support	254	254
Education welfare	178	178
SEN referral & early help 0-25 team	158	154
Vulnerable children's education	125	125
Social inclusion	109	108
Merton Autism Outreach Service (MAOS)	102	102
SEN support	85	82
Therapy in special schools	457	57
Independent hospital provision	51	51
Portage	39	38
Independent Providers	13,999	11,726
Independent Residential placements	3,943	2,766
Post 16 providers (FE & ISP)	2,412	2,181
<b>Total Cost</b>	<b>26,609</b>	<b>21,532</b>

- 7.25 Of the centrally retained services funding, Merton has tried to limit cost pressures as far as possible. The increase in number of EHCPs has however resulted in major cost pressure on independent, residential placements and out of borough provision.

7.26 The growth received on the HNB is not sufficient to cover the cost pressures. For 2022/23 the increase will be allocated against various budgets with known pressures to address the expected overspends, but still leaves a shortfall to meet growth and demand and cost effective savings to achieve a balanced budget.

### **Post 16 Further Education (FE) College and Independent Specialist Provider (ISP) funding**

7.27 The funding in this area relates to high level SEN or LDD costs for young people aged over 16 in Further Education (FE) colleges and Individual Service Providers (ISPs). The responsibility for these payments transferred to Local Authorities within the Children and Families Act 2013 with statutory educational responsibility for young people up to the age of 25.

### **Centrally retained funding for special schools**

7.28 This includes the funding for centrally provided services for the special schools, similar to de-delegated budgets held for the maintained primary and secondary schools. The services available are detailed in the table.

<b>Central services (Special schools)</b>				
<b>Service</b>	<b>Total £'000</b>	<b>2022/23 Unit Cost</b>	<b>2021/22 Unit Cost</b>	<b>Measure</b>
Licences and Subscriptions	3	£4.41	£5.42	NOR
School Meals Subsidy	2	£1.98	£1.81	NOR
Schools in Challenging Circumstances	10	£14.82	£18.05	NOR
Parenting and TU cover	17	£28.53	£32.49	NOR
Support to underperforming ethnic minority groups and bilingual learners	2	£2.04	£3.61	EAL
Tree work	2	£2.40	£3.61	NOR
Behaviour Support	5	£7.66	£9.03	Low Att
School Improvement	4	£5.52	£7.22	NOR
Attain	2	£3.71	£3.61	NOR
<b>Total budget</b>	<b>47</b>			

### **Central duties to maintained schools (ESG)**

7.29 In order to maintain the statutory central duties to Merton maintained schools (the services previously funded by the Education Service Grant (ESG)), schools are required to make a contribution towards these services based on numbers on roll through the AWPU factor (top-up NOR for special schools). The cost to

primary, secondary and special schools will be £33.09 per pupil on roll to provide an overall de-delegated budget of £650k.

- 7.30 For 2022/23 £629k is contributed from the schools block while £21k comes from the high needs block for special schools (£635k for schools block and £15k from high needs block in 2021/22). As detailed in the schools consultation document, schools are funding 32% of these costs while the LA funds 68%.

### Transfers from other blocks

- 7.31 For 2022/23 Merton will transfer £698k from the Schools Block to the High Needs Block (£656k in 2021/22). This represents 0.5% of the Schools Block allocation and will be used to continue to fund the growing cost pressure of increased numbers of EHCPs.
- 7.32 A Dis-application request has been submitted to the Secretary of State on 17<sup>th</sup> November 2021 to transfer an additional £500k from the school block to the high needs block. The outcome of this request will be known end of January 2022

### Financial pressure on the High Needs Block

- 7.33 The continued increase in numbers of EHCPs as detailed in the table below and this pressure is expected to continue and grow in 2022/23.

EHCPs Type of Provision	Jan 2016 Total Statements and EHCPs		Jan 2017 Total Statements and EHCPs		Jan 2018 Total Statements and EHCPs		Jan 2019 Total Statements and EHCPs		Jan 2020 Total Statements and EHCPs		Jan 2021 Total Statements and EHCP's	
	No	%	No	%	No	%	No	%	No	%	No	%
Early Years (incl. Private & Voluntary Settings)	0	0%	1	0%	7	0%	7	0%	7	0%	8	0%
Mainstream Schools (incl. Academies, Free and Independent)	422	39%	461	37%	526	35%	584	34%	707	37%	816	36%
Additional Resourced Provision	110	10%	111	9%	116	8%	125	7%	125	6%	133	6%
State Funded Special Schools	358	33%	388	31%	416	27%	440	26%	474	25%	520	23%
Independent Special Schools	132	12%	153	12%	176	12%	228	13%	280	15%	367	16%
Post 16 College and traineeships	25	2%	93	7%	183	12%	212	12%	199	10%	268	12%
Post 16 Specialist	10	1%	25	2%	44	3%	37	2%	35	2%	44	2%
Alternative Education (incl. EOTAS, Hospital Schools and EHE)	15	1%	10	1%	22	1%	28	2%	61	3%	37	2%
No placement (including NEET)	3	0%	0	0%	28	2%	51	3%	40	2%	59	2%
<b>Total</b>	<b>1075</b>	<b>100%</b>	<b>1242</b>	<b>100%</b>	<b>1518</b>	<b>100%</b>	<b>1712</b>	<b>100%</b>	<b>1928</b>	<b>100%</b>	<b>2252</b>	<b>100%</b>
Change over previous year				16%		22%		13%		11%		16%

7.34 Since January 2021 we have seen an increase from 2,2522 finalised EHCPs to 2,465 EHCPs in September 2021 which is an increase this financial year of 213 finalised EHCPs, and since COVID we have seen a significant increase in referrals for an EHC Needs assessment.

7.35 Merton is working with other boroughs and partners to:

- Share strategies to reduce costs
- Utilise shared commissioning partnerships to reduce costs including the use of a dynamic purchasing system
- Working in collaboration with South London Consortium around fee negotiations for London Boroughs to collectively deliver savings
- Review benchmarking information of identifying high cost areas we can focus on with the aim to identify savings
- Utilise the DfE Management tool with forecasting areas of savings and future pressures
- Lobby government about insufficient high needs funding

7.36 We have also reviewed our in-house provision and in conjunction with our strategic needs analysis have expanded our own provision and continue to look at further opportunities for state funded provision that may reduce reliance on more expensive Independent School Placements.

### **DSG Safety Valve**

7.37 Due to the ongoing cost pressures within the High Needs Block, Merton's DSG cumulative DSG deficit for 2021/22 was £24.981m. The continued increase in numbers of EHCPs means that this pressure is expected to continue and grow in 2022/23 while the growth received on the HNB grant is not sufficient to cover these cost pressures. As at period 8, the forecast deficit reported was cumulative £37m.

7.38 During the last few months Merton representatives have engaged and have been working with the DfE on the Safety Valve program to reduce the deficit and work with the DfE to receive support funding in relation to the ongoing deficit and submitted a DSG Management Plan and if successful will be notified end of January 2022.

7.39 Savings work has commenced in line with the Safety Valve program and DSG Management Plan in preparation to reduce the ongoing DSG deficit.

## **8 Appendices**

- 8.1 Annex 1: ISB allocations
- 8.2 Annex 2: School Funding Pro-forma
- 8.3 Annex 3: Early year's allocations

ANNEX 1 - ISB Allocations for 2022/23

School Name	NOR	Basic Entitlement	Free School Meals + FSMEG	Total IDACI	EAL	Low Prior Attainment	Mobility	Lump Sum	Split Sites	Rates	Notional SEN Budget	Total Allocation	22-23 MFG Adjustment	22-23 Post MFG Budget	De-delegation	Post De-delegation budget	Education functions for maintained schools	Post De-delegation and Education functions budget	22-23 NFF NNDR allocation	Post De-delegation and Education functions budget after deduction of 22-23 NFF NNDR allocation
	<b>24,145</b>	<b>104,730,609.07</b>	<b>8,257,405.94</b>	<b>4,076,165.76</b>	<b>3,033,978.09</b>	<b>8,601,000.64</b>	<b>86,653.97</b>	<b>5,830,000.00</b>	<b>91,056.91</b>	<b>2,867,892.79</b>	<b>12,452,623.04</b>	<b>137,574,763.18</b>	<b>701,800.85</b>	<b>138,276,564.03</b>	<b>- 1,910,076.85</b>	<b>136,366,487.19</b>	<b>- 629,000.00</b>	<b>135,737,487.19</b>	<b>2,867,892.79</b>	<b>132,869,594.40</b>
Bond Primary School	345.00	£1,274,657.70	£149,077.50	£89,351.74	£93,338.88	£101,465.11	£0.00	£110,000.00	£0.00	£52,136.00	£157,174.48	£1,870,026.93	£19,205.50	£1,889,232.43	£-38,523.13	£1,850,709.30	£-11,365.09	£1,839,344.21	£52,136.00	£1,787,208.21
Dundonald Primary School	411.00	£1,518,505.26	£38,626.50	£1,688.27	£50,706.52	£102,501.72	£3,548.23	£110,000.00	£0.00	£38,304.00	£144,495.83	£1,867,880.49	£3,416.48	£1,871,296.97	£-43,508.78	£1,827,788.20	£-13,539.28	£1,814,248.92	£38,304.00	£1,775,944.92
Garfield Primary School	270.00	£997,558.20	£102,017.00	£35,993.36	£50,274.96	£74,223.94	£84,833.99	£110,000.00	£0.00	£77,140.00	£1,465,041.45	£1,069,353	£1,475,738.78	£-29,632.26	£1,446,106.52	£-8,894.42	£1,437,212.10	£77,140.00	£1,360,072.10	
Hatfield Primary School	376.00	£1,389,192.16	£64,744.50	£12,782.38	£23,935.05	£169,934.04	£0.00	£110,000.00	£0.00	£85,552.00	£211,516.55	£1,855,340.33	£2,923.65	£1,858,263.98	£-41,604.48	£1,816,659.50	£-12,386.30	£1,804,273.20	£85,552.00	£1,718,621.20
Hollymount School	403.00	£1,488,947.98	£49,344.50	£2,848.23	£44,219.19	£53,508.90	£4,058.15	£110,000.00	£0.00	£65,968.00	£95,951.87	£1,818,894.95	£32,180.42	£1,851,075.37	£-40,741.56	£1,810,333.81	£-13,275.74	£1,797,058.07	£65,968.00	£1,731,090.07
Joseph Hood Primary School	349.00	£1,289,436.34	£77,620.00	£9,808.02	£36,326.83	£162,633.68	£10,687.18	£110,000.00	£0.00	£59,186.62	£303,611.39	£1,755,698.67	£5,085.02	£1,760,783.69	£-39,252.22	£1,721,531.48	£-11,496.86	£1,710,034.62	£59,186.62	£1,650,848.00
Links Primary School	332.00	£1,226,627.12	£129,982.50	£76,196.83	£88,131.22	£149,785.25	£11,770.77	£110,000.00	£0.00	£49,742.00	£196,068.87	£1,792,235.70	£0.00	£1,792,235.70	£-38,826.50	£1,753,409.20	£-10,936.84	£1,742,472.36	£49,742.00	£1,692,730.36
Lonesome Primary School	318.00	£1,174,901.88	£169,963.00	£81,036.75	£48,374.48	£139,399.13	£0.00	£110,000.00	£0.00	£64,372.00	£198,871.66	£1,788,047.24	£0.00	£1,788,047.24	£-35,933.46	£1,752,113.79	£-10,475.65	£1,741,638.14	£64,372.00	£1,677,266.14
Merton Abbey Primary School	181.00	£668,733.46	£84,826.50	£55,883.70	£32,668.02	£89,386.20	£148.73	£110,000.00	£0.00	£61,180.00	£120,175.55	£1,102,826.60	£0.00	£1,102,826.60	£-20,959.56	£1,081,867.04	£-5,962.55	£1,075,904.49	£61,180.00	£1,014,724.49
Merton Park Primary School	201.00	£742,626.66	£15,400.00	£6,615.24	£23,644.68	£58,692.21	£0.00	£110,000.00	£0.00	£24,202.00	£79,459.00	£1,089,588	£1,089,588	£992,073.38	£-21,478.64	£970,594.73	£-6,621.40	£963,973.33	£24,202.00	£939,771.33
Morden Primary School	205.00	£742,626.66	£99,182.50	£39,473.26	£28,648.73	£75,679.94	£5,338.28	£110,000.00	£0.00	£31,744.00	£108,111.18	£1,132,693.37	£0.00	£1,132,693.37	£-22,222.20	£1,110,471.17	£-6,621.40	£1,103,849.77	£31,744.00	£1,072,105.77
Pelham Primary School	371.00	£1,385,497.50	£51,008.50	£23,153.36	£66,993.91	£120,189.36	£6,905.24	£110,000.00	£0.00	£84,056.00	£162,242.99	£1,847,803.86	£12,062.70	£1,859,866.56	£-41,150.26	£1,818,716.30	£-12,353.36	£1,806,362.94	£84,056.00	£1,722,306.94
Haslemere Primary School	344.00	£1,270,963.04	£182,838.50	£102,145.81	£61,837.58	£138,858.38	£0.00	£110,000.00	£0.00	£65,968.00	£190,130.88	£1,932,611.31	£0.00	£1,932,611.31	£-38,751.73	£1,893,859.58	£-11,332.15	£1,882,527.43	£65,968.00	£1,816,559.43
Poplar Primary School	584.00	£2,157,681.44	£146,369.50	£67,748.84	£117,710.68	£205,505.67	£0.00	£110,000.00	£0.00	£106,400.00	£280,859.54	£2,911,416.13	£0.00	£2,911,416.13	£-65,133.80	£2,846,282.33	£-19,238.29	£2,827,044.04	£106,400.00	£2,720,644.04
St Mark's Primary School	199.00	£735,237.34	£89,818.50	£66,462.54	£48,048.13	£79,589.16	£0.00	£110,000.00	£0.00	£31,744.00	£113,598.20	£1,160,899.67	£20,410.31	£1,181,309.97	£-22,771.50	£1,158,538.47	£-6,555.51	£1,151,982.95	£31,744.00	£1,120,238.95
The Sherwood School	316.00	£1,167,512.56	£116,613.50	£81,450.20	£36,879.43	£136,699.75	£0.00	£110,000.00	£0.00	£62,244.00	£185,693.93	£1,711,399.44	£0.00	£1,711,399.44	£-35,298.16	£1,676,101.27	£-10,409.76	£1,665,691.51	£62,244.00	£1,603,447.51
Singleate Primary School	610.00	£2,253,742.60	£149,204.00	£52,944.93	£77,049.64	£197,911.82	£0.00	£110,000.00	£0.00	£61,180.00	£274,470.27	£2,902,032.98	£0.00	£2,902,032.98	£-66,033.57	£2,835,999.41	£-20,094.79	£2,815,904.62	£61,180.00	£2,754,724.62
Wimbledon Park Primary School	577.00	£2,131,818.82	£35,792.00	£14,401.94	£56,136.50	£116,136.50	£1,466.03	£110,000.00	£0.00	£86,184.00	£174,451.37	£2,551,922.39	£11,674.46	£2,563,596.85	£-59,479.76	£2,504,117.09	£-19,007.70	£2,485,109.39	£86,184.00	£2,398,925.39
Abbotsbury Primary School	350.00	£1,293,131.00	£157,030.50	£70,103.22	£76,687.14	£134,277.85	£2,124.69	£110,000.00	£0.00	£77,140.00	£189,319.50	£1,920,494.40	£0.00	£1,920,494.40	£-39,610.86	£1,880,883.54	£-11,529.80	£1,869,353.74	£77,140.00	£1,792,213.74
West Wimbledon Primary School	322.00	£1,189,680.52	£130,109.00	£28,321.52	£37,595.27	£113,700.41	£722.39	£110,000.00	£0.00	£63,308.00	£159,285.48	£1,673,437.12	£0.00	£1,673,437.12	£-35,081.77	£1,638,355.35	£-10,607.42	£1,627,747.92	£63,308.00	£1,564,439.92
Cranmer Primary School	502.00	£1,854,719.32	£197,745.00	£124,162.17	£74,099.28	£190,410.38	£0.00	£110,000.00	£0.00	£85,652.00	£268,969.08	£2,636,788.16	£0.00	£2,636,788.16	£-55,627.52	£2,581,160.63	£-16,537.03	£2,564,623.61	£85,652.00	£2,478,971.61
Gorrings Park Primary School	364.00	£1,344,856.24	£117,290.50	£32,008.14	£77,735.52	£143,491.33	£0.00	£110,000.00	£0.00	£62,244.00	£192,042.60	£1,887,625.73	£29,195.21	£1,916,820.94	£-41,266.02	£1,875,554.92	£-11,990.99	£1,863,563.92	£62,244.00	£1,801,319.92
Hillcross Primary School	428.00	£1,581,314.48	£59,385.50	£27,069.67	£27,168.79	£21,248.86	£0.00	£110,000.00	£0.00	£88,312.00	£169,427.24	£2,014,499.31	£42,376.41	£2,056,875.72	£-44,889.50	£2,011,986.22	£-14,099.30	£1,997,886.92	£88,312.00	£1,909,574.92
Liberty Primary	366.00	£1,352,245.56	£164,547.00	£92,314.82	£78,909.36	£98,516.10	£0.00	£110,000.00	£0.00	£62,776.00	£158,008.43	£1,959,308.84	£0.00	£1,959,308.84	£-39,929.72	£1,919,379.12	£-12,056.88	£1,907,322.24	£62,776.00	£1,844,546.24
William Morris Primary School	274.00	£1,012,336.84	£139,530.00	£83,425.39	£53,571.98	£112,891.97	£11,218.35	£110,000.00	£0.00	£59,052.00	£158,595.95	£1,582,126.53	£6,509.25	£1,588,635.77	£-19,026.19	£1,569,609.58	£-19,026.19	£1,550,583.39	£59,052.00	£1,491,531.39
Wimbledon Chase Primary School	631.00	£2,331,330.46	£34,311.50	£4,689.18	£144,556.41	£213,474.11	£0.00	£110,000.00	£0.00	£97,356.00	£275,657.44	£2,925,717.66	£0.00	£2,925,717.66	£-70,616.01	£2,855,101.65	£-20,786.58	£2,834,315.06	£97,356.00	£2,746,959.06
Malmesbury Primary School	381.00	£1,407,665.46	£189,184.50	£88,249.20	£52,241.54	£142,196.24	£0.00	£110,000.00	£0.00	£23,669.00	£205,131.24	£2,013,206.43	£73,903.15	£2,087,109.59	£-42,015.31	£2,045,094.27	£-12,551.01	£2,032,543.26	£23,669.00	£2,008,873.26
All Saints' CofE Primary School	288.00	£1,064,062.08	£122,282.50	£50,728.36	£40,928.41	£115,003.49	£0.00	£110,000.00	£0.00	£91,056.91	£115,505.00	£1,589,066.12	£26,152.53	£1,615,218.65	£-32,064.62	£1,583,154.03	£-9,847.38	£1,573,306.65	£115,505.00	£1,457,801.65
St Matthew's CofE Primary School	177.00	£653,954.82	£16,570.50	£2,986.05	£7,031.86	£65,630.71	£0.00	£110,000.00	£0.00	£5,734.00	£83,935.24	£861,907.94	£24,719.52	£886,627.46	£-18,970.90	£867,656.56	£-5,830.78	£861,825.78	£5,734.00	£856,091.78
Holy Trinity CofE Primary School	394.00	£1,455,696.04	£46,750.50	£17,204.23	£54,347.55	£90,660.69	£1,512.37	£110,000.00	£0.00	£14,470.40	£133,448.56	£1,790,641.77	£0.00	£1,790,641.77	£-41,504.57	£1,749,137.20	£-12,979.26	£1,736,157.94	£14,470.40	£1,721,687.54
Bishop Gilpin CofE Primary School	416.00	£1,536,978.56	£28,459.00	£11,817.86	£50,613.51	£103,754.96	£3,229.53	£110,000.00	£0.00	£12,130.00	£146,207.11	£1,856,983.41	£43,891.12	£1,900,874.53	£-43,891.12	£1,857,000.00	£-13,703.99	£1,843,296.01	£12,130.00	£1,831,166.01
St Peter and Paul Catholic Primary School	316.00	£1,167,512.56	£101,890.50	£78,303.37	£54,534.47	£124,021.95	£0.00	£110,000.00	£0.00	£9,363.00	£171,229.15	£1,645,625.85	£0.00	£1,645,625.85	£-35,404.83	£1,610,221.02	£-10,409.76	£1,599,811.26	£9,363.00	£1,590,448.26
Sacred Heart Catholic Primary School	296.00	£1,093,619.36	£71,090.50	£12,438.04	£31,358.66	£78,850.53	£0.00	£110,000.00	£0.00	£12,874.00	£114,543.86	£1,410,231.09	£0.00	£1,410,231.09	£-31,260.40	£1,378,970.68	£-9,750.92	£1,369,219.77	£12,874.00	£1,356,345.77
St Teresa's Catholic Primary School	418.00	£1,544,367.88	£79,961.00	£92,498.58	£55,909.48	£111,639.38	£0.00	£110,000.00	£0.00	£9,629.00	£167,494.53	£2,004,005.32	£10,410.65	£2,014,415.96	£-44,51					

Local Authority Funding Reform Proforma

LA Name:	Merton
LA Number:	315

Primary minimum per pupil funding level	Secondary (KS3 only) minimum per pupil funding level	Secondary (KS4 only) minimum per pupil funding level	Secondary minimum per pupil funding level	Disapplication number where alternative MPPF values are used
£4,265	£5,321.00	£5,831.00	£5,525.00	

Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	No	Pupil Units		0.00					
	Description	Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)	
	Primary (Years R-6)	£3,694.66		15,348.00		£56,705,642	£104,730,609	41.22%	2.50%	
	Key Stage 3 (Years 7-9)	£5,209.51		5,476.00		£28,527,277		20.74%	2.50%	
	Key Stage 4 (Years 10-11)	£5,871.03		3,321.00		£19,497,691		14.17%	2.50%	
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
2) Deprivation	FSM	£493.50	£493.50	3,620.00	2,226.38	£2,885,187	£12,333,572	8.96%	10.00%	10.00%
	FSM6	£677.00	£993.00	3,855.00	2,781.86	£5,372,219			10.00%	10.00%
	IDACI Band F	£252.67	£367.51	1,430.10	1,020.44	£736,364			10.00%	10.00%
	IDACI Band E	£310.09	£488.10	2,643.20	1,674.60	£1,637,007			10.00%	10.00%
	IDACI Band D	£482.36	£683.35	449.05	408.82	£495,966			10.00%	10.00%
	IDACI Band C	£528.30	£746.51	561.06	415.26	£606,404			10.00%	10.00%
	IDACI Band B	£562.76	£803.94	518.42	370.85	£589,881			10.00%	10.00%
	IDACI Band A	£735.03	£1,022.15	6.00	6.00	£10,543			10.00%	10.00%
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
3) Looked After Children (LAC)	LAC March 19	£0.00		59.25		£0	£3,120,632	0.00%	0.00%	
4) English as an Additional Language (EAL)	EAL 3 Primary	£648.89		3,644.74		£2,365,041		2.21%	0.00%	
	EAL 3 Secondary		£1,757.17		380.69	£668,937		0.00%		0.00%
5) Mobility	Pupils starting school outside of normal entry dates	£1,062.34	£1,527.48	80.27	0.90	£86,654		0.06%	0.00%	0.00%
	Description	Weighting	Amount per pupil (primary or secondary respectively)	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
6) Low prior attainment	Primary low prior attainment		£1,297.78	25.64%	3,935.89	£5,107,934	£8,601,001	6.25%	100.00%	
	Secondary low prior attainment (year 7)	64.53%	£1,757.17	22.75%	1,987.89	£3,493,067				
	Secondary low prior attainment (year 8)	64.53%		22.60%						
	Secondary low prior attainment (year 9)	64.53%		22.81%						
	Secondary low prior attainment (year 10)	63.59%		21.98%						
	Secondary low prior attainment (year 11)	58.05%		22.88%						

## Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
7) Lump Sum	£110,000.00	£110,000.00			£5,830,000	4.24%	0.00%	0.00%
8) Sparsity factor	£63,166.40	£91,878.40			£0	0.00%	0.00%	0.00%
Rows 46 to 49 are populated with the NFF methodology, please leave this as is if you wish to follow the NFF. As per the Operational Guidance, the distance thresholds can be increased or the year group size thresholds decreased and the distance threshold taper is optional. An alternative method of allocation to the NFF's average year group size taper can be chosen: the continuous taper (Tapered) or fixed sum (Fixed). Examples of each are provided in the Operational Guidance.								
Primary distance threshold (miles)	2.00	Primary pupil number average year group threshold	21.40	Apply primary distance taper	Yes	NFF, tapered or fixed sparsity primary lump sum?	NFF	
Secondary distance threshold (miles)	3.00	Secondary pupil number average year group threshold	120.00	Apply secondary distance taper	Yes	NFF, tapered or fixed sparsity secondary lump sum?	NFF	
Middle schools distance threshold (miles)	2.00	Middle school pupil number average year group threshold	69.20	Apply middle school distance taper	Yes	NFF, tapered or fixed sparsity middle school lump sum?	NFF	
All-through schools distance threshold (miles)	2.00	All-through pupil number average year group threshold	62.50	Apply all-through distance taper	Yes	NFF, tapered or fixed sparsity all-through lump sum?	NFF	
9) Fringe Payments					£0	0.00%		
10) Split Sites					£91,057	0.07%		
11) Rates					£2,867,893	2.08%		
12) PFI funding					£0	0.00%		
13 ) Exceptional circumstances (can only be used with prior agreement of ESFA)								
Circumstance					Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
Additional lump sum for schools amalgamated during FY21-22					£0	0.00%	0.00%	0.00%
Additional sparsity lump sum for small schools					£0	0.00%		
Exceptional Circumstance3					£0	0.00%		
Exceptional Circumstance4					£0	0.00%		
Exceptional Circumstance5					£0	0.00%		
Exceptional Circumstance6					£0	0.00%		
Exceptional Circumstance7					£0	0.00%		
<b>Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)</b>					<b>£137,574,763</b>	<b>100.00%</b>		
14) Additional funding to meet minimum per pupil funding level					£0	0.00%		
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total)</b>					<b>£137,574,763</b>	<b>100.00%</b>		



15) Minimum Funding Guarantee	2.00%	£701,801	
Where a value less than 0.5% or greater than 2% has been entered please provide the disapplication reference number authorising the value			
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)		Yes	
Capping Factor (%)	10.00%	Scaling Factor (%)	100.00%
Total deduction if capping and scaling factors are applied		£0	
	Total (£)	Proportion of Total funding(%)	Notional SEN (%)
MFG Net Total Funding (MFG + deduction from capping and scaling)	£701,801	0.51%	0.00%
<b>Total Funding for Schools Block Formula</b>	<b>£138,276,564</b>		<b>£12,452,623</b>
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)			
Additional funding from the high needs budget		£0.00	
Growth fund (if applicable)		£0.00	
Falling rolls fund (if applicable)		£300,000.00	
Other Adjustment to 21-22 Budget Shares		£0	
<b>Total Funding For Schools Block Formula (including growth and falling rolls funding)</b>		<b>£138,576,564</b>	
% Distributed through Basic Entitlement		76.13%	
% Pupil Led Funding		93.61%	
Primary: Secondary Ratio		1 :	1.35
22-23 NFF NNDR allocation		£2,867,893	
<b>Total Funding For Schools Block Formula (including growth and falling rolls funding) after deduction of 22-23 NFF NNDR allocation</b>		<b>£135,708,671</b>	

## Maintained Sector Indicative Budgets - 2022/2023

School/Setting	2 PTE	2 £	SEN F 2 £	U PTE	U £	E PTE	E £	SEN F 3 4 £	No. DAF	DAF £	No. EYPP	EYPP £	No. Dep	Dep £	Total £
Abbotsbury Primary School	0	£0.00	£0.00	127	£123,375.60	33	£32,353.20	£5,607.00	0	£0.00	33	£3,816.00	33	£12,084.00	£177,235.80
All Saints' CofE Primary School	0	£0.00	£0.00	104	£100,000.80	0	£0.00	£8,694.00	0	£0.00	19	£2,106.00	19	£6,669.00	£117,469.80
Aragon Primary	0	£0.00	£0.00	208	£203,252.40	24	£26,006.40	£4,582.20	0	£0.00	0	£0.00	0	£0.00	£233,841.00
Beechholme Academy	0	£0.00	£0.00	72	£70,124.40	14	£14,086.80	£0.00	0	£0.00	12	£1,368.00	12	£4,332.00	£89,911.20
Benedict Academy	0	£0.00	£0.00	85	£81,734.40	0	£0.00	£0.00	0	£0.00	47	£5,274.00	47	£16,701.00	£103,709.40
Bishop Gilpin CofE Primary School	0	£0.00	£0.00	142	£137,152.80	38	£36,842.40	£4,914.00	0	£0.00	0	£0.00	0	£0.00	£178,909.20
Bond Primary School	0	£0.00	£0.00	112	£109,908.00	21	£20,278.80	£2,205.00	0	£0.00	5	£558.00	5	£1,767.00	£134,716.80
Cranmer Primary School	0	£0.00	£0.00	151	£144,892.80	34	£32,817.60	£9,891.00	0	£0.00	18	£2,088.00	18	£6,612.00	£196,301.40
Dundonald Primary School	0	£0.00	£0.00	137	£132,354.00	0	£0.00	£0.00	0	£0.00	7	£774.00	7	£2,451.00	£135,579.00
Garfield Primary School	0	£0.00	£0.00	125	£120,898.80	42	£40,093.20	£2,205.00	0	£0.00	17	£1,836.00	17	£5,814.00	£170,847.00
Gorringe Park Primary School	0	£0.00	£0.00	177	£172,602.00	32	£31,269.60	£3,244.50	0	£0.00	18	£2,106.00	18	£6,669.00	£215,891.10
Harris Primary Academy Merton	19	£23,026.50	£0.00	164	£158,979.60	37	£35,758.80	£10,836.00	0	£0.00	19	£2,052.00	19	£6,498.00	£237,152.90
Haslemere Primary School	31	£35,521.50	£0.00	135	£130,186.80	24	£23,374.80	£0.00	0	£0.00	12	£1,440.00	12	£4,560.00	£195,083.10
Hatfield Primary School	0	£0.00	£0.00	156	£151,704.00	52	£50,929.20	£19,383.00	1	£800.00	9	£990.00	9	£3,135.00	£226,941.20
Hillcross Primary School	0	£0.00	£0.00	173	£167,338.80	82	£78,328.80	£11,151.00	0	£0.00	13	£1,422.00	13	£4,503.00	£262,743.60
Hollymount School	0	£0.00	£0.00	137	£132,663.60	0	£0.00	£7,434.00	0	£0.00	8	£936.00	8	£2,964.00	£143,997.60
Holy Trinity CofE Primary School	0	£0.00	£0.00	109	£106,812.00	27	£26,780.40	£7,938.00	1	£800.00	10	£1,080.00	10	£3,420.00	£146,830.40
Joseph Hood Primary School	0	£0.00	£0.00	135	£130,341.60	0	£0.00	£0.00	0	£0.00	15	£1,674.00	15	£5,301.00	£137,316.60
Liberty Primary	0	£0.00	£0.00	157	£152,013.60	41	£40,402.80	£18,522.00	0	£0.00	13	£1,494.00	13	£4,731.00	£217,163.40
Links Primary School	0	£0.00	£0.00	159	£153,716.40	43	£41,950.80	£0.00	0	£0.00	36	£4,086.00	36	£12,939.00	£212,692.20
Lonesome Primary School	0	£0.00	£0.00	139	£135,295.20	13	£12,384.00	£945.00	0	£0.00	47	£5,238.00	47	£16,587.00	£170,449.20
Malmesbury Primary School	0	£0.00	£0.00	133	£128,793.60	32	£30,960.00	£0.00	0	£0.00	21	£2,430.00	21	£7,695.00	£169,878.60
Merton Abbey Primary School	0	£0.00	£0.00	102	£99,381.60	22	£21,672.00	£0.00	0	£0.00	6	£684.00	6	£2,166.00	£123,903.60
Merton Park Primary School	0	£0.00	£0.00	107	£104,025.60	20	£19,659.60	£3,465.00	0	£0.00	4	£468.00	4	£1,482.00	£129,100.20
Morden Primary School	0	£0.00	£0.00	77	£74,768.40	13	£12,693.60	£4,095.00	0	£0.00	14	£1,566.00	14	£4,959.00	£98,082.00
Pelham Primary School	0	£0.00	£0.00	93	£89,784.00	0	£0.00	£6,094.20	0	£0.00	3	£342.00	3	£1,083.00	£97,303.20
Poplar Primary School	0	£0.00	£0.00	248	£240,404.40	12	£11,145.60	£14,735.70	0	£0.00	33	£3,726.00	33	£11,799.00	£281,810.70
Sacred Heart Catholic Primary School	0	£0.00	£0.00	96.8	£95,016.24	20	£19,969.20	£0.00	0	£0.00	9	£990.00	9	£3,135.00	£119,110.44
Singlegate Primary School	0	£0.00	£0.00	147	£143,344.80	0	£0.00	£0.00	0	£0.00	15	£1,710.00	15	£5,415.00	£150,469.80
St John Fisher RC Primary School	0	£0.00	£0.00	105	£102,787.20	44	£43,344.00	£6,409.20	0	£0.00	7	£810.00	7	£2,565.00	£155,915.40
St Mark's Primary School	0	£0.00	£0.00	105	£101,703.60	0	£0.00	£2,205.00	1	£800.00	39	£4,482.00	39	£14,193.00	£123,383.60
St Mary's Catholic Primary School	0	£0.00	£0.00	122	£117,648.00	0	£0.00	£252.00	0	£0.00	1	£126.00	1	£399.00	£118,425.00
St Matthew's CofE Primary School	0	£0.00	£0.00	65	£62,384.40	20	£19,350.00	£0.00	0	£0.00	3	£342.00	3	£1,083.00	£83,159.40
St Peter and Paul Catholic Primary School	0	£0.00	£0.00	90	£87,307.20	43	£41,641.20	£11,844.00	2	£1,600.00	8	£900.00	8	£2,850.00	£146,142.40
St Teresa's Catholic Primary School	0	£0.00	£0.00	193	£186,534.00	100	£96,440.40	£19,152.00	0	£0.00	5	£630.00	5	£1,995.00	£304,751.40
St Thomas of Canterbury Catholic Primary School	0	£0.00	£0.00	168	£163,004.40	60	£57,895.20	£0.00	0	£0.00	23	£2,538.00	23	£8,037.00	£231,474.60
Stanford Primary Academy	0	£0.00	£0.00	51	£48,607.20	19	£17,802.00	£7,635.60	0	£0.00	8	£900.00	8	£2,850.00	£77,794.80
The Priory CofE School	0	£0.00	£0.00	65	£62,384.40	25	£23,994.00	£0.00	0	£0.00	11	£1,242.00	11	£3,933.00	£91,553.40
The Sherwood School	0	£0.00	£0.00	122	£118,886.40	20	£19,659.60	£13,072.50	0	£0.00	11	£1,242.00	11	£3,933.00	£156,793.50
West Wimbledon Primary School	0	£0.00	£0.00	93	£89,319.60	21	£20,743.20	£0.00	0	£0.00	22	£2,448.00	22	£7,752.00	£120,262.80
William Morris Primary School	0	£0.00	£0.00	90	£86,997.60	15	£14,860.80	£0.00	0	£0.00	13	£1,530.00	13	£4,845.00	£108,233.40
Wimbledon Chase Primary School	0	£0.00	£0.00	183	£178,174.80	71	£68,731.20	£0.00	0	£0.00	9	£990.00	9	£3,135.00	£251,031.00
Wimbledon Park Primary School	0	£0.00	£0.00	185	£180,032.40	8	£8,668.80	£4,599.00	0	£0.00	1	£126.00	1	£399.00	£193,825.20