

## CABINET

5 December 2022

Agenda item:

**Business Plan Update 2023-2027**

**Lead officer:** Roger Kershaw

**Lead member:** Councillor Billy Christie

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

**Contact officer:** Roger Kershaw

### Recommendations:

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1. That Cabinet considers and agrees the draft growth proposals (Appendix 4) put forward by officers and refers them to the Overview and Scrutiny panels and Commission in January 2023 for consideration and comment.
2. That Cabinet considers and agrees the new savings proposals for 2023/24 to 2026/27 (Appendix 5) and refers them to the Overview and Scrutiny panels and Commission in January 2023 for consideration and comment.
3. That Cabinet considers and agrees the new capital proposals for 2023/24 to 2026/27 and the draft Capital Programme 2023-2027 (Appendix 7) and refers them to the Overview and Scrutiny panels and Commission in January 2023 for consideration and comment.
4. That Cabinet agrees the proposed Council Tax Base for 2023/24 set out in paragraph 2.7 and Appendix 1.
6. That Cabinet note that Equalities Impact Assessments for each saving, where applicable, will be included in the Member's Information Pack for consideration in future meetings

#### 1. **PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 This report provides an update to Cabinet on the Business Planning process for 2023-27 and in particular on the progress made so far towards setting a balanced revenue budget for 2023/24 and over the MTFS period as a whole.
- 1.2 Members will recall that the standstill budget gap for 2023/24 to Cabinet in October 2022 was c. £4.2m. Since then, a range of growth pressures have been assessed together with proposals for savings to assist with balancing the MTFS. Incorporating the growth pressures and savings into the MTFS leaves a gap of c.£4.3m which will have to be addressed in order to set a balanced budget for 2023/24 at the Council meeting in March

2023. This means that additional savings and income proposals will be required and these will be included in the Business Plan update report to Cabinet in January 2023.

- 1.3 Members will note that we still await the Provisional Local Government Finance Settlement 2023/24 (due mid-December 2022) which will provide details on the grant funding for Councils together with information on how the Council Tax Referendum Principles will be applied.
- 1.4 As stated, the report provides details of proposed revenue savings which are needed to enable the Council to be able to set a balanced budget for 2023/24 in March 2023. Draft equalities analyses where applicable will be included in the Member's Information Pack to be provided at the end of December.
- 1.5 The report also presents details of new growth proposals for 2023-27
- 1.6 The report also provides details of new capital proposals and an update on the capital programme for 2023-32 and the financial implications for the MTFS.
- 1.7 The report provides a general update on all of the latest information relating to the Business Planning process for 2023-27 and an assessment of the implications for the Medium Term Financial Strategy 2023-27.
- 1.8 This report is one of the budget updates through the financial year and will be referred to the Overview and Scrutiny Panels and Commission in January 2023 as part of the information pack. It is intended that all of the detailed proposals will be incorporated into a Member's Information Pack to be despatched to all Members at the end of December 2022.

## 2. **DETAILS**

### **Introduction**

- 2.1 A review of assumptions in the MTFS was undertaken and reported to Cabinet on 10 October 2022. As a result Cabinet agreed departmental savings targets and details of proposed departmental savings are presented in this report in Appendix 5.
- 2.2 The draft MTFS 2023-27 in the Cabinet report in October 2022 included financial implications of a draft Capital Programme 2023-32 based on July 2022 monitoring and incorporating outturn 2021/22 expenditure and financing. This has been further reviewed and details of new bids are included in this report, together with an assessment of the capital financing costs arising from the proposals.
- 2.3 The overall MTFS budget gap reported to Cabinet in the October 2022 report was based on a repriced, standstill position and is summarised in the following table:-

(Cumulative Budget Gap)	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
MTFS Gap (Cabinet October 2022)	4,239	16,568	20,443	21,390

## 2.4 Review of Assumptions

Since Cabinet in October, work has been continuing to review assumptions, consider the necessity for revenue growth in some services, identify new savings/income proposals, review the capital programme, develop some new capital bids and analyse financial and economic information which has been received since then.

### 2.4.1 Pay

#### 2022-23:

For 2022/23 the final pay award has now been agreed but provision of 2% was included in the MTFS for 2022-26.

The three local government unions, UNISON, GMB and Unite, representing 1.4 million council and school employees, submitted a pay claim for staff in England, Wales and Northern Ireland.

On 25 July 2022, the National Employers agreed to make a one-year (1 April 2022 to 31 March 2023), final offer to the unions representing the main local government NJC workforce.

Local government unions balloted their members and on 1 November agreed to accept the offer.

For Merton, the offer is estimated to be equivalent to c. 6% in a full year and this has been incorporated into the draft MTFS 2023-27.

As reported to Cabinet in October 2022, each 1% of pay costs c. £0.990m and a 6% pay award in 2022/23 will have the following impact on the MTFS 2023-27:-

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Additional Impact of a 6% pay award	3,960	4,039	4,120	4,202

#### 2023/24 and future years:

The provision for future pay awards currently included in the MTFS 2023-27 as reported to Cabinet in October 2022 is :-

<b>(Cumulative £000)</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
<b>Pay inflation (%)</b>	<b>3.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>
MTFS 2023-27 (Latest)	2,974	4,957	6,940	8,923
<b>Change (cumulative £000)</b>	<b>1,054</b>	<b>1,117</b>	<b>1,180</b>	<b>1,243</b>

It is recognised that the inflation rate is currently much more than 3% so if the 2023/24 award exceeds 3%, each 1% will cost c.£0.990m.

Further details on the pay negotiations for 2023/24 and beyond, and the impact on the MTFS will be reported when they are known. This will include any information about Government assumptions about local government pay announced in the Autumn Statement and expected in the provisional Local Government Settlement.

#### London Living Wage

The MTFS includes provision for the increased cost of contracts arising from the contractors adoption of the London Living Wage:-

(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

This will be reviewed and updated in future Business Plan future reports.

#### 2.4.2 Prices

The draft MTFS 2023-27 reported to Cabinet in October 2022 included the following percentage increases and no changes are proposed at the current time:-

(Cumulative)	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
Price inflation (%)	3%	2%	1.5%	1.5%
Revised Estimate (cumulative £000)	4,564	7,607	9,889	12,172

#### Prices:

The Consumer Prices Index (CPI) rose by 11.1% in the 12 months to October 2022, up from 10.1% in September 2022. CPI rose by 2.0% in October 2022, compared with a rise of 1.1% in October 2021. Despite the introduction of the government's Energy Price Guarantee, gas and electricity prices made the largest upward contribution to the change in both the CPIH and CPI annual inflation rates between September and October 2022. Rising food prices also made a large upward contribution to change with transport (principally motor fuels and second-hand car prices) making the largest, partially offsetting, downward contribution to the change in the rates. The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 9.6% in the 12 months to October 2022, up from 8.8% in September 2022. The largest upward contributions to the annual CPIH inflation rate in October 2022 came from housing and household services

(principally from electricity, gas, and other fuels), food and non-alcoholic beverages, and transport (principally motor fuels).

The RPI rate for October 2022 was 14.2%, up from 12.6% in September 2022.

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

**Table: Forecasts for the UK Economy**

Source: HM Treasury - Forecasts for the UK Economy (November 2022)			
	Lowest %	Highest %	Average %
2022 (Quarter 4)			
CPI	9.6	14.0	10.5
RPI	11.3	14.5	12.9
LFS Unemployment Rate	3.4	4.2	3.8
2023 (Quarter 4)			
CPI	2.2	7.4	5.0
RPI	2.6	11.0	6.7
LFS Unemployment Rate	3.2	5.4	4.4

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

Independent medium-term projections for the calendar years 2022 to 2026 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (November 2022)					
	2022	2023	2024	2025	2026
	%	%	%	%	%
CPI	9.0	7.4	3.2	2.6	2.7
RPI	10.4	9.0	4.1	4.0	3.9
LFS Unemployment Rate	3.7	4.2	4.3	4.1	4.2

Outlook for inflation:

The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target and in a way that helps to sustain growth and employment. The MPC currently uses two main monetary policy tools. First, they set the interest rate that banks and building societies earn on deposits, or 'reserves', placed with the Bank of England – this is Bank Rate. Second, the MPC can buy government and corporate bonds, financed by the issuance of central bank reserves – this is asset purchases or quantitative easing.

At its meeting ending on 2 November 2022, the MPC voted by a majority of 7-2 to increase Bank Rate by 0.75 percentage points, to 3%. One member preferred to increase Bank Rate by 0.5 percentage points, to 2.75%, and one member preferred to increase Bank Rate by 0.25 percentage points, to 2.5%.

At the same time the MPC also published the November Monetary Policy Report, in which the MPC's updated projections for activity and inflation describe a very challenging outlook for the UK economy.

The MPC's report summarises the medium term forecast and their "latest projections describe a very challenging outlook for the UK economy. It is expected to be in recession for a prolonged period and CPI inflation remains elevated at over 10% in the near term. From mid-2023, inflation is expected to fall sharply, conditioned on the elevated path of market interest rates, and as previous increases in energy prices drop out of the annual comparison. It then declines to some way below the 2% target in years two and three of the projection. This reflects a negative contribution from energy prices, as well as the emergence of an increasing degree of economic slack and a steadily rising unemployment rate. The risks around that declining path for inflation are judged to be to the upside....The MPC's forecast does not incorporate any further measures that may be announced in the Autumn Statement scheduled for 17 November".

In terms of the outlook over the next three years , the MPC's central projection "that is conditioned on the elevated path of market interest rates, domestic inflationary pressures subside given the increasing amount of economic slack. Energy prices are projected to make a negative contribution to inflation in the medium term. CPI inflation is projected to fall sharply to 1.4% in two years' time, below the 2% target, and to 0.0% in three years' time. The risks around these projections are judged to be skewed to the upside.

Based on this the MPC's overall forecast summary is as follows

	2022(Qtr.4)	2023(Qtr.4)	2024(Qtr.4)	2025(Qtr.4)
	%	%	%	%
GDP	0.2	-1.9	-0.1	0.2
CPI	10.9	5.2	1.4	0.0
LFS Unemployment Rate	3.7	4.9	5.9	6.4
Excess supply/Excess demand	0.75	-2.5	-3.0	-3.0
Bank Rate	3.0	5.2	4.7	4.4

In producing their forecast, the MPC have included the following key judgements and risks:-

Key judgement 1: there has been a material tightening in financial conditions, including the elevated path of market interest rates. In addition, high energy prices continue to weigh on spending, despite an assumption of some fiscal support for household energy bills over the next two years. As a result, the UK economy is expected to remain in recession throughout 2023 and 2024 H1, and GDP is expected to recover only gradually thereafter.

Key judgement 2: although there is judged to be a greater margin of excess demand currently, continued weakness in spending leads to an increasing degree of economic slack emerging from 2023 H1, including a rising unemployment rate.

Key judgement 3: despite a decline in global price pressures and a significant fall in the contribution of household energy prices to CPI inflation, domestic inflationary pressures remain strong over the next year. But an increasing degree of economic slack depresses domestic pressures further out. Conditioned on the elevated path of market interest rates, CPI inflation declines to below the 2% target in the medium term, although the Committee judges that the risks to the inflation projections are skewed to the upside.

Bank of England (MPC) Quarterly Central Projection for CPI Inflation (November 2022)

%	2022 Qtr.4	2023 Qtr.1	2023 Qtr.2	2023 Qtr.3	2023 Qtr.4	2024 Qtr.1	2024 Qtr.2	2024 Qtr.3	2024 Qtr.4	2025 Qtr.1	2025 Qtr.2	2025 Qtr.3	2025 Qtr.4
CPI	10.9	10.1	9.5	7.9	5.2	4.0	1.1	1.2	1.4	1.2	0.8	0.6	0.0

2.4.3 Provision for Excess Inflation:

There is also a corporate provision which is held to assist services that may experience price increases greatly in excess of the inflation allowance provided when setting the budget. The provision included in the October 2022 Cabinet was £0.5m which is equivalent to an additional c. 0.33%. In the current inflationary environment it is considered that this may be insufficient and it is therefore proposed to increase this by £2.688m to £3.188m which is equivalent to an additional c.1.8% on the price inflation already provided for. The increase of £2.688m is made up of £1.9m new funding and £0.788m from a review of corporate budgets. This will be retained centrally and allocated to departments in those instances where excessively high inflation is being experienced,

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Provision for Excess inflation October Cabinet	500	500	500	500
Transfer from review of corporate budgets	788	788	788	788
New Provision	1,900	1,900	1,900	1,900
<b>Revised Provision for Excess inflation</b>	<b>3,188</b>	<b>3,188</b>	<b>3,188</b>	<b>3,188</b>

#### 2.4.4 Income

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

#### 2.4.5 Social Care Levy

On 7 September 2021, the government announced plans to reform how people pay for adult social care in England, which will be funded through a new Health and Social Care Levy. The Levy is to be based on National Insurance contributions (NICs). As part of this proposal employers would be required to pay a social care levy equivalent to 1.25% of National Insurance contributions.

On 22 September 2022, the then Chancellor Kwasi Kwarteng announced the 1.25 percentage point rise in NICs rates for employees, employers and the self-employed would be reversed from 6 November 2022, and that the Health and Social Care Levy Act 2021 would be repealed.

The MTFs 2023-27 currently includes the following provision for the Social Care Levy which will no longer be required:-

(cumulative)	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Provision in MTFs for Employers NI for social Care	1,001	1,013	1,025	1,038

#### 2.4.6 Pension Fund contributions

As part of the actuarial review of the Pension Fund it is proposed to reduce contributions by 0.5 % which leads to an annual saving of c. £0.5m.

#### 2.4.7 Budgetary Control 2022/23

There may be issues identified from monthly monitoring, elsewhere on this agenda, that have on-going financial implications which need to be addressed in setting the budget for 2023-27.

#### Monitoring 2022/23

At period 7 to 31 October 2022 the year end forecast is a net £0.988m unfavourable variance compared to the current budget



	Current Budget 2022/23 £000	Full Year Forecast (Oct) £000	Forecast Variance at year end (Oct) £000
Corporate Services	31,090	32,183	1,093
Children, Schools and Families	60,867	62,223	1,356
Environment & Regeneration	12,068	16,888	4,820
Community and Housing	66,377	67,207	830
Net Overheads	(272)	0	272
<b>NET SERVICE EXPENDITURE</b>	<b>170,131</b>	<b>178,501</b>	<b>8,371</b>
Corporate	(2,826)	(9,779)	(6,953)
<b>Total Expenditure</b>	<b>167,305</b>	<b>168,722</b>	<b>1,418</b>
Funding	(167,305)	(167,734)	(429)
<b>Net Expenditure</b>	<b>0</b>	<b>988</b>	<b>988</b>

Based on October 2022 monitoring, an overall unfavourable variance is forecast, with the following pressures being flagged:-

- a) Corporate Services: Customers, Policy and Improvement, Infrastructure and Technology, Resources, Human Resources, Housing Benefits Rent Allowance subsidies.
- b) Children's Schools and Families: High cost and dependency on agency staff, high cost of child placements and transport, DSG deficit
- c) Environment and Regeneration: The main areas of variance are Regulatory Services, Parking Services, Waste, Leisure & Culture, Greenspaces, Property Management, Development & Building Control, Future Merton and Safer Merton. The primary reasons are the reduced revenue within Parking Services of £2.6m, a projected utility budget overspend of approximately £1m and increased inflationary costs for services, materials and equipment.
- d) Community and Housing: Adult Social Care, Housing General Fund, and libraries and heritage.

#### 2.4.8 Growth

The MTFs reported to Cabinet in October 2022 was repriced to include inflation but was based on a standstill position. It did not include any provision for growth in services for 2023/24 to 2026/27 but it is clear that there will be some areas that will require additional support in order to be able to cope with pressures currently identified.

Service departments have been reviewing their service projections against current budgets and have identified some growth requirements. Details are provided in Appendix 4 and are summarised in the following table:-

<b>Cumulative growth</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>Total £'000</b>
Corporate Services	315	120	120	0	555
Children, Schools and Families	1,871	(475)	0	0	1,396
Environment and Regeneration	905	0	0	0	905
Community and Housing	274	0	(97)	0	177
<b>Total</b>	<b>3,365</b>	<b>(355)</b>	<b>23</b>	<b>0</b>	<b>3,033</b>
<b>Cumulative</b>	<b>3,365</b>	<b>3,010</b>	<b>3,033</b>	<b>3,033</b>	

Cabinet are requested to review and agree the proposals and refer them to the Overview and Scrutiny Panels and Commission for scrutiny in January 2023.

#### 2.4.9 Capital Programme for 2023-27

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.

The report to Cabinet in October 2022 set out the current capital programme, The latest current capital programme based on October 2021 monitoring, including slippage and new bids are set out in Appendix 7.

The following tables summarise the change in proposed capital expenditure and associated capital financing costs from Council in March 2022 to the latest forecast costs:-

<b>Capital Expenditure</b>	<b>2023/24 Estimate £000's</b>	<b>2024/25 Estimate £000's</b>	<b>2025/26 Estimate £000's</b>	<b>2026/27 Estimate £000's</b>
Capital Expenditure (Council March 2022)	21,971	15,830	37,477	29,982
Change	13,021	10,002	1,034	(2,296)
Capital Expenditure (October monitoring with slippage)	34,992	25,832	38,511	27,686
Change	10,680	22,671	14,648	5,718
Capital Expenditure (October, slippage and New Bids)	45,672	48,503	53,159	33,404

<b>Capital Financing Costs</b>	<b>2023/24 Estimate £000's</b>	<b>2024/25 Estimate £000's</b>	<b>2025/26 Estimate £000's</b>	<b>2026/27 Estimate £000's</b>
Capital Financing costs (Council March 2022)	11,903	12,929	12,736	16,186
Change	(796)	(902)	(730)	(1,335)
Capital Financing costs (October monitoring with slippage)	11,107	12,027	12,006	14,851
Change	0	285	1,269	2,465
Capital Financing costs (October, slippage and New Bids)	11,107	12,312	13,275	17,316

## 2.5 Forecast of Resources and Provisional Local Government Finance Settlement

### 2.5.1 Autumn Statement

Since October there has been significant political and economic change in the United Kingdom with turmoil in the financial markets and continuing high inflation and volatility in energy supply and prices. The financial implications arising from the Government's economic projections and Medium-Term Fiscal Plan have been uncertain with a number of proposals being reversed in recent weeks.

On 26 October 2022, the Chancellor of the Exchequer requested an Office for Budget Responsibility (OBR) forecast to be published on 17 November. 2022, This will be published alongside the Chancellor's Autumn Statement.

The Autumn Statement gives details on Government taxation and spending plans to address the cost of living crisis. Whilst Government Departmental Expenditure Limits are expected to be announced, individual local authorities allocations will not be known until the Provisional Local Government Finance Settlement 2023 is published (expected in mid-December).

### 2.5.2 Provisional Local Government Finance Settlement

The Departmental Expenditure Limits set out in the Spending Review form the basis of the allocations included in the Provisional Local Government Finance Settlement 2022. The Settlement is due to be announced in mid-December. Ideally, the Provisional Settlement will provide an indication of funding allocations over a number of years but recent years have tended to be for one year only. This makes medium to long-term financial planning extremely difficult.

An analysis on the potential financial impact of the provisional Settlement will be included in the report to Cabinet in January 2023.

## 2.6 London Business Rates 2023-24

- 2.6.1 As previously reported, due to uncertainty arising from COVID-19, the London Business pool was discontinued for 2021/22 and similarly for 2022/23. It is assumed that there will not be a London Business Rates pool in 2023/24.
- 2.6.2 There were a number of announcements affecting Business Rates in the Autumn Statement published on 17 November 2022 and these are included in the summary of the Autumn Statement in Appendix 6.

## 2.7 Council Tax Base

- 2.7.1 The Council Tax Base is a key factor which is required by levying bodies and the Council for setting the levies and Council Tax for 2023/24. The council tax base is the measure of the number of dwellings to which council tax is chargeable in an area or part of an area. The Council Tax Base is calculated using the properties from the Valuation List together with information held within Council Tax records. The properties are adjusted to reflect the number of properties within different bands in order to produce the Council Tax Base (Band D equivalent). This will be used to set the Council Tax at Band D for 2023/24. The Council is required to determine its Council Tax Base by 31 January 2023.
- 2.7.2 Regulations set out in the Local Authorities (Calculation of council Tax Base) Regulations 2012 (SI 2012:2914) ensure that new local council tax support schemes, implemented under the Local Government Finance Act 2012, are fully reflected in the council tax base for all authorities.
- 2.7.3 The Council Tax Base Return to central Government takes into account reductions in Council Tax Base due to the Council Tax Support Scheme and also reflects the latest criteria set for discounts and exemptions. The CTB Return for October 2022 is the basis for the calculation of the Council Tax Base for 2023/24.
- 2.7.4 Details of how the Council Tax Base is calculated are set out in Appendix 1. A summary of the Council Tax Bases for the Merton general area and the addition for properties within the Wimbledon and Putney Commons Conservators area for 2023/24 compared to 2022/23 is set out in the following table:-

<b>Council Tax Base</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Change %</b>
Whole Area	75,754.6	77,694.3	2.6%
Wimbledon & Putney Common Conservators	11,705.0	11,671.9	(0.3)%

## 3. SAVINGS PROPOSALS 2023-27

- 3.1 Cabinet on 10 October 2022 agreed savings targets as follows:-

<b>SAVINGS TARGETS BY DEPARTMENT</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>Total £000</b>
Corporate Services	993	2,889	908	222	5,012
Children, Schools and Families	608	1,767	555	136	3,066
Environment and Regeneration	1,246	3,624	1,139	278	6,287
Community and Housing	1,392	4,049	1,273	311	7,025
<b>Total</b>	<b>4,239</b>	<b>12,329</b>	<b>3,875</b>	<b>947</b>	<b>21,390</b>
<b>Total (cumulative)</b>	<b>4,239</b>	<b>16,568</b>	<b>20,443</b>	<b>21,390</b>	

- 3.2 Since then, service departments have been reviewing their budgets to identify savings proposals to meet their savings targets.
- 3.3 Some proposals have been identified and progress against targets is summarised in the following table:-

#### **NEW SAVINGS PROPOSALS 2023-27: SUMMARY**

	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>TOTAL £000</b>
Corporate Services	880	0	(100)	0	780
Children, Schools and Families	523	0	0	0	523
Environment and Regeneration	582	0	0	0	582
Community and Housing	1,113	0	0	0	1,113
<b>TOTAL</b>	<b>3,098</b>	<b>0</b>	<b>(100)</b>	<b>0</b>	<b>2,998</b>
<b>Cumulative Total</b>	<b>3,098</b>	<b>3,098</b>	<b>2,998</b>	<b>2,998</b>	

- 3.4 Details of the savings proposals are included in Appendix 5. Cabinet are requested to review and agree the proposals and refer them to the Overview and Scrutiny Panels and Commission for scrutiny in January 2023.
- 3.5 Equalities Assessments for new savings will be included in the Member's Information Packs to be published at the end of December.
4. **BUDGET STRATEGY AND UPDATE TO MTF5 2023-27**
- 4.1 The council has a statutory duty to set a balanced budget.
- 4.2 The MTF5 reported to Cabinet in October 2022 assumed a 2% general Council Tax increase in 2023/24.
- 4.3 Taking into account the changes set out in this report, the latest budget gap forecast is:-

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
MTFS Gap (October 2022 Cabinet)	4,239	16,568	20,443	21,390
Council Tax Base - Income	(1,384)	(1,427)	(1,470)	(1,513)
Increase provision for Excess Inflation	2,688	2,688	2,688	2,688
Review of corporate Contingencies	(780)	(780)	(780)	(780)
Government scrap NI increase for Social Care Levy	(1,001)	(1,013)	(1,025)	(1,038)
Pension Fund – 0.5% reduction in contributions	(500)	(500)	(500)	(500)
Capital Financing Costs – October monitoring/slippage	(1,237)	(1,308)	(1,140)	(1,798)
Capital Financing Costs – New Bids	0	285	1,269	2,466
Revenue Growth 2023-37	3,365	3,010	3,033	3,033
New Savings 2022-26	(3,098)	(3,098)	(2,998)	(2,998)
Use of Reserves	2,050	(1,000)	(1,000)	(50)
<b>Revised Gap</b>	<b>4,342</b>	<b>13,425</b>	<b>18,520</b>	<b>20,899</b>

4.4 A more detailed MTFS is included as Appendix 2. Analysis of the movement in the MTFS from Council in March 2022 to Cabinet in December 2022 is included in Appendix 3.

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

## 5. GLA BUDGET AND PRECEPT SETTING 2023-24 – PROVISIONAL TIMETABLE

5.1 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.

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

Mid to late December 2022	Following the publication of the provisional Local Government, Fire and Police Settlements, issue the Mayor's Consultation Budget.
26 January 2023	Assembly to consider Draft Consolidated Budget.
23 February 2023	Assembly to consider Final Draft Consolidated Budget.
27 February 2023	Statutory deadline by which the GLA precept must be approved and the Mayor's statutory Capital Spending Plan published.

5.3 NNDR1 returns will be required to be submitted to the DLUHC by 31 January 2023. It is essential that all authorities meet this deadline for the GLA to be able to achieve its timetable. It is anticipated that the percentage shares for 2023/24 used for the returns for London authorities will be 37% GLA, 33% central government and 30% London

boroughs. This is expected to be confirmed in the provisional local government finance settlement.

**6. CONSULTATION UNDERTAKEN OR PROPOSED**

- 6.1 There will be consultation as the business plan process develops. This will include the Overview and Scrutiny panels and Commission, business ratepayers and all other relevant parties.
- 6.2 In accordance with statute, consultation is taking place with business ratepayers and a meeting will be arranged for February 2023.
- 6.3 As previously indicated, a Member’s information pack will be prepared and distributed to all councillors at the end of December 2022 that can be brought to all Scrutiny and Cabinet meetings from 10 January 2023 onwards and to Budget Council. As for recent years, this should be an improvement for both councillors and officers - more manageable for councillors and it will ensure that only one version of those documents is available so referring to page numbers at meetings will be easier. It will also keep printing costs down and reduce the amount of printing that needs to take place immediately prior to Budget Council.
- 6.4 The pack will include:
  - Growth proposals
  - Savings proposals
  - New Capital proposals 2022-32
  - A draft Equality impact assessment for each saving proposal.

**7. TIMETABLE**

7.1 The key deadlines are as follows:-

5 December 2022	Cabinet
Late December	Provisional Local Government Finance Settlement
End of December	Member’s Information Pack circulated
10 January 2023	Healthier Communities Overview & Scrutiny Panel
11 January 2023	Children and Young People Overview & Scrutiny Panel
16 January 2023	Cabinet
19 January 2023	Sustainable Communities Overview & Scrutiny Panel
25 January 2023	Overview and Scrutiny Commission
20 February 2023	Cabinet
_1 March 2023	Council approves Council Tax 2023/24and MTFS 2023-27

## 8. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1 All relevant implications have been addressed in the report.

## 9. LEGAL AND STATUTORY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

## 10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1 Draft Equalities assessments of the savings proposals will be provided as part of the Member's Information Pack which should be available at the end of December.

## 11. CRIME AND DISORDER IMPLICATIONS

11.1 Not applicable.

## 12. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

12.1 Not applicable.

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

**Appendix 1:** Council Tax Base 2023/24

**Appendix 2:** MTFS Update

**Appendix 3:** Movement in MTFS Council March 2022 to Cabinet 5 December 2022

**Appendix 4:** Growth Proposals 2023-27

**Appendix 5:** Savings Proposals 2023-27

**Appendix 6:** London Council's summary of Autumn Statement (17 November 2022)

**Appendix 7:** Capital Bids and Draft Capital Programme 2023-27

### **BACKGROUND PAPERS**

Budget files held in the Corporate Services department.

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## **Council Tax Base 2023/24**

### **1. INTRODUCTION**

- 1.1 The council tax base is the measure of the number of dwellings to which council tax is chargeable in an area or part of an area. The Council Tax base is calculated using the properties from the Valuation List together with information held within Council Tax records. The properties are adjusted to reflect the number of properties within different bands in order to produce the Council Tax Base (Band D equivalent).
- 1.2 Since 2013/14 the Council Tax Base calculation has been affected by the introduction of the new local council tax support scheme and technical reforms to council tax. On 30 November 2012, new regulations set out in the Local Authorities (Calculation of council Tax Base) Regulations 2012 (SI 2012:2914) came into force. These regulations ensure that new local council tax support schemes, implemented under the Local Government Finance Act 2012, are fully reflected in the council tax base for all authorities.
- 1.3 Under the regulations, the council tax base is the aggregate of the relevant amounts calculated for each valuation band multiplied by the authority's estimated collection rate for the year.
- 1.4 The relevant amounts are calculated as
  - number of chargeable dwellings in each band shown on the valuation list on a specified day of the previous year,
  - adjusted for the number of discounts, and reductions for disability, that apply to those Dwellings
- 1.5 All authorities notify the DLUHC of their unadjusted Council Tax Base using a CTB Form using valuation list information as at 12 September 2022.
- 1.6 The CTB form for 2022 includes the latest details about the Council Tax Support Scheme and the technical reforms which impacted on discounts and exemptions.
- 1.7 There is a separate council tax base for those properties within the area covered by Wimbledon and Putney Commons Conservators. The Conservators use this, together with the Council Tax bases from RB Kingston, and Wandsworth to calculate the levy which is charged each year.

## 2. UNADJUSTED COUNCIL TAX BASE 2023/24

### 2.1 Information from the October 2022 Council Tax Base Return

2.1.1 The Council makes two CTB returns, one for the whole area of the borough and the other for the area covered by the Wimbledon and Putney Common Conservators for which an additional levy is applied.

2.1.2 From the CTB Returns, prior to incorporating an assumed collection rate, the unadjusted council tax bases are

<b>Unadjusted Council Tax Base</b>	<b>2023/24</b>
Merton – General	78,677.8
Wimbledon & Putney Common Conservators	11,910.1

## 3. ASSUMPTIONS IN THE MTFS

3.1 Other than changes in the actual council tax rates levied, in producing a forecast of council tax yield in future years, there are two key variables to be considered:-

- the year on year change in Council Tax Base
- the council tax collection rate

3.2 The MTFS approved by Council in March 2022 assumed that the Council Tax Base increases by 0.5% per year and that the collection rate will be 98% in 2022/23, and 98.75% in 2023/24 and in future years. This was to reflect the impact of Covid-19 and the assumption that the collection rate would eventually return to the levels prior to the pandemic.

3.3 Based on these assumptions the revised estimated Council Tax Base used in the MTFS 2023-27 is as set out in the following table:-

<b>Council Tax Base - Revised Calculation 2022/23 to 2025/26</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
Council Tax Base	78,677.8	78,677.8	79,071.2	79,466.6
Assumed Annual increase	-	393.4	395.4	397.3
<b>Estimated Council Tax Base before collection rate adjustment</b>	78,677.8	79,071.2	79,466.6	79,863.9
Collection Rate	98.75%	98.75%	98.75%	98.75%
<b>Estimated Council Tax Base after collection rate adjustment</b>	<b>77,694.3</b>	<b>78,082.8</b>	<b>78,473.4</b>	<b>78,865.6</b>

3.4 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

#### 4. IMPLICATIONS FOR COUNCIL TAX YIELD 2023-27

4.1 Based on a collection rate of 98.75% (paragraph 3.2 refers), on a like for like basis (i.e. assuming council tax charges do not change) the estimated income in 2023/24 compared to 2022/23 is summarised in the following table:-

<b>Council Tax: Whole area</b>	<b>2022/23</b>	<b>2023/24</b>
Tax Base	75,754.6	77,694.3
Band D Council Tax	£1,380.87	£1,380.87
<b>Estimated Yield</b>	<b>£104.607m</b>	<b>£107.286m</b>
Change: 2022/23 to 2023/24 (£m)		£2.679m
Change: 2022/23 to 2023/24 (%)		2.6%

#### 4.2 Analysis of changes in yield 2022/23 to latest 2023/24

4.2.1 The reasons for the change in estimated yield, excluding any change in Council Tax level, between 2022/23 and the latest 2023/24 estimate based on the CTB data are:-

- Change in Council Tax Base before adjusting for collection rate by 1,377.2 from 77,300.6 to 78,677.8 which multiplied by the Band D Council Tax of £1,380.87 results in increased yield of c. £1.9m
- Change in Council Tax collection rate of 0.75% from 98% to 98.75%, equivalent to additional council tax base of 590 which multiplied by the Band D Council Tax of £1,380.87 results in increased yield of c. £0.8m

4.2.2 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 966 from 86,133 to 87,099 and the number of exempt dwellings increased by 4 from 994 to 998. This means that the number of chargeable dwellings increased by 962 between years. Based on a full charge, this equates to additional council tax of £1.328m.

b) Amount of Council Tax Support Reduction

Based on October 2021 there was a reduction of 8,086.0 to the Council Tax Base for local council tax support. This has reduced to 7,441.2 in based on October 2022 which is a change of 644.8 and equates to an increase in council tax of about £0.890m.

c) Changes in Discounts, Exemptions and Premiums

Overall, the number of properties subject to discounts or exemption increased by 867 and those subject to premiums increased by 40 between October 2021 and October 2022.

d) Change in collection rate

There has been a change made to the estimated collection rate of 0.75%, which has increased from 98% to 98.75%.

Summary

The following puts the individual elements together to show how the potential council tax yield changes between 2022/23 and 2023/24:-

	<b>Approx. Change in Council Tax Base</b>	<b>Approx. Change in Council Tax yield</b>
		£m
Increase in number of chargeable dwellings	966.0	1.328
Change in Council Tax Support Reductions	644.8	0.890
Change in discounts, exemptions, premiums and distribution	(261.1)	(0.354)
Change in collection rate	590.0	0.815
<b>Total</b>	<b>1,939.7</b>	<b>2.679</b>

### 4.3 Council Tax Yield 2023/24

4.3.1 The draft MTFS assumes a Council Tax increase of 2% in 2023/24. Assuming this the estimated Council Tax yield for 2023/24 is:-

<b>Council Tax: Whole area</b>	<b>Tax Base</b>	<b>Band D 2023/24</b>	<b>Council Tax Yield 2023/24</b>	<b>Council Tax Yield 2022/23</b>
Merton	77,694.3	1,408.48	£109.4m	£104.6m

4.3.2 There has been no guidance published by the government yet regarding Council Tax Referendum Principles relating to Council Tax increases for general and Adult Social Care precepts.

4.3.3 The updated MTFS is based on the following assumptions, subject to announcement in the Local Government Finance Settlement 2023/24 of the Referendum Principles for 2023/24:-

	2023/24	2024/25	2025/26	2026/27
Increase in CT Base	0.5%	0.5%	0.5%	0.5%
Collection Rate	98.75%	98.75%	98.75%	98.75%
Council Tax – General*	2%	2%	2%	2%
Council Tax – Adult Social Care†	0%	0%	0%	0%

\* Current estimated threshold for referendum, to be confirmed in the Provisional Settlement

4.3.4 Based on the estimated Council Tax Base calculations set out in the table in paragraph 3.3, and annual Council Tax increases of 2% as in the latest MTFS assumptions, the estimated council tax yields over the MTFS period are as follows:-

	2023/24	2024/25	2025/26	2026/27
Council Tax (Band D) b/f from previous year	£1,380.87	£1,408.48	£1,436.64	£1,465.37
2% increase - General	£27.61	£28.16	£28.73	£29.30
0% for Adult Social Care	0	0	0	0
Revised Council Tax (Band D)	£1,408.48	£1,436.64	£1,465.37	£1,494.67
	£m	£m	£m	£m
Estimated Council Tax Yield	109.4	111.6	113.8	116.1

4.3.5 The change in the Council Tax yield compared to that included in the MTFS are:-

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
MTFS (Cabinet 10 October 2022)	108.1	110.8	113.5	116.1
Revised Estimated Council Tax Yield	109.4	111.6	113.8	116.1
Change	1.3	0.8	0.3	0.0

## 5. SUMMARY

5.1 Based on the information discussed, the council tax bases for 2023/24 and compared to 2022/23 are summarised in the following table:-

<b>Council Tax Base</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Change</b>
Whole Area	75,754.6	77,694.3	2.6%
Wimbledon & Putney Common Conservators	11,705.0	11,671.9	(0.3)%

<b>DRAFT MTFS 2023-27:</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Departmental Base Budget 2021/22</b>	<b>173,022</b>	<b>173,022</b>	<b>173,022</b>	<b>173,022</b>
Inflation (Pay, Prices)	14,877	21,653	25,999	30,347
NI increase	(1,001)	(1,013)	(1,025)	(1,038)
Pension Fund Revaluation	(452)	(428)	(404)	(380)
FYE – Previous Years Savings	(2,218)	(2,166)	(2,063)	(2,072)
FYE – Previous Years Growth	390	390	390	390
Amendments to previously agreed savings/growth	0	0	0	0
Change in Net Appropriations to/(from) Reserves	(3,226)	(3,226)	(3,676)	(3,676)
Taxi card/Concessionary Fares	1,457	4,468	5,712	5,712
Social Care - Additional Spend offset by grant/precept	(479)	(469)	(482)	(477)
Growth	3,365	3,010	3,033	3,033
DSG Safety Valve	0	0	0	0
Provision - DSG Deficit	2,400	1,600	700	(3,600)
Contract increases	0	0	2,700	2,700
Other	80	160	240	320
<b>Re-Priced Departmental Budget</b>	<b>188,215</b>	<b>197,001</b>	<b>204,146</b>	<b>204,281</b>
Treasury/Capital financing	10,731	11,966	12,950	17,002
Pensions	0	0	0	0
Other Corporate items	(20,430)	(20,703)	(21,026)	(20,708)
Levies	611	611	611	611
<b>Sub-total: Corporate provisions</b>	<b>(9,088)</b>	<b>(8,126)</b>	<b>(7,465)</b>	<b>(3,095)</b>
<b>Sub-total: Repriced Departmental Budget + Corporate Provisions</b>	<b>179,126</b>	<b>188,875</b>	<b>196,681</b>	<b>201,185</b>
Savings/Income Proposals 2022/23	(3,098)	(3,098)	(2,998)	(2,998)
<b>Sub-total</b>	<b>176,028</b>	<b>185,777</b>	<b>193,683</b>	<b>198,187</b>
Appropriation to/from departmental reserves	(752)	(752)	(302)	(302)
Appropriation to/from Balancing the Budget Reserve	(7,122)	(1,000)	(1,000)	(50)
ONGOING IMPACT OF COVID-19 (NET)	505	0	0	0
<b>BUDGET REQUIREMENT</b>	<b>168,659</b>	<b>184,025</b>	<b>192,381</b>	<b>197,835</b>
<b>Funded by:</b>				
Revenue Support Grant/Covid RNF & LCTS grant	0	0	0	0
Business Rates (inc. Section 31 grant)	(41,216)	(41,658)	(42,105)	(42,556)
Adult Social Care Grants inc. BCF	(5,010)	(5,010)	(5,010)	(5,010)
Social Care Grant	(6,282)	(6,282)	(6,282)	(6,282)
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	(300)	(300)	(300)	(300)
Council Tax inc. WPCC	(109,805)	(112,553)	(115,367)	(117,991)
Collection Fund – (Surplus)/Deficit	3,093	0	0	0
Market Sustainability and Fair Cost of Care Fund	0	0	0	0
2022/23 Services Grant	0	0	0	0
<b>TOTAL FUNDING</b>	<b>(164,317)</b>	<b>(170,600)</b>	<b>(173,861)</b>	<b>(176,936)</b>
<b>GAP including Use of Reserves (Cumulative)</b>	<b>4,342</b>	<b>13,425</b>	<b>18,520</b>	<b>20,899</b>

## Summarised Transition from Council March 2022 to Cabinet 5 December 2022

<b>Budget Forecast 2022/23 to 2025/26</b>				
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Budget Gap Council March 2022</b>	<b>4,618</b>	<b>18,791</b>	<b>21,659</b>	<b>27,767</b>
<b>EXPENDITURE</b>				
Inflation - Pay	1,055	1,118	1,181	1,244
Inflation - Prices	2,425	3,329	3,472	3,615
Inflation - Pay Award 2021/22 additional effect	3,960	4,039	4,120	4,202
Inflation - Provision for excess inflation	2,688	2,688	2,688	2,688
Additional Employer's NI for Social Care	(1,008)	(1,029)	(1,049)	(1,070)
FYE - Amendments to existing savings since Cabinet March 2021	0	0	0	0
External Borrowing Costs	(412)	(263)	873	1,454
<b>NEW SAVINGS 2022-23</b>	<b>(3,098)</b>	<b>(3,098)</b>	<b>(2,998)</b>	<b>(2,998)</b>
Change in requirement for DSG Deficit	(9,228)	(11,114)	(13,099)	(18,600)
PENSION FUND REVALUATION 2022 - Reduce Oncost	(500)	(500)	(500)	(500)
Change in corporate budgets	(780)	(780)	(780)	(780)
Proposed Growth - Services	3,365	3,010	3,033	3,033
Waste contract relet	0	0	1,800	1,800
Parking contract and Systems	0	0	900	900
<b>FUNDING</b>				
Investment Income	(385)	(355)	(334)	(323)
Council Tax income	(1,378)	(1,412)	(1,447)	(1,481)
Collection Fund - t/f of Ctax surplus(-)/deficit	68	0	0	0
Collection Fund - t/f of BRates surplus(-)/deficit	1,561	0	0	0
Use of Reserves	1,391	(1,000)	(1,000)	(50)
<b>Cabinet 5 December 2022</b>	<b>4,342</b>	<b>13,425</b>	<b>18,520</b>	<b>20,900</b>



**SUMMARY OF GROWTH PROPOSALS 2023-27**

<u>Cumulative</u>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Corporate Services	315	435	555	555
Children, Schools and Families	1,871	1,396	1,396	1,396
Environment and Regeneration	905	905	905	905
Community and Housing	274	274	177	177
Cumulative Savings Proposals	3,365	3,010	3,033	3,033

**MEDIUM TERM FINANCIAL STRATEGY 2023-27**

**CORPORATE SERVICES - REVENUE GROWTH PROPOSALS 2023-27**

	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>
Policy and Scrutiny and Continuous Improvement - Merge and restructure the team	75			
Infrastructure and Transactions - Azure: To run new digital services	240	120	120	
<b>Total : CORPORATE SERVICES Growth 2023-27</b>	<b>315</b>	<b>120</b>	<b>120</b>	<b>0</b>
<b>Cumulative Total</b>	<b>315</b>	<b>435</b>	<b>555</b>	<b>555</b>

GROWTH PROPOSALS 2023-27  
DEPARTMENT: Corporate Services

Panel	Ref	Description of growth	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Type of Growth (see key)
		<p><b>Service/Section Description</b> <b>Policy and Scrutiny and Continuous Improvement</b> Merge and restructure the Policy, Scrutiny and Continuous Improvement team to create a new team that can support the full change process from initial idea, analysis, options generation, agreeing solution, implementation and evaluation. Including a new data insight and performance function.</p> <p><b>Service Implication</b> Will modernise and improve the current offer to the organisation with a focus on innovation through to implementation.</p> <p><b>Staffing Implications</b> Small increase in staffing and full restructure - will require new JDs, business case, consultation and recruitment to new</p> <p><b>Strategic Priorities</b> Merton is on a rapid change journey with a new ambition and priorities through to 2026. This will require support in terms of data</p> <p><b>Impact on other</b> Highly beneficial in terms of supporting major change initiatives and bringing us up to current best practice in terms of these</p> <p><b>Equalities Implications</b> Improving our use of data will allow us to better understand and evaluation equalities implications.</p>	75	0	0	0	GS1
		<p><b>Service/Section Description</b> <b>Infrastructure and Transactions - Azure</b> To run new digital services I.e Compliant, portal, insight 2 intervention, these will run in Microsoft azure and will consume costs the architecture has now been agreed athios is the best estimates as the systems are not live yet and will go live quarter 4 2022/23</p> <p><b>Service Implication</b> The systems will not be able to run as they require revenue to process the systems</p> <p><b>Staffing Implications</b> None</p> <p><b>Strategic Priorities</b> Digital transformation</p> <p><b>Impact on other</b> Other departments will use these systems we are implementing and therefore will not work.</p> <p><b>Equalities Implications</b> None</p>	240	120	120		GP1
<b>Total</b>			<b>315</b>	<b>120</b>	<b>120</b>	<b>0</b>	
<b>Cumulative Total</b>			<b>315</b>	<b>435</b>	<b>555</b>	<b>555</b>	

Type of Growth Key

- GI1 Income: Decrease due to fall in demand for service
- GI2 Income: Decrease due to reduction/deletion of service
- GS1 Staffing: increase in level of service
- GS2 Staffing: New service
- GNS1 Non - Staffing: increase in level of service
- GNS2 Non - Staffing: New service
- GP1 Addition to Procurement / Third Party arrangements
- GPROP Increase in Property Related costs

**Panel**

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

## MEDIUM TERM FINANCIAL STRATEGY 2023-27

## CHILDREN, SCHOOLS AND FAMILIES - REVENUE GROWTH PROPOSALS 2023-27

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Children's Social Care - Salaries benchmarking and uplift (Under review)	545	-	-	-
Home to School Transport/Contracts and School Organisation (Under review)	1,326	(475)	-	-
<b>Total : CHILDREN, SCHOOLS AND FAMILIES Growth 2023-27</b>	<b>1,871</b>	<b>(475)</b>	<b>0</b>	<b>0</b>
<b>Cumulative Total</b>	<b>1,871</b>	<b>1,396</b>	<b>1,396</b>	<b>1,396</b>

GROWTH PROPOSALS 2023-27  
DEPARTMENT: Children, Schools and Families

Panel	Ref	Description of growth	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Type of Growth (see key)
C&YP	GS2	<p><b>Service/Section Description</b></p> <p><b>Children's Social Care</b> Salaries Benchmarking exercise has identified a pay gap in comparison to neighbouring authorities; the HR paper estimates an additional cost of £205k to ensure we advertise a competitive offer thereby attracting the best talent and reducing our reliance of agency staff. In addition the previous restructure made assumptions around vacancy rates and related underspends of £340k which was not realised due to the increase in agency rates.</p> <p><b>Service Implication</b></p> <p>Once in place, we are likely to see increased recruitment and retention activity which will enable us to attract the best talent as well as retain the talent we already have making Merton a place where staff want to work and build their career. This will continue to reduce our agency spend which in turn will allow for mitigations against this additional cost.</p> <p><b>Staffing Implications</b></p> <p>As above</p> <p><b>Strategic Priorities implications</b></p> <p>Links to putting Merton on the map and ensuring this is London's 'best council'.</p> <p><b>Impact on other departments</b></p> <p>NA</p> <p><b>Equalities Implications</b></p> <p>Demonstrating equality of pay when comparing to neighbouring boroughs.</p>	545				GS1
C&YP	GS4	<p><b>Service/Section Description</b></p> <p><b>Home to School Transport/Contracts and School Organisation</b> Due to the increase in EHCPs and related specialist placements over the past five years the number of children receiving transport assistance has doubled, with a similar increase in demand for SEND home to school transport. However, the budget has not received a corresponding increase and is forecast to overspend by circa £1.56 million in 2022/23. A number of initiatives have been implemented, including a new policy agreed by Cabinet in March 2022. However, the service is experiencing particularly high inflation in the transport sector. Therefore there is a requirement to 'right size' the budget for 2022/23. CSF will implement a thorough review of the offer, taking into account learning from other authorities, and a review at case level to mitigate the overall pressure. This will include maximisation of in-borough capacity, review of our travel direct payments policy, increased use of direct payments and promotion of travel training and independent travel.</p> <p><b>Service Implication</b></p> <p>It is not possible to meet our statutory requirement for SEND Home to School Transport and the policy agreed by Cabinet in March 2022 within the current budget; efficiency savings are being implemented are to prevent further growth</p> <p><b>Staffing Implications</b></p> <p>As part of the overall initiatives it is planned to employ one extra member of staff for which part of the role would be to systematically review all 750 children currently receiving transport assistance, to ensure they are still eligible. The cost of this member of staff would be more than self funding within 18 months</p> <p><b>Strategic Priorities implications</b></p> <p></p> <p><b>Impact on other departments</b></p> <p>None</p> <p><b>Equalities Implications</b></p> <p>Home to school transport is required to ensure children with SEND can access education and is enshrined in statutory guidance</p>	1,326	(475)			GNS1
<b>Total</b>			<b>1,871</b>	<b>(475)</b>	<b>0</b>	<b>0</b>	
<b>Cumulative Total</b>			<b>1,871</b>	<b>1,396</b>	<b>1,396</b>	<b>1,396</b>	

**Type of Growth Key**

- GI1** Income: Decrease due to fall in demand for service
- GI2** Income: Decrease due to reduction/deletion of service
- GS1** Staffing: increase in level of service
- GS2** Staffing: New service
- GNS1** Non - Staffing: increase in level of service
- GNS2** Non - Staffing: New service
- GP1** Addition to Procurement / Third Party arrangements
- GPROP** Increase in Property Related costs

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

## MEDIUM TERM FINANCIAL STRATEGY 2023-27

## ENVIRONMENT AND REGENERATION - REVENUE GROWTH PROPOSALS 2023-27

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Public Space - Waste	178	0	0	0
Development Management and Building control -Changes to Building Control team	77	0	0	0
Parking Services income - Resident and Visitor Permit Income deficit	650	0	0	0
<b>Total : Environment and Regeneration Growth 2023-27</b>	<b>905</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cumulative Total</b>	<b>905</b>	<b>905</b>	<b>905</b>	<b>905</b>

GROWTH PROPOSALS 2023-27  
DEPARTMENT: Environment and Regeneration

Panel	Ref	Description of growth		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Type of Growth (see key)
		<b>Service/Section Description</b> <b>Service Implication</b> <b>Staffing Implications</b> <b>Strategic Priorities implications</b> <b>Impact on other departments</b> <b>Equalities Implications</b>	<b>Public Space - Waste</b> Additional collection service for Flats above shops and time banded properties. This is a continuation of service following a trial If unfunded these properties will remain on a weekly collection 2x waste collection crews Cleaner Streets None None	178				GS2
		<b>Service/Section Description</b>  <b>Service Implication</b>  <b>Staffing Implications</b> <b>Strategic Priorities implications</b> <b>Impact on other departments</b> <b>Equalities Implications</b>	<b>Development Management &amp; Building Control - Building Control</b> Changes to the building control team  Without the higher level and increased staffing, the service is unable to recruit as salaries have fallen behind other London Boroughs; unable to meet the requirements of the new legislation for building and fire safety; unable to deal with the increased number of statutory dangerous buildings incidents being experienced each year; unable to retain our commercial contracts incl. Wimbledon; unable to meet the income targets; and unable to collect income.  1 new admin officer; 1 Principal Surveyor p/t increased to f/t; 1 Surveyor p/t deleted; Mgr grade increased Building a Sustainable Future - BC will have a direct impact upon building quality Will enable improved working with other service areas such as Highways Greater parity with other London Boroughs	77				GS1
Page 49		<b>Service/Section Description</b>  <b>Service Implication</b>  <b>Staffing Implications</b> <b>Strategic Priorities implications</b> <b>Impact on other departments</b> <b>Equalities Implications</b>	<b>Parking Services</b> Resident and Visitor Permit Income (estimated structural gap c. £650k) From 2019/20 structural changes (introduced in January 2020) were made to remove the price incentive for residents to make excessive use of annual visitor permits. This policy was successful and there was subsequently a significant shift to resident permits and to scratch-cards, often a more economic alternative. The financial impact of this was not forecast i.e. a large drop in visitor permit sales, which was not counter-balanced by equivalent income from resident permits and scratch-cards. This gap then widened as demand for resident permits declined marginally during the Covid pandemic. None None None None	650				GI1
		<b>Total</b>		905	0	0	0	0
		<b>Cumulative Total</b>		905	905	905	905	

**Type of Growth Key**

- GI1** Income: Decrease due to fall in demand for service
- GI2** Income: Decrease due to reduction/deletion of service
- GS1** Staffing: increase in level of service
- GS2** Staffing: New service
- GNS1** Non - Staffing: increase in level of service
- GNS2** Non - Staffing: New service
- GP1** Addition to Procurement / Third Party arrangements
- GPROF** Increase in Property Related costs

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

## MEDIUM TERM FINANCIAL STRATEGY 2023-27

## COMMUNITY AND HOUSING - REVENUE GROWTH PROPOSALS 2023-27

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Housing - Empty Homes	177	0	0	0
Housing - Selective Licencing (New Service)	97	0	(97)	0
<b>Total : COMMUNITY AND HOUSING Growth 2023-27</b>	<b>274</b>	<b>0</b>	<b>(97)</b>	<b>0</b>
<b>Cumulative Total</b>	<b>274</b>	<b>274</b>	<b>177</b>	<b>177</b>



Panel	Ref	Description of growth		2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Type of Growth (see key)
HC&OP	G10	<b>Service/Section Description</b> <b>Service Implication</b>	<b>Housina Empty Homes (New Service)</b> Empty Homes - Costs included in the capital/revenue bid, cost for 23/24. The scheme seeks to bring back into use long term empty properties in the Borough, that could be used to meet housing need. Additional team resource of 1 Enforcement Officer, and 0.1 Admin Support will be required to run the scheme.	177				GS2/GNS2
		<b>Staffing Implications</b>	Requires staff to run the scheme					
		<b>Strategic Priorities implications</b>	Civic Pride-This is one of the new administration priorities to improve housing in Merton. The project requires £1.1m over 5 years.					
		<b>Impact on other departments</b>	It is proposed that the service be delivered by the Regulatory Shared Services Partnership (RSSP) and discussions are underway as part of the project delivery.					
		<b>Equalities Implications</b>	None					
HC&OP	G11	<b>Service/Section Description</b> <b>Service Implication</b>	<b>Housina Selective Licencing (New Service)</b> New service delivery requires a new team of 9 FTE including a manager to operate the licensing and enforcement functions, and additional 0.5 FTE resource in the Finance Team. It is expected that this scheme will eventually become self funding which is an invest to save project	97	0	(97)	0	GS2/GNS2
		<b>Staffing Implications</b>	Selective Licencing £97k					
		<b>Strategic Priorities implications</b>	Civic Pride- This is one of the key measures of the new administration to improve accommodation in the private rented sector. The scheme seeks to improve conditions in the private rented sector (PRS) and aligns with Merton's Community Plan priorities, such as protecting and enhancing the local environment, and enforcing action against anti-social behaviour.					
		<b>Impact on other departments</b>	Will require the scheme to be added to the IT strategic priority work programme. 0.5FTE Finance Team resource required.					
		<b>Equalities Implications</b>	None					
		<b>Total</b>		274	0	(97)	0	
		<b>Cumulative Total</b>		274	274	177	177	

**Type of Growth Key**

- G11** Income: Decrease due to fall in demand for service
- G12** Income: Decrease due to reduction/deletion of service
- GS1** Staffing: increase in level of service
- GS2** Staffing: New service
- GNS1** Non - Staffing: increase in level of service
- GNS2** Non - Staffing: New service
- GP1** Addition to Procurement / Third Party arrangements
- GPROP** Increase in Property Related costs

**Panel**

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

**SUMMARY OF SAVINGS PROPOSALS 2023-27**

<u>Cumulative</u>	<b>2023/24</b> <b>£000</b>	<b>2024/25</b> <b>£000</b>	<b>2025/26</b> <b>£000</b>	<b>2026/27</b> <b>£000</b>
Corporate Services	880	880	780	780
Children, Schools and Families	523	523	523	523
Environment and Regeneration	582	582	582	582
Community and Housing	1,113	1,113	1,113	1,113
<b>Cumulative Savings Proposals</b>	<b>3,098</b>	<b>3,098</b>	<b>2,998</b>	<b>2,998</b>

Type of Saving

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

Risk

Low  
Medium  
High

Panel

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





**PROPOSED SAVINGS 2023-27**  
**DEPARTMENT: Corporate Services**

Panel	Ref	Description of Saving		Baseline Budget 22/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS 2022-23 07	<b>Service/Section</b>	Insurance Contributions	(40)	15				Low	Low	<b>SI1</b>
		<b>Description</b>									
		<b>Service Implication</b>	None								
		<b>Staffing Implications</b>	none								
		<b>Strategic Priorities implications</b>	none								
		<b>Impact on other departments</b>	none								
		<b>Equalities Implications</b>	none								
	CS 2022-23 08	<b>Service/Section</b>	<b>Housing Benefits</b>	(14)	25				Low	Low	<b>SI1</b>
		<b>Description</b>	Increase in income contributions								
		<b>Service Implication</b>	None								
		<b>Staffing Implications</b>	none								
		<b>Strategic Priorities implications</b>	none								
		<b>Impact on other departments</b>	none								
		<b>Equalities Implications</b>	none								

**PROPOSED SAVINGS 2023-27**  
**DEPARTMENT: Corporate Services**

Panel	Ref	Description of Saving		Baseline Budget 22/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS 2022-23 09	<b>Service/Section</b>	<b>Supplies and Services</b>								
		<b>Description</b>	Cross cutting savings to reflect changes in working patterns		50				Low	Low	<b>SNS1</b>
		<b>Service Implication</b>	None								
		<b>Staffing Implications</b>	none								
		<b>Strategic Priorities implications</b>	none								
		<b>Impact on other departments</b>	none								
		<b>Equalities Implications</b>	none								
<b>Total Savings Proposals 2023-27</b>					<b>880</b>	<b>0</b>	<b>(100)</b>	<b>0</b>			
<b>Total Savings Proposals 2023-27 (cumulative)</b>					<b>880</b>	<b>880</b>	<b>780</b>	<b>780</b>			

**PROPOSED SAVINGS 2023-27**  
**DEPARTMENT: Children, Schools and Families**

Panel	Ref	Description of Saving		Baseline Budget 22/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2324- 01	<b>Service/Section</b>	<b>Central CSF budgets</b>								
		<b>Description</b>	Pension and redundancy costs	1624	200				Med	Low	SNS1
		<b>Service Implication</b>	The service meets the costs of teacher redundances from this budget. This budget has underspent for several years including in 2022/23. There is a risk that redundancies will increase but based on the last two years, reducing the budget by £200k should still leave sufficient headroom to cover this, particularly as the Autumn Statement appears to have proved additional resources to meet financial pressures in schools.								
		<b>Staffing Implications</b>	Nil								
		<b>Strategic Priorities implications</b>	Nil								
		<b>Impact on other departments</b>	Nil								
		<b>Equalities Implications</b>	It does not impact on redundancy decisions themselves. It is based on an assumption that the cost if any redundancies will be below the remainign budget.								
C&YP	CSF2324- 02	<b>Service/Section</b>	<b>CSF controllable budgets</b>								
		<b>Description</b>	1% efficiency target	32313	323				Low	Low	SNS1
		<b>Service Implication</b>	The proposal is to set a 1% efficiency target against all controllable budgets in the department. Heads of Service will agree with their Assistant Directors how this will be met, but is anticipated it will be by reviewing all discretionary activity and delaying/avoiding spend where it can be safely done. Examples will be by delaying recruitment to non-front line posts, reviewing non front line agency usage, reviewing events (moving events online to avoid venue costs), reducing non-mandatory training, reducing printing and travel etc. Achievement of the target will be monitored through monthly budget monitoring.								
		<b>Staffing Implications</b>	Posts may be left vacant for longer								
		<b>Strategic Priorities implications</b>	nil								
		<b>Impact on other departments</b>	Where posts that interface with other departments are vacant response times may be longer.								
		<b>Equalities Implications</b>	The achievement of the 1% efficiencies will be targetted on ancillary costs rather than service delivery, so the impact on staff and service users with protected characteristics will be minimal.								
<b>Total Savings Proposals 2023-27</b>					523	0	0	0			
<b>Total Savings Proposals 2023-27 (cumulative)</b>					523	523	523	523			

PROPOSED SAVINGS 2023-27  
DEPARTMENT: Environment and Regeneration

Panel	Ref	Description of Saving		Baseline Budget 22/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ENV2022-23 01	<b>Service/Section</b>	<b>Future Merton</b>								
		<b>Description</b>	Increase in income from street advertising contract following completion of the digital upgrade programme	(473)	30				L	L	SI2
		<b>Service Implication</b>	None								
		<b>Staffing Implications</b>	None								
		<b>Strategic Priorities implications</b>	None								
		<b>Impact on other departments</b>	None								
		<b>Equalities Implications</b>	None								
SC	ENV2022-23 02	<b>Service/Section</b>	<b>Future Merton</b>								
		<b>Description</b>	Increase in income from Temporary Traffic Orders which reflects the increase in our rates and more 3rd party works on the highway.	(220)	15				L	L	SI1
		<b>Service Implication</b>	None								
		<b>Staffing Implications</b>	None								
		<b>Strategic Priorities implications</b>	None								
		<b>Impact on other departments</b>	None								
		<b>Equalities Implications</b>	None								
SC	ENV2022-23 03	<b>Service/Section</b>	<b>Future Merton</b>								
		<b>Description</b>	Dockless Bike Hire – The contract will require any Operator to pay the Council an annual payment of £35,000 – This will be utilised to cover the Councils cost in terms of resource and operations		35				L	L	SI12
		<b>Service Implication</b>	None								
		<b>Staffing Implications</b>	None								
		<b>Strategic Priorities implications</b>	None								
		<b>Impact on other departments</b>	None								
		<b>Equalities Implications</b>	None								



PROPOSED SAVINGS 2023-27  
DEPARTMENT: Environment and Regeneration

Panel	Ref	Description of Saving		Baseline Budget 22/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ENV2022-23 04	<b>Service/Section</b>	<b>Leisure and Culture</b>								
		<b>Description</b>	Rationalisation of Council asset - The saving will be as a result of a reduction in resource of 1 FTE	27	27				L	L	SS2
		<b>Service Implication</b>	None								
		<b>Staffing Implications</b>	Redundancy of 1FTE								
		<b>Strategic Priorities implications</b>	None								
		<b>Impact on other departments</b>	None								
		<b>Equalities Implications</b>	None								
SC	ENV2022-23 05	<b>Service/Section</b>	<b>Leisure and Culture</b>								
		<b>Description</b>	Realigning of budgets – Increase income target for Leisure contractor to align with the income LBM is currently invoicing	816	60				L	L	SI1
		<b>Service Implication</b>	None								
		<b>Staffing Implications</b>	None								
		<b>Strategic Priorities implications</b>	None								
		<b>Impact on other departments</b>	None								
		<b>Equalities Implications</b>	None								
SC	ENV2022-23 06	<b>Service/Section</b>	<b>Greenspaces</b>								
		<b>Description</b>	Increase in Fireworks income due to increase in rates and ticket sales and increase in fireworks events	(181)	60				L	L	SI1
		<b>Service Implication</b>	None								
		<b>Staffing Implications</b>	None								
		<b>Strategic Priorities implications</b>	None								
		<b>Impact on other departments</b>	None								
		<b>Equalities Implications</b>	None								

PROPOSED SAVINGS 2023-27  
DEPARTMENT: Environment and Regeneration

Panel	Ref	Description of Saving		Baseline Budget 22/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ENV2022-23 07	<b>Service/Section</b>	<b>Greenspaces</b>	(229)	25				L	L	SI1
		<b>Description</b>	Service charge for greenspace area during Wimbledon fortnight								
		<b>Service Implication</b>	None								
		<b>Staffing Implications</b>	None								
		<b>Strategic Priorities implications</b>	None								
		<b>Impact on other departments</b>	None								
		<b>Equalities Implications</b>	None								
SC	ENV2022-23 08	<b>Service/Section</b>	<b>Property Management</b>	(5,016)	120				L	L	SI1
		<b>Description</b>	Net increase in rental income from commercial properties to align with over recovery across various properties								
		<b>Service Implication</b>	None								
		<b>Staffing Implications</b>	None								
		<b>Strategic Priorities implications</b>	None								
		<b>Impact on other departments</b>	None								
		<b>Equalities Implications</b>	None								
SC	ENV2022-23 09	<b>Service/Section</b>	<b>Development Contol</b>	(74)	125				L	L	SI1
		<b>Description</b>	Increase in income target to reflect more commercial rates (pre-applications)								
		<b>Service Implication</b>	None								
		<b>Staffing Implications</b>	None								
		<b>Strategic Priorities implications</b>	None								
		<b>Impact on other departments</b>	None								
		<b>Equalities Implications</b>	None								

PROPOSED SAVINGS 2023-27

DEPARTMENT: Environment and Regeneration

Panel	Ref	Description of Saving		Baseline Budget 22/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ENV2022-23 10	<b>Service/Section</b>	<b>Business Efficiencies and Rationalisation of Budgets</b>								
		<b>Description</b>	Reduction to reflect changes to current working arrangements	400	85				L	L	SNS1
		<b>Service Implication</b>	None								
		<b>Staffing Implications</b>	None								
		<b>Strategic Priorities implications</b>	None								
		<b>Impact on other departments</b>	None								
		<b>Equalities Implications</b>	None								
<b>Total Savings Proposals 2023-27</b>					582	0	0	0			
<b>Total Savings Proposals 2023-27 (cumulative)</b>					582	582	582	582			

**PROPOSED SAVINGS 2023-27**  
**DEPARTMENT: COMMUNITY AND HOUSING**

Panel	Ref	Description of Saving		Baseline Budget 22/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
HC&OP	CH112	<b>Service/Section</b>	<b>Adult Social Care- Provider Services- Day opportunities</b>									
		<b>Description</b>	The Dementia Hub has developed over the last year to incorporate a building based and outreach model and this has created capacity within the Dementia Hub. With this additional service capacity at the Dementia Hub we will look to provide an enhanced service to current users of the Eastways service who are living with dementia. Support individual users of the Eastways service to access the enhanced Dementia Hub offer. Support other users of Eastways Day Centre who do not wish to access the Dementia Hub to move to other suitable services. Cease the use of the Eastways building as a day service and declare surplus to service requirements.	503	180	0	0	0	M	H	SNS2	
		<b>Service Implication</b>	Consolidation of two services onto one site and enhanced service offering.									
		<b>Staffing Implications</b>	Reduction in headcount of 9 employees through redeployment to vacant posts elsewhere in service or via other individual solutions. Secondment of 3 FTE employees to Dementia Hub service provider									
		<b>Strategic Priorities implications</b>	Building / land could be repurposed to support delivery of strategic priorities.									
		<b>Impact on other departments</b>	Assumes like for like transport requirement. Saving could be increased if transport costs reduced.									
		<b>Equalities Implications</b>	Would require full EQIA in terms of both service changes and staffing implications.									

**PROPOSED SAVINGS 2023-27**  
**DEPARTMENT: COMMUNITY AND HOUSING**

Panel	Ref	Description of Saving		Baseline Budget 22/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH113	<b>Service/Section</b>	<b>Adult Social Care / Public Health</b>	1.7m	330	0	0	0	H	H	SG1
		<b>Description</b>	To make efficiencies with the PH Budget to enable for 20% of ASC contribution to Civic Pride Grant Programme to be funded from PH budget								
		<b>Service Implication</b>	May require redesign of other existing Public Health programmes to deliver more efficiently.								
		<b>Staffing Implications</b>	Nil								
		<b>Strategic Priorities implications</b>	None identified.								
		<b>Impact on other departments</b>	None identified.								
HC&OP	CH114	<b>Service/Section</b>	<b>ASC Provider Services-Residential</b>	423	110	0	0	0	M	H	SS1/SNS2
		<b>Description</b>	We are increasingly offering supported living as a positive alternative to residential care for individuals as this offers more choice and control over how care is delivered. As a result there is an over-provision of residential care in the local area. The Meadowsweet building is outdated and there is an increasing risk that it will fail to meet CQC standards in the future. One bedroom has already been taken out of use as it doesn't meet CQC requirements. Identify alternative suitable accommodation options for remaining residents and support those individuals to move to their identified new settings. Release property back to L&Q and negotiate return to social housing stock for letting or use as Temporary Accommodation.								
		<b>Service Implication</b>	The Department is engaged in a longer term strategic programme of increasing supply of supported living as a positive alternative to residential care. This proposal is consistent with that wider strategy.								
		<b>Staffing Implications</b>	Staff within service will be redeployed to vacancies in other directly provided services or other individual outcomes agreed.								
		<b>Strategic Priorities implications</b>	Subject to negotiation with L&Q property could be returned to social housing stock for letting or used as Temporary Accommodation.								
		<b>Impact on other departments</b>	None identified.								
		<b>Equalities Implications</b>	EIA may be required in relation to staffing impacts.								

PROPOSED SAVINGS 2023-27  
DEPARTMENT: COMMUNITY AND HOUSING

Panel	Ref	Description of Saving		Baseline Budget 22/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH115	<b>Service/Section</b>	<b>Adult Social Care</b>	1.3m	13	0	0	0	H	M	SNS2
		<b>Description</b>	Efficiencies in day to day business operations.								
		<b>Service Implication</b>	Reduction in day to day expenditure across the department on printing, conferences and other non-essential supplies and services.								
		<b>Staffing Implications</b>	Nil								
		<b>Strategic Priorities implications</b>	Nil								
		<b>Impact on other departments</b>	Nil								
		<b>Equalities Implications</b>	Nil								
HC&OP	CH116	<b>Service/Section</b>	<b>Adult social care</b>	45m	200	0	0	0	H	M	SNS1
		<b>Description</b>	We are currently having an increase in People who require 'double handed care'. This project involves looking to make people more independent and reduce the need for 'double handed' care to single handed care - These projects normally deliver a 20 to 30% reduction in care costs. Assume the lower figure as a similar project was initiated a few years ago but numbers of double up care appears to be rising . The c113 cases to be reviewed may have been screened at some point for double up care. The project will also seek to reduce the number of new cases of inappropriate double handed care.								
		<b>Service Implication</b>	Reassess use of double up carers for 113 clients moving and handling needs								
		<b>Staffing Implications</b>	Need for additional OT capacity to be commissioned to undertake c113 assessments								
		<b>Strategic Priorities implications</b>	Promoting independence at home. Efficiency and right sizing care to improve moving with dignity for customers								
		<b>Impact on other departments</b>	Use of DFG monies to commission the assessments and provide the equipment required (e.g. Gantry hoists etc). Approx. assessment cost (£500 per assessment x 100) = £50k and equipment cost for 20 customers at £2.5k per customer = £50k. Total of £100k of DFG monies. The housing assistance policy and adult social care white paper enable a more flexible use of underspent DFG budget.								
		<b>Equalities Implications</b>	None								

**PROPOSED SAVINGS 2023-27**  
**DEPARTMENT: COMMUNITY AND HOUSING**

Panel	Ref	Description of Saving		Baseline Budget 22/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH117	<b>Service/Section</b>	<b>Adult Social Care</b>	1.3m	180	0	0	0	M	M	S12
		<b>Description</b>	To provide 6 weeks of free mascot telecare to people leaving hospital and minimise the risk to vulnerable people on discharge. This could also promote the take up of the Mascot service to increase the number of customers to raise income and also review its menu of charges. Consider offering a 6 week free service whilst in reablement to support take up of the service. Approximate gross increase in income from an extra 200 customers possible if DFG funds the telecare and call equipment to provide for increased customer numbers and retain the gross extra income. Review the menu and rate of charges.								
		<b>Service Implication</b>	Work with reablement service to provide free trial period								
		<b>Staffing Implications</b>	Need to ensure staffing levels can service an Increased number of customers								
		<b>Strategic Priorities implications</b>	Promoting independence at home and delaying onset of services								
		<b>Impact on other departments</b>	Use of DFG monies to fund equipment cost of approx. £200k. The housing assistance policy and adult social care white paper enable a more flexible use of underspent DFG budget.								
		<b>Equalities Implications</b>	None								
HC&OP	CH118	<b>Service/Section</b>	<b>Commissioning / Direct Payments</b>	45m	100	0	0	0	H	M	SP2
		<b>Description</b>	Direct payments offer more choice and control to customers receiving services. Conversion of existing commissioned packages to Direct Payment at 12 month review plus increased focus in Outcomes Forum on Direct Payments as the default option.								
		<b>Service Implication</b>	None material. Direct Payment team can absorb additional activity.								
		<b>Staffing Implications</b>	None material. Direct Payment team can absorb additional activity.								
		<b>Strategic Priorities implications</b>	Empowering individuals to use Direct Payments aligns with the principles underpinning the Civic Pride strategic priority								
		<b>Impact on other departments</b>	None.								
		<b>Equalities Implications</b>	None.								
<b>Total Savings Proposals 2023-27</b>					1,113	0	0	0			
<b>Total Savings Proposals 2023-27 (cumulative)</b>					1,113	1,113	1,113	1,113			

# Autumn Statement 2022

## London Councils' On The Day Briefing

London Councils is the collective of local government in London. It is a cross-party organisation that works on behalf of all its member authorities regardless of political persuasion.

### Overview

The Chancellor of the Exchequer, Jeremy Hunt, delivered his first Budget on 17<sup>th</sup> November 2022. As well as the usual updates on the state of public finances and the performance of the economy (in the context of challenging global conditions), the Chancellor also set out the broad policy direction in three key areas: economic stability, economic growth and public services. The key policy announcements relating to public spending and local government are summarised below:

### Key Headlines

- **The Council tax referendum limit will rise from 2% to 3% in 2023-24**, with the **adult social care precept flexibility rising from 1% to 2%**. This could generate an extra £80m for London boroughs.
- **Adult Social Care funding reforms will be pushed back by two years to October 2025**.
- **The funding to deliver ASC reforms will be repurposed**, with £1.3bn in 2023-24 and £1.9bn in 2024-25 distributed to local authorities through the **Social Care Grant**.
- **An extra £1bn go towards social care** via the Better Care Fund (£600m) and through a ringfenced ASC grant (£400m) in 2023-24, rising to £1.7bn in 2024-25.
- The **business rates multiplier will be frozen in 2023-24 and local authorities will be fully compensated** for any loss of income.
- **Social rents will be capped at 7%** (costing London boroughs an estimated over £100m).
- **The £1bn Household Support fund** will be continued for another 12 months from April 2023.
- The **NHS budget will increase by £3.3bn** in each of next 2 years above the SR21 level.
- The **Schools budget will increase by £2.3bn** in each of next 2 years above the SR21 level.
- **The Energy Price Guarantee will rise to £3,000** from April 2023 from the current level (£2,500).
- It is unclear whether the **Energy Bill Relief Scheme will continue for public sector bodies**.
- **State pensions, benefits and tax credits will rise in line with inflation (10.1%)** from April 2023.
- **Local Housing Allowance rates will remain frozen** in cash terms at the current levels.
- A new ambition has been set out to **reduce energy consumption from buildings and industry by 15% by 2030**, with £6bn of new funding set out from 2025 to achieve this goal.



## Economic and Fiscal Outlook

- Rising energy, food, and other goods prices have pushed up interest rates to levels not seen since the 2008 financial crisis.
- CPI inflation is set to peak at a 40-year high of 11% in the current quarter before dropping sharply next year and falls below zero in the middle of the decade by falling energy and food prices before returning to nearer its 2% target in 2027.
- Unemployment is set to rise by 505,000 from 3.5% to peak at 4.9% in the Q3 2024.
- The medium-term fiscal outlook has materially worsened since the OBR's March forecast due to a weaker economy, higher interest rates, and higher inflation.
- Taking forecast and policy changes together, the deficit is set to rise from £133.3bn (5.7% of GDP) last year to £177.0bn (7.1% of GDP) this year.
- Borrowing is set to fall by £37bn next year to £140.0bn (5.5% of GDP) due to previously announced tax rises and scaled-back fiscal support and continues falling to £69.2bn (2.4% of GDP) in 2027-28.
- Total public spending will rise from 39.3% of GDP in 2019-20 to 43.4% of GDP in 2027-28. This is 2.9% higher than predicted by the OBR in March, reflecting higher debt interest and welfare spending, rising cash spending, and the smaller economy.
- Total tax revenues will rise from 33.1% of GDP in 2019-20 to 37.1% of GDP at the forecast horizon, 1.0% higher than forecast by the OBR in March and its highest sustained level since the Second World War.
- The near tripling of interest rates since March means the share of revenues consumed by servicing that debt will rise from under 5% in 2019-20 to 8.5% in 2027-28, leaving the public finances more vulnerable to future shocks or swings in market sentiment.
- The Government's two legislated fiscal targets - to balance the current budget and get underlying debt falling in 2025-26 - are on course to be missed by £8.7bn and £11.4bn respectively.
- **The Government has announced two new fiscal targets: to get borrowing below 3% of GDP and underlying debt falling in five years' time.** The OBR expects these to be met with £18.6bn and £9.2bn to spare, respectively.

### Key Economic & Fiscal Indicators

- On a calendar-year basis, CPI inflation falls back from 9.1% in 2022 to 7.4% in 2023. Thereafter dropping sharply to 0.6% in 2024, becoming negative in 2025, and returning to positive territory in 2026 before returning to a near target 1.7% in 2027.
- The current unemployment rate starts to climb from 3.6% in 2022 to 4.1% in 2023, and peaks at 4.9% in 2024. Thereafter, unemployment is forecast to fall in 2026 and 2027.
- Public sector net borrowing (PSNB) was £133bn (5.7% of GDP) in 2021 and is forecast to rise to £177bn (7.1% of GDP) in 2022. Thereafter PSNB falls in each of the five-years 2023 to 2027 inclusive, ending the forecast period at £69.2bn (2.4%).
- Public sector net debt (excluding the Bank of England) is predicted be over 97% of GDP in 2024, remaining above that level until the end of the forecast period in 2027.

Thursday 17 November 2022

## Autumn Statement 2022

London Councils

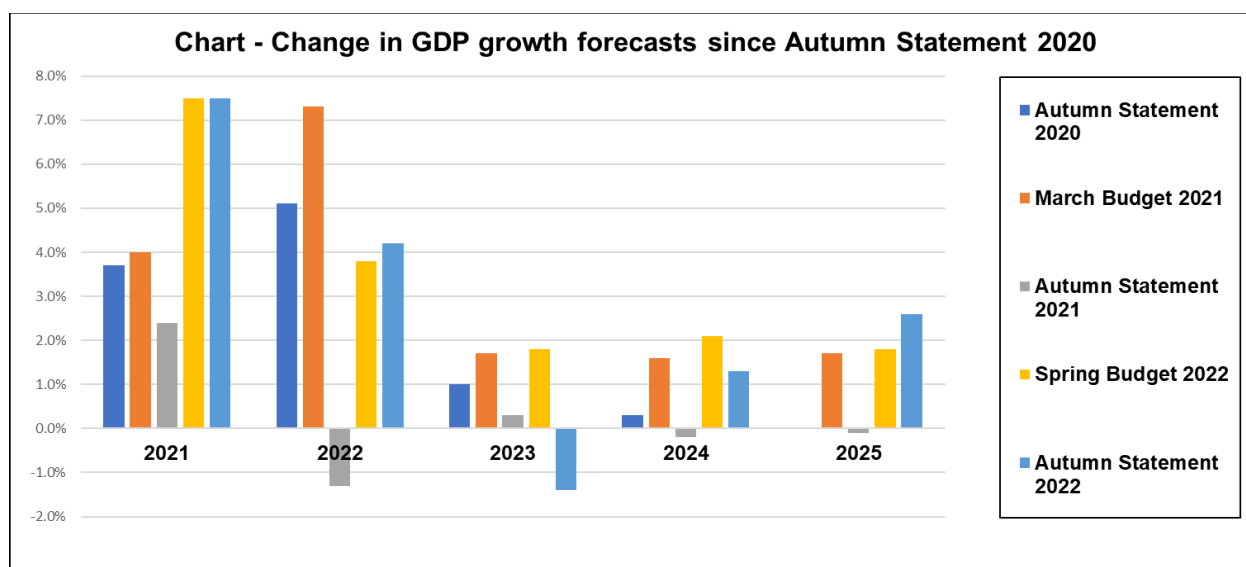
Table 1 – Key Economic &amp; Fiscal Indicators

	Outturn		Forecast				
	2021	2022	2023	2024	2025	2026	2027
	Percentage change on a year earlier, unless otherwise stated						
Gross domestic product (GDP)	7.5	4.2	(1.4)	1.3	2.6	2.7	2.2
CPI	2.6	9.1	7.4	0.6	(0.8)	0.2	1.7
Employment (million)	32.4	32.7	32.8	32.7	32.9	33.3	33.6
LFS unemployment (%)	4.5	3.6	4.1	4.9	4.7	4.3	4.2
Public sector net borrowing (% GDP)	5.7	7.1	5.5	3.2	2.8	2.9	2.4
Public sector net borrowing (£Bb)	133.3	177.0	140.0	84.3	76.9	80.3	69.2
Public sector net debt (% GDP – Excl. Bank of Eng.)	84.3	89.9	95.9	97.2	97.6	97.6	97.3
Public sector net debt (£Bn)	2,372.6	2,571.3	2,751.6	2,825.3	2,808.6	2,871.6	2,963.2

Source: Office for Budget Responsibility - Economic & Fiscal Outlook, November 2022, Tables TA1 and TA5

## Growth

- The squeeze on real incomes, rise in interest rates, and fall in house prices all weigh on consumption and investment, tipping the economy into a recession lasting just over a year from the third quarter of 2022, with a peak-to-trough fall in GDP of 2%.
- The economy is forecast to enter a recession lasting just over a year from the third quarter of 2022, with a peak-to-trough fall in GDP of 2%. GDP is expected to fall by 1.4% in 2023.
- GDP data for the third quarter of 2022, released after the OBR forecast closed, showed output declining by 0.2% and the OBR expects a further fall in the fourth quarter. However, base effects from strong growth in the second half of 2021 are expected to result in annual GDP growth in 2022 as a whole of 4.2%.
- Without the fiscal support to households and businesses provided by the Energy Price Guarantee and other measures announced since March, the OBR estimates that the recession would be 1.1% deeper, with a peak-to-trough fall in GDP of 3.2%.
- The chart below shows a forecast reduction in GDP of 1.4% in 2023 followed by growth of 1.3% in the following year and 2.6% in 2025.



Thursday 17 November 2022

Autumn Statement 2022

London Councils

## Public Spending

- The Autumn Statement updated the overall envelope for public spending to 2027-28.
- TME will decrease from 44.7% of GDP in 2021-22 to 43.4% of GDP in 2027-28.
- Resource Annually Managed Expenditure (AME) is forecast to rise by 33.8% from £461.7bn in 2021-22 to £617.6bn in 2027-28.
- Resource Departmental Expenditure Limits (DEL) will increase by 8.5% from £451.8bn to £490.1bn over the same period.
- Total departmental spending (resource and capital) will increase to £562bn by 2024-25, an increase of 3.2% from current levels
- Annual spending does, however, decrease between 2022-23 and 2023-24 by £0.8bn

**Table 2 - Total Managed Expenditure 2021-22 to 2027-28 (in £bn, unless otherwise stated)**

	Outturn 2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<b>Current expenditure</b>							
Resource AME	461.7	581.3	578.3	559.4	570.7	600.6	617.6
Resource DEL excluding depreciation	451.8	452.2	456.2	458.6	466.5	476.6	490.1
<i>of which: Energy support funding</i>	-	13.9	-	-	-	-	-
<i>of which: COVID-19 funding</i>	74.6	-	-	-	-	-	-
Ring-fenced depreciation	24.4	28.6	29.2	29.6	30.0	30.7	31.5
<b>Total public sector current expenditure</b>	<b>937.9</b>	<b>1,062.1</b>	<b>1,063.6</b>	<b>1,047.6</b>	<b>1,067.1</b>	<b>1,107.8</b>	<b>1,139.2</b>
<b>Capital expenditure</b>							
Capital AME	16.6	1.5	21.6	17.5	16.5	16.3	16.7
Capital DEL excluding ringfenced depreciation	93.0	118.3	113.6	115.2	115.6	115.6	115.2
<i>of which: Energy support funding</i>	-	5.5	-	-	-	-	-
<i>of which: COVID-19 funding</i>	0.9	-	-	-	-	-	-
<b>Total public sector gross investment</b>	<b>109.6</b>	<b>119.8</b>	<b>135.1</b>	<b>132.8</b>	<b>132.1</b>	<b>131.9</b>	<b>131.9</b>
<b>Total managed expenditure</b>	<b>1,047.5</b>	<b>1,181.9</b>	<b>1,198.8</b>	<b>1,180.3</b>	<b>1,199.2</b>	<b>1,239.7</b>	<b>1,271.1</b>
<i>Total managed expenditure % of GDP</i>	<i>44.7%</i>	<i>47.3%</i>	<i>47.2%</i>	<i>44.9%</i>	<i>44.2%</i>	<i>44.0%</i>	<i>43.4%</i>
<b>of which: Total DEL</b>	<b>544.8</b>	<b>570.5</b>	<b>569.8</b>	<b>573.8</b>	<b>582.1</b>	<b>592.2</b>	<b>605.3</b>

Source: HMT Autumn Statement 2022, page 24, Table 2.3

## Key Announcements

### Council Tax

- The core referendum limit for increases in council tax will **increase from 2% to 3%** per year from April 2023.
- The adult social care precept flexibility will **increase from 1% to 2%** per year from April 2023.
- The increase in thresholds could generate an additional £80m across London boroughs in 2023-24.
- The OBR forecasts increases in council tax revenues of over 5% per annum (see Table 3 below).

## Business Rates

- **The Business Rates Revaluation** will take effect from 1<sup>st</sup> April 2023.
- A package of targeted support worth £13.6bn over the next 5 years will support businesses as they transition to their new bills. **Local Authorities will be fully compensated for the loss of income** and will receive **new burdens funding for administrative and IT costs**.
- **The business rates multipliers will be frozen in 2023-24** at 49.9 pence and 51.2 pence. This is a tax cut worth £9.3bn over the next five years. DLUHC officials have confirmed local authorities will receive c.£1bn compensation for the freeze (rather than indexation to CPI inflation).
- **Upwards Transitional Relief scheme will have “upward caps” of 5%, 15% and 30%**, respectively, for small, medium, and large properties in 2023-24, and will be applied before any other reliefs or supplements.
- **For rates bills that fall there will be no downwards cap.**
- New ratepayer reliefs include:
  - An extension of the existing retail, hospitality, and leisure reliefs to 2023-24 and an increase from **50% to 75%** rates relief up to £110,000 per business;
  - A **£600 annual cap** on bill increases for small businesses losing relief eligibility for the next three years; and
  - A 12-month relief from any rate increases due to making qualifying improvements to an occupied property, available beginning April 2024 through to 2028.
- Business rates are expected to increase in the first three years of the OBR’s forecast and then remain relatively flat for the last three years with the overall amount increasing by £10.5bn over the period (see Table 3). Note, the amount of business rates retained by local authorities was not included in the forecasts.

**Table 3 – OBR Forecasts for England: Council Tax and Business Rates (£bn, unless otherwise stated)**

	Outturn	Forecast					
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Council tax	39.0	41.3	43.4	45.6	48.0	50.6	53.2
<i>Change in council tax</i>		5.9%	5.1%	5.1%	5.3%	5.4%	5.1%
Business rates	25.7	28.8	30.7	35.6	35.8	36.0	36.2
<i>Change in business rates</i>		12.1%	6.6%	16.0%	0.6%	0.6%	0.6%

**Source: OBR Fiscal Supplementary Tables, November 2022 – Table 2.9 Current Receipts**

**Note: The amounts of business rates retained by local authorities was not published by OBR with the Autumn Statement.**

## Cost of Living

- The Energy Price Guarantee (EPG) will rise to **£3,000** from April 2023 from the current level (£2,500).
- The **Energy Bill Relief Scheme (EBRS) for businesses will be reviewed by HMT** to determine support for non-domestic energy consumers, excluding public sector organisations, beyond 31<sup>st</sup>

March 2023, and the outcome published by 31<sup>st</sup> December 2022. (It isn't clear from the Autumn Statement what will happen regarding support for public sector organisations include local authorities).

- State pensions, benefits and tax credits will rise in line with inflation (**10.1%**).
- The **£1bn Household Support Fund will continue** for a further 12 months from April 2023.
- In 2023-24 an additional **Cost of Living Payment of £900** will be provided to households on means-tested benefits, of £300 to pensioner households, and of £150 to individuals on disability benefits.
- Local Housing Allowance rates will remain **frozen in cash terms** at the current levels.
- Alternative fuels support will double to £200.
- The National Living Wage will increase from **£9.50 to £10.42** for individuals aged over 23 (an increase of 9.7%).
- The government has also accepted the LPC's recommendations for other national minimum wage rates including increases of:
  - 10.9% to £10.18 an hour for 21-22 year olds.
  - 9.7% to £7.49 an hour for 18-20 year olds.
  - 9.7% to £5.28 an hour for 16-17 year olds.
- Income tax, National Insurance and Inheritance Tax thresholds will be maintained at their current levels for a further two years, to April 2028.
- £280m will be invested into the DWP between now and 2024-25 to target fraud, error and debt across the benefits system.

### Health and social care

- The NHS budget will increase by **£3.3bn** in both 2023-24 and 2024-25.
- The implementation of Adult Social Care funding reforms will be pushed back by a further two years to October 2025.
- A total of up to **£2.8bn** in 2023-24 and **£4.7bn** in 2024-25 will be made available to support adult social care. This includes:
  - **£1bn** (2023-24) and **£1.7bn** (2024-25) of new grant funding, comprising **£600m** (2023-24) and **£1bn** (2024-25) to support timely hospital discharges, through the Better Care Fund; and £400m (2023-24) and £680m (2024-25) allocated to local authorities through a ringfenced adult social care grant, which will also help to support discharge.
  - **£1.3bn** (2023-24) and **£1.9bn** (2024-25) to local authorities to fund adult and children's social care through the Social Care Grant (repurposing the funding that had been earmarked for adult social care funding reform).
  - Additional funding through **the rises in council tax referendum cap and the ASC precept.**

### Housing

- **Social housing rent rises will be capped at a maximum of 7%** instead of **CPI + 1%** in 2023-24 (costing London boroughs over £100m).

- This policy applies to Registered Providers (including Local Authorities and Housing Associations), however, Supported Housing provided by Registered Providers will be exempt.

## Education

- For the next two years, schools in England will receive an additional **£2.3bn** of funding – taking the core schools budget to **£58.8bn** by 2025.
- This will restore per pupil funding in real terms to 2010 levels, as promised in the 2021 Spending Review.
- The government will **not impose VAT** on independent schools, citing the move could be detrimental for around 90,000 students.

## Transport & Environment

- Electric vehicles will no longer be exempt from vehicle excise duty from April 2025.
- The Government confirmed it remains committed to reducing emissions by 68% by 2030 as agreed at COP26.
- Nuclear power will continue to be rolled-out through the delivery of large-scale projects, including Sizewell C. Renewable energy projects will also be explored.
- A new ambition has been set out to **reduce energy consumption from buildings and industry by 15% by 2030**: a £28bn saving from the national energy bill.
- A further £6bn of new funding will be set out from 2025 to achieve this goal.
- The Business and Energy Secretary will publish further details on the Government's energy independence plans and launch a new Energy Efficiency Taskforce shortly.

## Business and innovation

- The existing Investment Zones programme is being reconsidered and previously submitted applications will no longer move forward.
- Research and development tax reliefs will be modified from April 2023, with the R&D Expenditure Credit rate increasing from **13% to 20%** and small and medium-sized enterprise deductions decreasing.
- For two years, tariffs will be removed on over 100 goods to reduce business production costs.
- The government will not introduce an online sales tax.
- The National Insurance Secondary Threshold for employers is fixed at **£9,100** until April 2028

## Infrastructure investment

- Total departmental capital spending in 2024-25 will be maintained in cash terms until 2027-28, delivering **£600bn of investment over the next 5 years**.
- At least £1.7bn will be allocated to priority local infrastructure projects through the second round of the Levelling Up Fund. Successful bids will be announced before the end of the year.

## General Taxation

- The **Energy Profits Levy**, an additional tax which reflects the extraordinary global context of high oil and gas prices, will increase from 25% to 35%. HMT estimates this will **generate an additional £19bn** between 2022-3 and 2027-28.
- A new, **temporary 45% Electricity Generator Levy** will be applied from 1<sup>st</sup> January 2023 in the returns being made by electricity generators. HMT estimates this will **generate an additional £14bn** between 2022-3 and 2027-28.
- The government will implement the OECD Pillar 2 rules to apply a global minimum corporate tax rate of 15%, for accounting periods beginning on or after 31<sup>st</sup> December 2023.
- The point at which the highest earners start paying the top rate of income tax will be lowered from £150,000 to £125,140.
- VAT registration threshold maintained at £85,000 for two years from April 2024.
- The Annual Investment Allowance (AIA) will be raised to £1m from 1<sup>st</sup> April 2023.

## Devolution

- A further mayoral devolution deal has been agreed with Suffolk County Council and advanced discussions on mayoral devolution deals are continuing with local authorities in Cornwall, Norfolk and the North East of England.
- Taken together, these deals will increase the proportion of people living under a directly elected mayor with devolved powers in England to over 50%.
- Current negotiations with the 'trailblazer' areas of Greater Manchester Combined Authority and West Midlands Combined Authority **will explore the potential for single departmental-style finance settlements** and local control over economic growth funds, moving away from competitive bidding.

Cost Centre Narrative	Project Narrative	Revised Budget 2022-23	Revised Budget 2023-24	Revised Budget 2024-25	Revised Budget 2025-26	Proposed Budget 2026-27
<b>Business Improvement</b>						
Customer Contact Programme	Customer Contact Programme	304	1,000	0	1,000	1,000
Customer Contact Programme	Web Content Management System	54	0	100	0	0
Business Systems	Ancilliary System	50	0	0	0	50
Business Systems	Youth Justice	0	0	0	100	0
Business Systems	Parking System	0	270	0	0	0
Business Systems	Payroll System	156	0	0	0	160
Business Systems	Invoice Scanning SCIS/FIS	0	150	0	0	0
Business Systems	Environmental Asset Management	0	240	0	0	250
Business Systems	Housing System (Capita Housing)	48	0	0	120	0
Business Systems	Payments project	0	0	150	0	0
Business Systems	GIS Mapping (Spectrum Spatial Ana	170	100	0	200	0
Business Systems	Gazetteer Management System (Alig	75	0	0	0	90
Business Systems	Planning&Public Protection Sys	100	241	550	0	0
Replacement SC System	Replacement SC System	0	819	1,000	0	0
Replacement SC System	SEN Case Management	0	0	0	0	170
<b>Facilities Management</b>						
Works to Other Buildings	Repair and Maintenance	650	650	650	650	650
Civic Centre	Combined Heat and Power (CHP) Sy	0	0	0	0	0
Civic Centre	Absorption Chiller Replacement	0	0	0	0	0
Invest to Save	Project General	610	300	300	300	300
<b>Information Technology</b>						
Planned Replacement Program	Project General	1,230	770	1,405	1,060	970
<b>Resources</b>						
Financial Systems	Improving Financial Systems	0	700	0	0	0
<b>Corporate Budgets</b>						
Multi-Functioning Device (MFI)	Multi-Functioning Device (MFD) - F	0	0	600	0	0
Acquisitions Budget	Project General	469	0	0	6,316	0
Capital Bidding Fund	Project General	0	0	0	1,000	0
Corporate Capital Contingency	Project General	0	0	0	1,681	0
Compulsory Purchase Order	Clarion - CPO	0	13,934	0	0	0
<b>Total Corporate Services</b>		<b>6,592</b>	<b>20,280</b>	<b>5,155</b>	<b>12,427</b>	<b>3,640</b>

Cost Centre Narrative	Project Narrative	Revised Budget 2022-23	Revised Budget 2023-24	Revised Budget 2024-25	Revised Budget 2025-26	Proposed Budget 2026-27
<b>Housing</b>						
Disabled Facilities Grant	Project General	873	827	827	827	280
Major Projects Social Care H	LD Supported Living	0	0	1,728	0	0
<b>Libraries</b>						
Library Enhancement Works	West Barnes Re-Fit	0	0	200	0	0
Library Enhancement Works	Library Re-Furbishment	0	0	0	0	201
Libraries IT	Library Management System	24	0	140	0	0
Library Major Projects	Library Self Service	5	0	0	350	0
<b>Total Community and Housing</b>		<b>914</b>	<b>827</b>	<b>2,895</b>	<b>1,177</b>	<b>481</b>



Cost Centre Narrative	Project Narrative	Revised Budget 2022-23	Revised Budget 2023-24	Revised Budget 2024-25	Revised Budget 2025-26	Proposed Budget 2026-27
<b>Primary Schools</b>						
Joseph Hood School	School Capital Maintenance	53	66	0	0	0
Unlocated Primary School Proj.	School Capital Maintenance	0	2,864	2,500	2,500	2,500
<b>Special Schools</b>						
Perseid School	Perseid School Expansion	9	0	0	0	0
Perseid School	School Capital Maintenance	290	0	0	0	0
Cricket Green	School Capital Maintenance	7	0	0	0	0
Cricket Green	Cricket Green School Expansion	39	0	0	0	0
Melrose	Melrose School Expansion	422	0	0	0	0
Melrose	School Capital Maintenance	167	0	0	0	0
Whatley Avenue	School Capital Maintenance	50	0	0	0	0
Unlocated SEN	Medical PRU	432	30	0	0	0
Unlocated SEN	Whatley Avenue	2,973	0	0	0	0
Unlocated SEN	Safety Valve - New SEN School	0	0	0	0	10,300
Mainstream SEN (ARP)	West Wimbledon Primary ARP expansion	190	235	0	0	0
Mainstream SEN (ARP)	Cranmer Primary School New ARP	40	623	0	0	0
Mainstream SEN (ARP)	Further Primary School ARP expansion	0	200	216	0	0
Mainstream SEN (ARP)	Raynes Park school ARP expansion 1	5	1,015	1,019	0	0
Mainstream SEN (ARP)	Secondary School ARP Expansion 2	0	300	576	0	0
Mainstream SEN (ARP)	Secondary School ARP Expansion 3	0	500	1,209	0	0
Mainstream SEN (ARP)	Secondary School ARP Expansion 4	0	30	700	979	0
Mainstream SEN (ARP)	Safety Valve - New ARP	0	0	0	0	900
Perseid Lower School	Perseid School Expansion	50	1,550	2,517	0	0
<b>Other</b>						
Youth Provision	Pollards Hill Digital Divide	28	210	0	0	0
Other	Care Leaving Accommodation	66	66	0	0	0
<b>Total Children, Schools &amp; Families</b>		<b>8,612</b>	<b>7,689</b>	<b>8,737</b>	<b>3,479</b>	<b>13,700</b>

Cost Centre Narrative	Project Narrative	Revised Budget 2022-23	Revised Budget 2023-24	Revised Budget 2024-25	Revised Budget 2025-26	Proposed Budget 2026-27
<b>Public Protection and Development</b>						
On Street Parking - P&D	Pay and Display Machines/emissions	300	107	0	0	0
On Street Parking - P&D	Replacement ANPR cameras with air	0	300	300	300	300
CCTV Investment	CCTV cameras and infrastructure upg	698	554	0	0	0
CCTV Investment	Rapid deployment cameras	54	0	0	45	45
CCTV Investment	5 new permanent cameras per year, a	0	135	100	100	100
CCTV Investment	Designing out crime for ASB, violenc	50	35	20	20	0
<b>Street Scene and Waste</b>						
Fleet Vehicles	Replacement of Fleet Vehicles	0	300	0	1,212	0
Alley Gating Scheme	Project General	46	24	24	24	24
Waste SLWP	Project General	0	0	0	42	0
Waste SLWP	Replacement of Fleet Vehicles	340	0	0	15,000	0
<b>Sustainable Communities</b>						
Street Trees	Street Tree Programme	60	60	60	60	60
Highways & Footways	Street Lighting Replacement Pr	290	290	290	290	290
Highways & Footways	Traffic Schemes	150	150	150	150	150
Highways & Footways	Surface Water Drainage	100	100	100	100	60
Highways & Footways	Repairs to Footways	966	1,000	1,000	1,000	1,000
Highways & Footways	Maintain AntiSkid and Coloured	60	60	60	60	60
Highways & Footways	Borough Roads Maintenance	1,200	1,200	1,200	1,200	1,200
Highways & Footways	Highways bridges & structures	600	626	260	260	260
Highways & Footways	Motspur Park Station Access for All	190	500	0	0	0
Highways & Footways	Haydons Road Access for All	0	100	0	0	0
Highways & Footways	Various Culverts Strengthening & Up	300	208	0	0	0
Highways & Footways	ANPR Cameras Supporting Enforcen	219	0	0	0	0
Highways & Footways	Street Lighting Wimbledon	322	0	0	0	0
Highways & Footways	Bishopsford Rd Bridge	291	0	0	0	0
Highways & Footways	Cycle Lane & Roadway Bishopsford	6	0	0	0	0
Highways & Footways	Residential Secure Cycle Storage	0	26	0	0	0
Highways & Footways	S Wimb Bus Area Wayfinding	135	0	0	0	0
Highways & Footways	Milner Rd Improvements	140	0	0	0	0
Highways & Footways	Vivacity Monitors	39	0	0	0	0
Cycle Route Improvements	Cycle Lane Works Plough Lane	204	0	0	0	0
Cycle Route Improvements	Cycle Access/Parking TFL	114	45	0	0	0
Mitcham Area Regeneration	Pollards Hill Bus Shelter/Toilets Ref	50	200	0	0	0
Wimbledon Area Regeneration	Wimbledon Public Realm Implement	170	475	0	0	0
Wimbledon Area Regeneration	Wimbledon Village - Heritage Led P	0	800	0	0	0
Morden Area Regeneration	Morden TC Regen Match Funding	0	0	2,000	4,000	0
Borough Regeneration	Lost Rivers Repairs	0	300	0	0	0
Wimbledon Park	Watersport Fleet	10	0	0	0	0
Wimbledon Park	New Wimbledon Park lakeview build	0	0	0	500	2,000
Sports Facilities	Leisure Centre Plant & Machine	315	250	250	250	250
Parks Investment	Parks Investment	271	300	300	300	300
Parks Investment	Canons Parks for People Dev (2) -HL	65	0	0	0	0
Parks Investment	Sports Drainage	150	150	0	0	0
Parks Investment	Refurbishment of Mertons Multi Use	181	175	0	0	0
Parks Investment	Morely Park Enhancements	19	0	0	0	0
Parks Investment	Wimbledon Park	13	0	0	0	0
Parks Investment	Resurface Tennis Courts	150	0	0	0	0
Parks Investment	Figges Marsh Ward Allocation - Figg	10	0	0	0	0
Parks Investment	Graveney Ward Allocation - Edenval	10	0	0	0	0
Parks Investment	Lavender Fields Ward Alloc - Lavenc	10	0	0	0	0
Parks Investment	Longthornton Ward Alloc - Long Bo	10	0	0	0	0

Cost Centre Narrative	Project Narrative	Revised Budget 2022-23	Revised Budget 2023-24	Revised Budget 2024-25	Revised Budget 2025-26	Proposed Budget 2026-27
Parks Investment	ColliersWood Rec	69	0	0	0	0
Parks Investment	Abbey Rec	48	0	0	0	0
Parks Investment	Myrna Close Public Realm	49	0	0	0	0
Parks Investment	New interactive water play feature at	43	0	183	0	0
Parks Investment	Paddling Pools (borough wide) OPTI	200	70	0	0	0
Parks Investment	Wandle Nature Park Flood Defence	14	0	0	0	0
<b>Total Environment &amp; Regeneration</b>		<b>13,532</b>	<b>10,587</b>	<b>6,297</b>	<b>24,913</b>	<b>6,134</b>
<b>Total Capital</b>		<b>29,650</b>	<b>39,383</b>	<b>23,084</b>	<b>41,996</b>	<b>23,955</b>

**Business Plan 2023-27 Capital Bidding**

**Appendix 7b**

Cost Centre	Project	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Total
		£	£	£	£	£	£	£	£	£	£	£
<b>Environment and Regeneration</b>												
<b>Prior Year Commitment Already in the Approved Capital Programme</b>												
Highways and Footway	Haydons Rd Station Step Free Access	100,000										100,000
Morden Area Regenera	Morden TC Regeneration Match Funding				(2,000,000)	2,000,000						0
<b>Statutory</b>												
Public Protection and I	Upgrade and Replace the Boroughs Automated Air Quality Monitoring Station		250,000									250,000
Waste SLWP	Waste Transfer Station Infrastructure Improvements			1,000,000	4,500,000	500,000						6,000,000
Public Protection and I	Noise Monitoring Equipment		70,000									70,000
Mortuary Provision	Mortuary Provision			100,000	100,000	100,000	100,000					400,000
Waste SLWP	Electric Sub-Station Garth Road			4,000,000								4,000,000
<b>Health and Safety</b>												
Parks Investment	Bridges and Structures		36,000	80,000	80,000	80,000						276,000
Highways and Footway	Footways (Block Scheme)		300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	2,700,000
Highways and Footway	Borough Roads (Block Scheme)		1,000,000	1,000,000	1,000,000	600,000	600,000	600,000	600,000	600,000	600,000	6,600,000
Cycle Route Improvem	Haydons Rd Bridge Cycle Lane		135,000									135,000
Parks Investment	Wandle Tree Trail Safety & Management Programme		60,000	60,000	60,000							180,000
<b>Corporate Priority - Building a Sustainable Future</b>												
Major Projects Afforda	Affordable Housing Delivery Project		10,000,000	10,000,000	9,000,000							29,000,000
Highways and Footway	Raynes Park Station Step Free Access						250,000	250,000				500,000
Fleet Vehicles	Fleet Vehicle Replacement (Block Scheme)		0	0	0	0	0	0	0	0	1,212,000	1,212,000
<b>Corporate Priority - Borough of Sport</b>												
Parks Investment	Playground Priority Upgrades Programme		350,000	350,000	350,000	350,000	350,000					1,750,000
Sports Facilities	Leisure Centres Plant & Equipment (Block Scheme)		0	0	0	30,000	30,000	50,000	50,000	70,000	70,000	300,000
Canons Leisure Centre	New Sports Hall Equipment		25,000	200,000	25,000							250,000
Parks Investment	New Green Flag Improvement Programme		50,000	150,000	100,000							300,000
Parks Investment	Existing Green Flag Improvement Programme		50,000	150,000	100,000							300,000
Parks Investment	Tennis Court Refurb		150,000	75,000	75,000	75,000						375,000
Morden Park	Morden Park Running Track		400,000	1,500,000	850,000							2,750,000
Parks Investment	Parks Security Measures & Traveller Prevention		75,000	50,000	50,000							175,000
<b>Corporate Priority - Nurturing Civic Pride</b>												
Borough Regeneration	Civic Pride Public Realm Enhancements		50,000	1,500,000	1,500,000							3,050,000
Borough Regeneration	Shopping Parade Improvements		260,000	800,000	460,000							1,520,000
<b>Total Environment and Regeneration</b>		<b>0</b>	<b>13,261,000</b>	<b>21,315,000</b>	<b>16,550,000</b>	<b>4,035,000</b>	<b>1,630,000</b>	<b>1,200,000</b>	<b>950,000</b>	<b>970,000</b>	<b>2,182,000</b>	<b>62,093,000</b>

**Business Plan 2023-27 Capital Bidding Continued....**

**Appendix 7b**

Cost Centre	Project	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Total
		£	£	£	£	£	£	£	£	£	£	£
<b>Corporate Services</b>												
Business Systems	Aligned Assets LLPG&LSG System (Block Scheme)		0	0	0	10,000	0	0	0	0	100,000	110,000
Business Systems	Environmental Asset Management Re-Phasing (Block Scheme)		0	250,000	0	(250,000)	0	0	0	500,000		500,000
Business Systems	Revenues and Benefits Re-Phasing (Block Scheme)		0	0	0	0	0	0	(750,000)	750,000	0	0
Business Systems	Planning & Public Protection Re-Phasing (Block Scheme)								(550,000)	550,000		0
Business Systems	Spectrum Spatial Analysis (GIS) (Block Scheme)					300,000				(200,000)		100,000
Business Systems	Kofax Scanning (Block Scheme)		0	0	0	0	0	0	0	0	150,000	150,000
Business Systems	Ancillary Systems (Block Scheme)		0	0	0	0	0	0	0	0	50,000	50,000
Business Systems	Payroll system (Block Scheme)		0	0	0	0	0	0	0	0	160,000	160,000
Business Systems	Parking System (Block Scheme)			400,000			(175,000)			600,000		825,000
Business Systems	Exacom (Block Scheme)			40,000					40,000			80,000
Business Systems	Safer Merton Case Management System (Block Scheme)			60,000					60,000			120,000
Social Care IT System	Transport Allocation (Block Scheme)		0	0	150,000	0	(150,000)	0	150,000	0	0	150,000
Social Care IT System	SEN Case Management (Block Scheme)										170,000	170,000
Civic Centre	Replacement of Electrical Incomer Distribution Boards		20,000	177,000	0	0	0	0	0	0	0	197,000
Governance	New Election Booths - No Bid Form		35,000									35,000
Acquisitions Budget	Acquisitions Budget - No Bid Form				(6,315,780)	6,315,780						
Capital Bidding Fund	Capital Bidding Fund - No Bid Form				(1,000,000)	1,000,000						
Corporate Capital Cont	Corporate Capital Contingency - No Bid Form				(1,680,940)	1,680,940						
<b>Total Corporate Services</b>		<b>0</b>	<b>55,000</b>	<b>927,000</b>	<b>(8,846,720)</b>	<b>9,056,720</b>	<b>(325,000)</b>	<b>0</b>	<b>(1,050,000)</b>	<b>2,200,000</b>	<b>630,000</b>	<b>2,647,000</b>
<b>Community and Housing</b>												
Disabled Facilities Gra	Disabled Facilities Grant - removing match funding		0	0	0	(280,000)	(280,000)	(280,000)	(280,000)	(280,000)	(280,000)	(1,680,000)
Major Projects Afford	Empty Homes Scheme		125,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	3,125,000
Library Enhancement V	Library Re-Furbishment Re-Phasing					(201,000)	(235,000)					(436,000)
Major Projects - Social	Learning Disability Aff Housing			3,172,000	4,900,000							8,072,000
<b>Total Community and Housing</b>		<b>0</b>	<b>125,000</b>	<b>3,547,000</b>	<b>5,275,000</b>	<b>(106,000)</b>	<b>(140,000)</b>	<b>95,000</b>	<b>95,000</b>	<b>95,000</b>	<b>95,000</b>	<b>9,081,000</b>
<b>Children, Schools and Families</b>												
Unallocated SEN	Safety Valve New School		0	0	0	(10,300,000)	0	0	0	0	0	(10,300,000)
Youth Provision	Pollards Hill Digital Divide		0	66,260	0	0	0	0	0	0	0	66,260
<b>Total Children, Schools and Families</b>		<b>0</b>	<b>66,260</b>	<b>0</b>	<b>0</b>	<b>(10,300,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(10,233,740)</b>

<b>Total Merton</b>		<b>0</b>	<b>13,507,260</b>	<b>25,789,000</b>	<b>12,978,280</b>	<b>2,685,720</b>	<b>1,165,000</b>	<b>1,295,000</b>	<b>(5,000)</b>	<b>3,265,000</b>	<b>2,907,000</b>	<b>63,587,260</b>
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October 2022 Monitoring 29,650,380 39,383,100 23,084,010 41,995,920 23,955,000 11,921,500 10,604,000 20,219,000 10,609,000 10,094,000

October 2022 Monitoring with Bids 29,650,380 52,890,360 48,873,010 54,974,200 26,640,720 13,086,500 11,899,000 20,214,000 13,874,000 13,001,000

**Key**

Expected in year bidding - already in the programme
Outside the Business Planning Period of 2023-27

Cost Centre Narrative	Project Narrative	Revised Budget 2022-23 £000s	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Revised Budget 2025-26 £000s	Proposed Budget 2026-27 £000s
<b>Business Improvement</b>						
Customer Contact Programme	Customer Contact Programme	304	1,000	0	1,000	1,000
Customer Contact Programme	Web Content Management System	54	0	100	0	0
Customer Contact Programme	Fix My Streets	50	0	0	0	0
Customer Contact Programme	Robotics Process Automation (RPA)	110	0	0	0	0
Business Systems	Ancilliary System	50	0	0	0	50
Business Systems	Youth Justice	0	0	0	100	0
Business Systems	School Admissions System	125	0	0	0	0
Business Systems	Regulatory Project	29	0	0	0	0
Business Systems	Parking System	0	270	400	0	0
Business Systems	Payroll System	156	0	0	0	160
Business Systems	Customer Portal Account	188	0	0	0	0
Business Systems	CRM&TK Amendments	28	0	0	0	0
Business Systems	CRM Workplan & Delivery	118	0	0	0	0
Business Systems	Office 365 Tools incl Power BI	168	0	0	0	0
Business Systems	Vehicle Route Mapping System	30	0	0	0	0
Business Systems	Invoice Scanning SCIS/FIS	0	150	0	0	0
Business Systems	Environmental Asset Management	0	240	250	0	0
Business Systems	Housing System (Capita Housing)	48	0	0	120	0
Business Systems	Revenue & Benefits	0	300	400	0	0
Business Systems	Payments project	0	0	150	0	0
Business Systems	GIS Mapping (Spectrum Spatial Ana	170	100	0	200	300
Business Systems	LLPG&LSG System ((Gazetteer Ma	75	0	0	0	100
Business Systems	Planning&Public Protection Sys	100	241	550	0	0
Business Systems	Exacom	0	0	40	0	0
Business Systems	Safer Merton Case Management	0	0	60	0	0
Business Systems	Transport Management System	150	0	0	150	0
Replacement SC System	Replacement SC System	0	819	1,000	0	0
Replacement SC System	EHCP Hub	64	0	0	0	0
Replacement SC System	SEN Case Management	0	0	0	0	170
Replacement SC System	ASC Mosiac System Updates	120	0	0	0	0
Replacement SC System	Mosiac Workflow & System Imps	27	0	0	0	0
Replacement SC System	Transitions Tracker	35	0	0	0	0
Replacement SC System	Insights to Intervention	15	0	0	0	0
Replacement SC System	SEN Transport Allocation	20	0	0	0	0
<b>Facilities Management</b>						
Works to Other Buildings	Repair and Maintenance	650	650	650	650	650
Works to Other Buildings	Morden Park House Courtyard	161	0	0	0	0
Works to Other Buildings	Replacement Boilers	12	367	0	0	0
Civic Centre	Civic Centre Cycle Parking	0	60	0	0	0
Civic Centre	Civic Centre Lighting Upgrade	300	0	0	0	0
Civic Centre	Electrical Incomer	0	20	177	0	0
Invest to Save	Project General	610	300	300	300	300
Invest to Save	Photovoltaics	50	0	0	0	0
Invest to Save	De-Carbonisation Scheme	195	0	0	0	0
<b>Information Technology</b>						
Disaster recovery	Disaster recovery	94	0	0	0	0
Planned Replacement Program	Project General	1,230	770	1,405	1,060	970
<b>Resources</b>						
Financial Systems	Improving Financial Systems	0	700	0	0	0
<b>Corporate Budgets</b>						
Multi-Functioning Device (MF	Multi-Functioning Device (MFD) - F	0	0	600	0	0
Acquisitions Budget	Project General	469	0	0	0	6,316
Capital Bidding Fund	Project General	0	0	0	0	1,000
Corporate Capital Contingency	Project General	0	0	0	0	1,681
Westminster Coroners Court	Westminster Coroners Court	589	379	0	0	0
Governance	New Election Booths	0	35	0	0	0
Housing Company - Loan	Project General	0	0	0	0	0
Housing Company - Equity	Project General	0	0	0	0	0
Compulsory Purchase Order	Clarion - CPO	0	13,934	0	0	0
<b>Total Corporate Services</b>		<b>6,592</b>	<b>20,335</b>	<b>6,082</b>	<b>3,580</b>	<b>12,697</b>

Cost Centre Narrative	Project Narrative	Revised Budget 2022-23 £000s	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Revised Budget 2025-26 £000s	Proposed Budget 2026-27 £000s
<b>Housing</b>						
Disabled Facilities Grant	Project General	873	827	827	827	0
Major Projects Affordable Hou	Empty Homes Strategy	0	125	375	375	375
Major Projects Affordable Hou	Affordable Housing Delivery Projec	0	10,000	10,000	9,000	0
Major Projects Social Care H	LD Supported Living	0	0	4,900	4,900	0
<b>Libraries</b>						
Library Enhancement Works	West Barnes Re-Fit	0	0	200	0	0
Library Enhancement Works	Library Re-Furbishment	0	0	0	0	0
Libraries IT	Library Management System	24	0	140	0	0
Library Major Projects	Library Self Service	5	0	0	350	0
<b>Total Community and Housing</b>		<b>914</b>	<b>10,952</b>	<b>16,442</b>	<b>15,452</b>	<b>375</b>

Cost Centre Narrative	Project Narrative	Revised Budget 2022-23 £000s	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Revised Budget 2025-26 £000s	Proposed Budget 2026-27 £000s
<b>Primary Schools</b>						
Joseph Hood School	School Capital Maintenance	53	66	0	0	0
Unlocated Primary School Proj	School Capital Maintenance	0	2,864	2,500	2,500	2,500
<b>Special Schools</b>						
Perseid School	Perseid School Expansion	9	0	0	0	0
Perseid School	School Capital Maintenance	290	0	0	0	0
Cricket Green	School Capital Maintenance	7	0	0	0	0
Cricket Green	Cricket Green School Expansion	39	0	0	0	0
Whatley Avenue	School Capital Maintenance	50	0	0	0	0
Melrose	Melrose School Expansion	422	0	0	0	0
Melrose	School Capital Maintenance	167	0	0	0	0
Unlocated SEN	Medical PRU	432	30	0	0	0
Unlocated SEN	Whatley Avenue	2,973	0	0	0	0
Melbury College – Smart Centr	School Capital Maintenance	155	0	0	0	0
Mainstream SEN (ARP)	West Wimbledon Primary ARP expa	190	235	0	0	0
Mainstream SEN (ARP)	Hatfeild Primary School ARP expans	188	0	0	0	0
Mainstream SEN (ARP)	Cranmer Primary School New ARP	40	623	0	0	0
Mainstream SEN (ARP)	Further Primary School ARP expans	0	200	216	0	0
Mainstream SEN (ARP)	Raynes Park school ARP expansion	5	1,015	1,019	0	0
Mainstream SEN (ARP)	Secondary School ARP Expansion 2	0	300	576	0	0
Mainstream SEN (ARP)	Secondary School ARP Expansion 3	0	500	1,209	0	0
Mainstream SEN (ARP)	Secondary School ARP Expansion 4	0	30	700	979	0
Mainstream SEN (ARP)	Safety Valve - New ARP	0	0	0	0	900
Perseid Lower School	Perseid School Expansion	50	1,550	2,517	0	0
<b>Other</b>						
Youth Provision	Pollards Hill Digital Divide	28	276	0	0	0
<b>Total Children, Schools &amp; Families</b>		<b>8,612</b>	<b>7,755</b>	<b>8,737</b>	<b>3,479</b>	<b>3,400</b>

Cost Centre Narrative	Project Narrative	Revised Budget 2022-23 £000s	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Revised Budget 2025-26 £000s	Proposed Budget 2026-27 £000s
<b>Public Protection and Development</b>						
On Street Parking - P&D	Pay and Display Machines/emissions	300	107	0	0	0
On Street Parking - P&D	Replacement ANPR cameras with ai	0	300	300	300	300
Off Street Parking - P&D	Car Park Upgrades	230	545	0	0	0
Off Street Parking - P&D	Peel House Car Park	0	700	0	0	0
CCTV Investment	CCTV cameras and infrastructure up	698	554	0	0	0
CCTV Investment	CCTV business continuity and resili	0	173	0	0	0
CCTV Investment	Rapid deployment cameras	54	0	0	45	45
CCTV Investment	5 new permanent cameras per year, a	0	135	100	100	100
CCTV Investment	Designing out crime for ASB, violen	50	35	20	20	0
CCTV Investment	Brangwyn Crescent / Commonside Ea	52	0	0	0	0
CCTV Investment	Willow Lane Bridge BID - Improver	39	0	0	0	0
Public Protection and Developpr	Upgrade and Replace the Boroughs	0	250	0	0	0
Public Protection and Developpr	Noise Monitoring Equipment	0	70	0	0	0
Public Protection and Developpr	Project General	0	0	0	0	35
<b>Street Scene and Waste</b>						
Fleet Vehicles	Replacement of Fleet Vehicles	0	300	0	1,212	0
Alley Gating Scheme	Project General	46	24	24	24	24
Waste SLWP	Project General	0	0	0	42	0
Waste SLWP	Replacement of Fleet Vehicles	340	0	0	15,000	0
Waste SLWP	Waste Transfer Station	0	0	1,000	4,500	500
Waste SLWP	Electricity Sub Station	0	0	4,000	0	0
<b>Sustainable Communities</b>						
Street Trees	Street Tree Programme	60	60	60	60	60
Street Trees	New street tree planting programme	44	0	0	0	0
Raynes Park Area Roads	Raynes Park Stn Public Realm Imp	44	0	0	0	0
Highways & Footways	Street Lighting Replacement Pr	290	290	290	290	290
Highways & Footways	Accessibility Program TfL	151	0	0	0	0
Highways & Footways	Casualty Reduction & Schools	216	0	0	0	0
Highways & Footways	Traffic Schemes	150	150	150	150	150
Highways & Footways	Lamp Column Chargers	760	0	0	0	0
Highways & Footways	Surface Water Drainage	100	100	100	100	60
Highways & Footways	Repairs to Footways	966	1,300	1,300	1,300	1,300
Highways & Footways	Maintain AntiSkid and Coloured	60	60	60	60	60
Highways & Footways	Borough Roads Maintenance	1,200	2,200	2,200	2,200	1,800
Highways & Footways	Highways bridges & structures	600	626	260	260	260
Highways & Footways	Motspur Park Station Access for All	190	500	0	0	0
Highways & Footways	Haydons Road Access for All	0	100	0	0	0
Highways & Footways	ZZ3233 - High Path School Harris	14	0	0	0	0
Highways & Footways	Various Culverts Strengthening & U	300	208	0	0	0
Highways & Footways	ANPR Cameras Supporting Enforce	219	0	0	0	0
Highways & Footways	Street Lighting Wimbledon	322	0	0	0	0
Highways & Footways	Bishopsford Rd Bridge	291	0	0	0	0
Highways & Footways	Cycle Lane & Roadway Bishopsford	6	0	0	0	0
Highways & Footways	Residential Secure Cycle Storage	0	26	0	0	0
Highways & Footways	S Wimb Bus Area Wayfinding	135	0	0	0	0
Highways & Footways	Milner Rd Improvements	140	0	0	0	0
Highways & Footways	Vivacity Monitors	39	0	0	0	0
Cycle Route Improvements	Cycle Lane Works Plough Lane	204	0	0	0	0
Cycle Route Improvements	Cycle Access/Parking TfL	114	45	0	0	0
Cycle Route Improvements	Morden Park Cycle Path	160	0	0	0	0
Cycle Route Improvements	Cycle Improvements Residential Stre	360	0	0	0	0
Cycle Route Improvements	Haydons Rd Bridge cycle lane	0	135	0	0	0
Mitcham Area Regeneration	Canons Parks for People Dev (2) -H	515	0	0	0	0
Mitcham Area Regeneration	New Horion Centre	69	0	0	0	0



Detailed Capital Programme 2022-27 October 2022 Monitoring with bids continued..... Appendix 7c

Cost Centre Narrative	Project Narrative	Revised Budget 2022-23 £000s	Revised Budget 2023-24 £000s	Revised Budget 2024-25 £000s	Revised Budget 2025-26 £000s	Proposed Budget 2026-27 £000s
Mitcham Area Regeneration	Rowan Park Community Facility Ma	0	150	0	0	0
Mitcham Area Regeneration	Elmwood Centre Hub	65	0	0	0	0
Mitcham Area Regeneration	Pollards Hill Bus Shelter/Toilets Ref	50	200	0	0	0
Wimbledon Area Regeneration	Polka Green Retrofit	20	0	0	0	0
Wimbledon Area Regeneration	Haydons Road Public Realm Improv	393	0	0	0	0
Wimbledon Area Regeneration	Crowded Places/Hostile Vehicle Mit	0	180	0	0	0
Wimbledon Area Regeneration	Wimbledon Public Realm Implemen	170	475	0	0	0
Wimbledon Area Regeneration	Wimblon Hill Rd	453	0	0	0	0
Wimbledon Area Regeneration	Wimbledon Village - Heritage Led P	0	800	0	0	0
Morden Area Regeneration	Crown Creative Knowledge Exchang	150	0	0	0	0
Morden Area Regeneration	Morden Town Centre Improvements	0	200	0	0	0
Morden Area Regeneration	Morden TC Regen Match Funding	0	0	2,000	2,000	2,000
Borough Regeneration	Wandle Project (Colliers Wood Cha	69	0	0	0	0
Borough Regeneration	Lost Rivers Repairs	0	300	0	0	0
Borough Regeneration	Haydons RoadShop Front Improvem	323	0	0	0	0
Borough Regeneration	42 Graham Rd Mitcham	0	50	0	0	0
Borough Regeneration	Capital Spend on Refurbishment of	15	0	0	0	0
Borough Regeneration	Civic Pride Public Realm Improvem	0	50	1,500	1,500	0
Borough Regeneration	Shopping Parade Improvements	0	260	800	460	0
Borough Regeneration	Carbon Offset Funding	100	50	0	0	0
Property Management	Community Ctre Energy Saving Ligh	35	0	0	0	0
Morden Leisure Centre	New Running Track	0	400	1,500	850	0
Wimbledon Park	Wimbledon Pk Lake Safety	520	0	0	0	0
Wimbledon Park	Watersport Fleet	10	0	0	0	0
Wimbledon Park	New Wimbledon Park lakeview buil	0	0	0	500	2,000
Sports Facilities	Leisure Centre Plant & Machine	315	250	250	250	280
Sports Facilities	Canons New Sports Hall Equipment	0	25	200	25	0
Parks Investment	Parks Investment	271	300	300	300	300
Parks Investment	Canons Parks for People Dev (2) -H	65	0	0	0	0
Parks Investment	Sports Drainage	150	150	0	0	0
Parks Investment	Refurbishment of Mertons Multi Use	181	175	0	0	0
Parks Investment	Tennis Court Refurbishments	0	150	75	75	75
Parks Investment	Morely Park Enhancements	19	0	0	0	0
Parks Investment	Wimbledon Park	13	0	0	0	0
Parks Investment	Resurface Tennis Courts	150	0	0	0	0
Parks Investment	Figges Marsh Ward Allocation - Fig	10	0	0	0	0
Parks Investment	Graveney Ward Allocation - Edenva	10	0	0	0	0
Parks Investment	Lavender Fields Ward Alloc - Laven	10	0	0	0	0
Parks Investment	Longthornton Ward Alloc - Long Bo	10	0	0	0	0
Parks Investment	ColliersWood Rec	69	0	0	0	0
Parks Investment	Abbey Rec	48	0	0	0	0
Parks Investment	Myrna Close Public Realm	49	0	0	0	0
Parks Investment	New interactive water play feature at	43	0	183	0	0
Parks Investment	22. Bridges and Structures	0	36	80	80	80
Parks Investment	23. Existing Green Flag Improvement	0	50	150	100	0
Parks Investment	24. New Green Flag Improvement Pr	0	50	150	100	0
Parks Investment	28. Parks Security Measures & Trave	0	75	50	50	0
Parks Investment	29. Playground Priority Upgrades Pr	0	350	350	350	350
Parks Investment	30. Wandle Tree Trail Safety & Man	0	60	60	60	0
Parks Investment	Paddling Pools (borough wide) OPT	200	70	0	0	0
Parks Investment	Wandle Nature Park Flood Defence	14	0	0	0	0
Mortuary Provision	Project General	0	0	100	100	100
<b>Total Environment &amp; Regeneration</b>		<b>13,532</b>	<b>13,848</b>	<b>17,612</b>	<b>32,463</b>	<b>10,169</b>
<b>Total Capital</b>		<b>29,650</b>	<b>52,890</b>	<b>48,873</b>	<b>54,974</b>	<b>26,641</b>

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