

MERTON COUNCIL

Business Plan 2017 / 2021



www.merton.gov.uk



Index

Contents	Page No.
Introduction	1
Transformation Statement	2
National Policy Context	3
The Council	4
Merton Partnership	8
A) Financial Resources	
Medium term Financial Strategy	11
Capital Strategy	46
Treasury Management Policy Statement	75
B) Other Key Resources	
Workforce Strategy and Planning	134
Procurement Plan	149
Information Technology Strategy	166
C) Risk Management	186
D) Performance Management Framework	204
E) Service Planning	214
F) Savings 2017/21	274
F) Growth 2017/21	446
G) Revenue Estimates 2017/18	450
Glossary of Terms	489
List of Acronyms	502

Please click on the page number above that you wish to view.
To return to the previous page viewed use the 'ALT' and 'Left Arrow' keys at the same time

INTRODUCTION

Welcome to Merton Council's Business Plan for 2017/21, which brings together financial information in the form of the council's budget and the Medium Term Financial Strategy, along with the service planning of all of the council's operational services over the next four years. Although it is a four year plan, it will be refreshed every year to ensure we are on target and to take account of changing needs and priorities.

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

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

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

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

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

Each major work area in the council completes a service plan or commissioning plan, to give a high level overview of its financial position, what it exists to do, what it hopes to achieve and how it will achieve its major work programmes over the next four years.

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

TRANSFORMATION STATEMENT

By 2020 Merton Council will be transformed by the fruition of a number of change projects which will maximise the use of information technology and streamline processes and service provision. Providing value for money services to our residents is at the heart of our business and we must be able to demonstrate that all of our services represent best value for money. We will do this by continuing to finding innovative solutions to maximise future efficiency.

The financial reality facing local government dominates the choices the council will make for the future of the borough. The development of the Business Plan 2017/21 is therefore based on the set of guiding strategic priorities and principles, as adopted by the council on 13 July 2011:

- Merton should continue to provide a certain level of essential services for residents. The order of priority of 'must' services should be:
 - i) Continue to provide everything that is statutory.
 - ii) Maintain services – within limits – to the vulnerable and elderly.
- After meeting these obligations Merton should do all that it can to help residents who aspire. This means we should address the following as priorities in this order:
 - i) Maintain clean streets and keep council tax low.
 - ii) Keep Merton as a good place for young people to go to school and grow up.
 - iii) Be the best it can for the local environment.
 - iv) All the rest should be open for discussion.

The financial pressures facing Merton mean we should no longer aim to be a 'place-maker' but be a 'place-shaper'. The council should be an enabler, working with partners to provide services.

Our top priority will continue to be to provide safe services of the best possible quality within financial constraints and the July 2011 principles. We will deliver services that customers want and need and, where possible, involve our customers in service specification and design.

The Authority is utilising best practice in project management/ transformation to assess the future direction of services and the required staff, process and IT development to deliver this change. Internal decision making structures have been established to maximise Authority wide assessment and development.

NATIONAL POLICY CONTEXT

Local government continues to be affected by reductions in the level of funding that it receives from central government. It will also be impacted by the steps being taken to reshape the way local authorities are financed through the proposal that councils will retain 100% of their business rates by 2020. These are part of steps towards a proposed devolution of powers from central to local government.

Proposed changes around funding and devolution will have a significant impact on the services that the council provides over the lifetime of this Business Plan. In addition, the decision for the United Kingdom to leave the European Union means continued uncertainty for local government around the loss of European funding after the guarantees to replace it run out, what the impact for members of the EU workforce could be and how challenges for the economy could affect local budgets.

The 2016 Budget announcement and 2016 Autumn Statement both contain policy updates that will have a significant effect on the council and its work, although a lot of the detail about how these will be implemented continues to be unclear. Some of the key announcements include:

- The Government will find a further £3.5 billion of savings from public spending in 2019/20. According to London Councils, the impact on local government is likely to be a reduction of around 30% between 2015 and 2020 in its level of resources;
- The Treasury will lead an efficiency review, to report in 2018, into the efficiency of all departmental spending to inform future expenditure decisions;
- Confirmation that the Revenue Support Grant will be phased out by 2020;
- An aim to introduce more frequent business rate revaluations (at least every 3 years);
- Central government to work with local authorities to standardise business rates bills;
- Local government to be compensated for the loss of income as a result of changes to the business rates and the implementation of 100 per cent business rates retention;
- Devolution of power to school leaders, expecting all schools to become academies by 2020, or to have an academy order in place to convert by 2022. Forced academisation has subsequently been dropped as a policy, but the Government continues to push academies as the favoured models for schools;
- £50 million of new capital funding to support the expansion of existing grammar schools in each year from 2017-18;
- An apprenticeship levy to be introduced in April 2017, with employers, including local authorities helping to fund a national apprenticeship programme;
- The green light for Crossrail 2, which will include the rebuilding of Wimbledon station to deal with the extra tracks required as part of the programme;
- The launch of the Starter Homes Land Fund prospectus, inviting local authorities to access £1.2 billion of funding to remediate brownfield land to be used for housing, to deliver at least 30,000 Starter Homes;
- Measures to speed up the planning system, including minimising the delays caused by planning conditions, and ensuring the delivery of local plans by 2017;
- Investment in a major house-building programme, which will involve the scrapping of one of the Help to Buy schemes; through a new £2.3bn Housing Infrastructure Fund
- Mayoral combined authorities to be given borrowing powers, with London receiving £3.15bn for over 90,000 new affordable homes and devolution of the adult skills budget;
- The new mandatory National Living Wage came into effect in April 2016, set at £7.20 an hour for workers aged 25 and above, rising to £7.50 in April 2017, which will have an impact on a number of council providers and partners.

THE COUNCIL

The Council comprises of 60 elected councillors representing 20 wards. The current political composition of the Council as at February 2017 is:

- Labour: 36 councillors
- Conservative: 19 councillors
- Merton Park Ward Independent Residents: Three councillors
- Liberal Democrats: One councillor
- No Affiliation: One councillor

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

The Organisation

As at 30 September 2016 the council, excluding schools, has 1,746 FTE (head count 1,937 employees) who work across four departments.

- Children, Schools and Families
- Community and Housing
- Corporate Services
- Environment and Regeneration

Broken down, Environment and Regeneration has the largest number of employees (531 FTE), followed by Children, Schools and Families (447 FTE), Corporate Services (426 FTE) and the Community and Housing (340 FTE).

Overall, 59.7% of the council's workforce is female, while 26.4% are from an ethnic minority background. Both these figures are below the London average, which are 62.2% and 36.3% respectively. 6.7% of the workforce is recorded as having a disability, which is above the London average of 4.4%. The majority of employees (42.8%) are aged between 50 and 64, with 24.3% aged between 25 and 39 and 26.4% aged between 40 and 49.

Merton: the people and the place

Merton is an outer London borough situated to the south west of central London, neighbouring the boroughs of Croydon, Kingston, Lambeth, Sutton and Wandsworth. Comprising of 20 wards, it covers an area of approximately 14.7 square miles and has a population of just over 200,000 residents living in around 80,000 properties.

Served by 5,379 businesses, the borough's main commercial centres are Mitcham, Morden and Wimbledon, of which Wimbledon is the largest. Other smaller centres include Raynes Park, Colliers Wood, South Wimbledon, Wimbledon Park and Pollards Hill. The borough is predominantly suburban in character, with high levels of commuter flows in and out of central London. Merton has a large number of parks and green spaces, including Wimbledon and Mitcham commons, and almost twice as much of the borough is open space compared to the average in London. Every year Merton plays host to one of the country's most famous sporting events – the Wimbledon Tennis Championships held at the All England Lawn Tennis and Croquet Club, which brings an extra 500,000 people into the borough.

Merton: the people

Population and demographics

- Merton's population according to the Greater London Authority (GLA) 2016 projection is 207,141 people, living in 83,446 occupied households
- Population density is higher in the wards of the east of the borough compared to the wards in the west
- The average age of residents in the borough is 36.6, above the London average of 35.9. The proportion of the population that is working-age (16-64) is 87.9
- GLA 2013 round population projections records Merton's BAME population as 74,971, meaning Black, Asian and Minority Ethnic (BAME) groups make up around 36.7% of the population. This is lower than the London average of 42.5%
- Based on GLA trend-based projections, Merton's population is projected to increase by 13,245 between 2014 and 2020. During this time the boroughs age profile is also projected to change, with the most notable growth coming in the numbers of those aged under 16 and those over 50. This will be against a projected decline in the proportion of people aged 25-35
- Merton's ethnic composition is also forecast to change, with the BAME proportion set to increase to 40%

Deprivation

- The Indices of Multiple Deprivation (IMD) sets out a relative position for each local authority in the country, reflecting the multidimensional nature of deprivation by giving an overall score for each area. The indices were updated in September 2015 and show that Merton ranks as 'very low' in terms of overall social deprivation compared to other London boroughs.

Merton ranks as 7th least deprived out of the 33 London boroughs and ranks 212 out of 354 (where 1 is the most deprived) for the rest of England

- This overall lack of deprivation does, however, hide inequalities in the borough between deprived wards in the east of the borough (Mitcham) and the more affluent wards in the west (Wimbledon). Three wards are more deprived than the average for London: Cricket Green, Figge's Marsh and Pollards Hill
- The GLA Pay-check 2011 dataset illustrates there are large disparities in the distribution of income within Merton. In general the west of the borough is more affluent, notably Wimbledon Park, Village, and Hillside wards. These wards have a median income range of £41-£50,000. By comparison wards in the east such as Figge's Marsh, Pollards Hill, St. Helier, and Cricket Green have a median income range of £24-28,000

Health

- Health outcomes in Merton are generally better than those in London, and in line with or above the rest of England, however, there is a difference between the most and least deprived areas within the borough for life expectancy of 7.9 years for men and 5.2 years for women
- Linked to deprivation, those in the east of the borough have a much higher chance of serious illness and early deaths from illnesses such as cancer and heart disease

Education

- As at January 2016 the borough had 29,119 pupils across state funded primary, secondary and special schools and pupil referral units
- In 2016 72% of students in Merton achieved A*-C in Maths and English. This is up 10% on 2015 and our priority is to continue this trajectory of improvement. 34.9% of pupils in Merton have a first language known or believed to be other than English. This is below the London average of 38.7%
- The percentage of children known to be eligible for and claiming free school meals is 14.8%, below the London average of 17.6%
- 47 out of the 52 schools (including maintained, academies and special schools) in the borough are judged as 'Good' or 'Outstanding' by Ofsted as at November 2016

Employment

- Merton residents who are in active full-time employment are distributed all over the borough, however, unemployed residents are concentrated towards the east of Merton, and self-employed residents are concentrated toward the west
- Although unemployment in the borough is below the national average, it rises significantly in some of the eastern wards, and 63% of all benefit claimants live in the east of the borough

- The average annual income for residents in Merton as at 2015 is £33,122, slightly below the London average of £33,203, but above the national average of £27,869

Merton: the place

Green environment

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

Housing and the built environment

- The 2011 Census shows that there are 78,757 households within Merton. This number is projected to rise to 99,000 (15%) by 2021, an average annual household growth of 2.2%. This is the fourth highest projected household growth in England with much of the increase expected to be in single person households
- Merton's social housing stock is amongst the lowest in London at 14%, compared to a London average of 22%. 58% of social housing and 63% of private rented homes are flats, compared with only 24% in the owner-occupied sector
- The median average house price in Merton in 2015 was £415,000, the fifteenth highest in London and an increase of 8% on the figure for 2014. The average house price in London was £399,950 an increase of 10%
- The ratio of house prices to earnings in Merton is 14.27, which is the twelfth highest in London and above the London average of 11.32

Transport

- Merton has good connections with the London transport network with Wimbledon being a central transport hub in the South London area. Regular suburban rail services run into central London and both the District and Northern underground lines run through the borough
- The Tramlink provides connections between Wimbledon and Croydon via Mitcham and Morden, while numerous other over ground stations and bus routes provide easy access to neighbouring boroughs

Crime

- The crime rate per 100,000 of the population for 2015/16 was 57.6, which is below the London average of 79.3 and the Outer London average of 65.4. This is the sixth lowest in London

MERTON PARTNERSHIP

Merton Partnership brings together a range of key partners from the public, private and community and voluntary sectors in Merton, including the council, Clinical Commissioning Group, and Police. In 2009 the Partnership developed the Community Plan that set out the overall direction and vision for the borough until 2019. The plan was then refreshed by the partnership in 2013. The document sits above each of the different partner's own Business Plan.

The Partnership is chaired by the Leader of the Council and hosts an annual themed conference. It has an Executive Board, also chaired by the Leader of the Council that meets bi-monthly and whose role is to set the strategic direction of the Partnership and manage the delivery of the priorities and targets set out in the Community Plan and Neighbourhood Renewal Strategy.

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

Children's Trust

Merton's Children's Trust arrangements began in 2005 in order to bring together all partners involved in providing services to children and families in Merton. The Board encompasses a wide range of different groups and partnerships, overseeing their performance and activities. The Children's Trust is designed to deliver the outcomes set out in Merton's Children & Young People Plan 2016-19 which includes improving outcomes for those subject to the effects of disadvantage, safeguarding children and young people and closing the gap in educational outcomes and opportunity.

Health and Wellbeing Board

Merton Health and Wellbeing Board's full statutory responsibilities have been in place since April 2013, bringing together the Council, Clinical Commissioning Group, HealthWatch and the voluntary and community sector. Health and Wellbeing Boards deliver strategic local leadership to improve health outcomes. The work of the Board is also central in helping to inform the commissioning of health and social care services in Merton. It has a core role in encouraging that services across the NHS, social care, public health and other local partners are joined-up and work together to reduce health inequalities and support independent living.

Safer and Stronger Communities

The Safer and Stronger Partnership incorporates the statutory Community Safety Partnership and is responsible for setting and overseeing the strategic direction for community safety and the community cohesion agenda in the borough. The Community Safety Partnership has a statutory duty to undertake a strategic assessment to inform priority setting to address crime and disorder issues in the

local area. Key themes for the partnership include reducing the fear of crime, reducing alcohol related violence and supporting those who are effected by alcohol misuse and reducing anti-social behaviour and its effects on communities as well as individuals. The Partnership looks to empower local people to have a greater choice and influence over local decision-making and to increase community cohesion and integration.

Sustainable Communities and Transport

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

Corporate Capacity

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

Corporate Strategies

The council has a number of corporate and service-specific strategies and plans that support the work of the council, the Merton Partnership and the four Thematic Partnerships. These strategies and plans draw heavily on the aims set out in the Merton Community Plan, but also reflect central Government policy changes, sub-regional policies (e.g. set by the Mayor of London), new legislative requirements and short term changes to local priorities. The following list is not exhaustive but shows the diversity of strategies and plans currently in place:

<http://www.merton.gov.uk/council/plansandpolicies.htm>

Section A

Financial Resources

A) MEDIUM TERM FINANCIAL STRATEGY 2017-21

SECTION 2: GENERAL FUND REVENUE BUDGET AND COUNCIL TAX STRATEGY

1. Background to Financial Planning

- 1.1 The approach to Medium Term Financial Planning provides a great deal of flexibility in decision making and enables the impact of alternative options to be modeled. This has assisted with progress towards a balanced budget over the four year plan.
- 1.2 The MTFS has been re-priced and rolled forward a year so that each year from 2017/18 to 2020/21 starts from the approved budget 2016/17 and is built up showing the cumulative effect of variations over the period. The initial re-priced MTFS showing the budget gap as reported to Council in March 2016 was as follows:-

Table 1: Initial Re-priced MTFS

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Departmental Base Budget '16/17	139,982	139,982	139,982	139,982
Departmental Budget Changes	(6,226)	(8,510)	(4,589)	(1,483)
Re-Priced Departmental Budget	133,756	131,472	135,393	138,499
Treasury/Capital financing	12,370	12,200	13,091	13,426
Other Corporate items	(8,579)	(8,025)	(8,160)	(8160)
Levies	628	628	628	628
Sub-total: Corporate provisions	4,419	4,803	5,559	5,894
Use of Reserves	1,065	(3,152)	(8,338)	(20)
BUDGET REQUIREMENT	139,240	133,123	132,614	144,373
TOTAL FUNDING	(139,240)	(133,123)	(129,145)	(124,253)
GAP (Cumulative)	0	0	3,469	20,120

- 1.3 Reports were made to Cabinet on 19 September 2016, 12 October 2016, 12 December 2016, 16 January 2017 and 13 February 2017 presenting updated information to Members, setting out the financial implications as assumptions were reviewed and decisions made.
- 1.4 The decisions made in respect of each element of the MTFS impact on the overall financial position of the Authority and were taken into account as part of an overall package of decisions to balance the budget. In addition to a review of the base budget position, a number of options and variables were modelled, which enabled the impact of different scenarios to be seen.

1.5 Setting a Balanced Budget

- 1.5.1 Resource and expenditure projections were continually updated throughout the year to inform Members and officers of the overall position for 2017-2021. A four-year forward plan is presented, but it is still a legal requirement that a balanced (i.e. fully funded) budget is achieved for 2017/18.
- 1.5.2 Budget savings and growth proposals were formulated within the overall constraints of the resource projections. The proposals were approved in principle by the Cabinet and then considered by Overview and Scrutiny Panels as part of the scrutiny process. Scrutiny Panels met during November 2016 and January 2017 and their feedback on the Council's spending proposals was considered as part of budget setting.
- 1.5.3 The Medium Term Financial Strategy (MTFS) for the Council supports the achievement of the business plan and any financial implications arising from the agreed plan are included in financial planning for 2017/18 and beyond. The MTFS brings together all of the key elements relating to the Council's financial position which are reflected in the General Fund, and the Capital Programme.

1.6 Review of previous year's Savings

- 1.6.1 As with previous years, the business planning process is a multi-year approach and this includes a review of total expenditure and income over the period 2017-21.
- 1.6.2 Cabinet on 12 October 2016 and 12 December 2016 considered revisions to current savings proposals. The overall impact of these proposed amendments on the MTFS is as follows:-

Table 3: Net Revisions to current savings

Net Revisions to current savings (cumulative)	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Corporate Services	0	0	0	0	0
Children, Schools & Families	(60)	27	(201)	0	(234)*
Environment and Regeneration	574	(324)	(250)	0	0
Community and Housing	27	0	0	0	27**
Total	541	(297)	(451)	0	(207)
Net Cumulative total	541	244	(207)	(207)	

* The net increase in savings will be applied against the CSF target set.

** The net shortfall in savings will be added to C&H savings target set.

- 1.6.3 The current MTFS includes the following amounts in respect of the full year effects of previous year's savings, including those in Table 3 above.

Table 4: Full Year Effects of previous years savings

Full Year Effects of previous years savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Corporate Services	(1,679)	(1,563)	0	0	(3,242)
Children, Schools & Families	(1,110)	(489)	(201)	0	(1,800)
Environment and Regeneration	(3,426)	(861)	(250)	0	(4,537)
Community and Housing	(2,673)	(3,128)	0	0	(5,801)
Total	(8,888)	(6,041)	(451)	0	(15,380)
Total - Cumulative	(8,888)	(14,929)	(15,380)	(15,380)	

1.6.4 One of the key objectives is to balance the budget and there has been a major improvement in recent years in the ability to look over a long-term period and identify significant savings over more than one year.

1.6.5 The Business planning framework aims to enable strategic resource allocation and investment decisions to be made that allow for services to transform and change at different times in the future and which would otherwise be very difficult to plan under an annual planning framework. This improved long-term financial planning process is the best way to ensure that budgets are robust and sustainable.

1.7 Growth

1.7.1 In response to budget pressures identified as a result of budget monitoring as well as anticipated future pressures, Cabinet in December 2016 approved growth proposals in the following services:-

- Adult Social Care
- Waste
- Children's Services

1.7.2 These proposals were considered by Overview and Scrutiny panels and the Commission in the January 2017 round of meetings. In terms of addressing issues which were identified as pressures that need to be addressed in 2017/18 the following budget growth has been included in the MTFs 2017-21:-

Table 5: Growth

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Adult Social Care	9,345	252	(2,891)*	0*
Waste and Regeneration	1,582	222	(115)	0
Children's Services	1,000	500	500	500
Total	11,927	974	(2,506)	500
Cumulative total	11,927	12,901	10,395	10,895

* Subject to the Improved Better Care Funding remaining as stated

2. Local Government Finance Settlement 2017-18

2.1 Local Government Finance Settlement

2.1.1 The financial projections are based on the information as announced in the provisional Local Government Finance Settlement on 15 December 2016 and confirmed in the Final Local Government Settlement figures which were laid before the House of Commons on 20 February 2017 and debated in the House of Commons on 22 February 2017.

2.1.2 The figures in the provisional Settlement were confirmed in the Final Settlement by the Minister for Local Government and were incorporated into the MTFS 2017-21.

2.1.3 Details of the Final Local Government Settlement are included in Appendix 1.

2.2 Business Rates

With respect to estimates of Business Rates, the NNDR (Baseline Funding) figures in the Core Spending calculation in the Settlement are derived from the 2013/14 baseline figure and uprated by the September change in RPI. Merton remains a top-up authority, as are the majority of other London Boroughs, although this position has changed for some London boroughs. This means that on top of its 30% share of the Business Rates yield, Merton receives a top-up payment to bring it up to the Baseline funding level. The top-up is also increased in line with the small business non-domestic rating multiplier each year and this was originally planned to continue until the Business Rates system is reset in 2020 but the Government have now indicated that they propose to use them to adjust for new burdens, and changes in needs assessments and changes arising from revaluation.

The figures in the Settlement for Merton are:-

Table 6:

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Business Rates Baseline	25.0	24.5	25.3	26.2
Top-Up	7.9	9.1	9.4	9.7
Baseline Funding	32.9	33.6	34.7	35.9

This can be a bit misleading when assessing the resources available to the authority because the funding for Business Rates is based on the forecast included in the Council's NNDR1 return (which is required to be submitted by 31 January 2017).

This can be seen by reference to the Council's share of Business Rates based on the NNDR1 returns over the past four years since Business Rates Retention began

Table 7:

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
NNDR1 Share (30%)	24.5	25.6	25.8	26.3
Top-Up	7.5	7.7	7.8	7.9
Section 31 payments	0	1.1	1.2	0.8
Total Business Rates inc. in Budget	32.0	34.4	34.8	35.0

Therefore, projections of the Council's share of Business Rates funding over the next four years are starting from a higher level than the Baseline Funding projections in the Provisional Settlement. The following table compares the business Rates figures in the Provisional Settlement with the forecast based on the latest submitted NNDR1 form:-

Table 8:

Business Rates	2017/18 £'000	2018/19 £'000	2019/20 £'000
Forecast included in Settlement	(24,500)	(25,288)	(26,188)
Forecast in MTFS based on NNDR1	(26,401)	(26,929)	(27,468)
Additional NNDR assumed in MTFS	(1,901)	(1,641)	(1,280)

- 2.2.1 Over the MTFS period, a high level of uncertainty will remain with respect to the NNDR projections due to the effects of the revaluation and the move to 100% rates retention. The later years projections also do not take into consideration any impact of Crossrail 2 at this stage.
- 2.2.2 The figures included in the MTFS were reviewed following the submission of the NNDR1 for 2017/18 on 31 January. The Business Rates implications are summarised in the following table:-

Table 9: Implications of NNDR1 2017/18 for Merton in 2017/18

	MTFS (January 2017) £000	NNDR1 £000	Difference £000
NNDR 2017/18	26,128	26,401	273
- Top-Up 2017/18	9,083	9,083	0
Collection Fund Surplus/(Deficit) 2016/17	35,211 417	35,484 380	273 (37)
Section 31 Grant	35,628 0	35,864 1,035	236 1,035
Total	35,628	36,899	1,271

- 2.3 Following Surrey County Council (SCC) abandoning its proposals to increase Council Tax by 15% in 2017/18 it was announced that it is set to take part in a new government pilot scheme which would see the local authority retain 100% of business rates raised in the county.

In a statement Sajid Javid, Communities and Local Government Secretary of State, revealed SCC has been in talks with the government about taking part in a pilot scheme in 2018/19 which would see the council retain 100% of business rates in a bid to offset cuts to its grant from central government. The Local Government Finance Bill, which parliament is considering at present, will legislate to deliver reforms to business rates. A number of pilots are already taking place from April 2017 across the country but the nationwide rollout will take place across England in 2019/20. Mr Javid said: "SCC informed the government that they wished to become a pilot area. The secretary of state for communities and local government told them that this was not possible for 2017/18, but said that, subject to due process and meeting the necessary criteria, they could participate in the 2018/19 pilot. "All other councils will be free to apply to participate in these pilots, and the Government invites them to do so. "The Department for Communities and Local Government has already held discussions about the 2018/19 pilots with several councils and it will be publishing more information shortly."

3. Review of Corporate and Technical Provisions

- 3.1 The key assumptions included in the MTFS were continually reviewed and updated as the budget process developed and reported to Cabinet throughout the Business Planning process for 2017/18. The main details are set out in the following paragraphs:-

3.2 Inflation

- 3.2.1 Predicting the level of inflation over a four year period with accuracy is not easy, particularly in the current economic climate and given the size of the Council's budget can lead to large variances if the actual inflation levels vary from the assumptions.

3.2.2 Pay

The assumptions regarding pay inflation incorporated into the MTFS are based on the local government pay award for 2016/17 which has been agreed and covers the two years from April 2016. For the lowest paid (those on spinal points 6-17) this gave a pay rise of between 6.6% and 1.01% in 2016/17, and it will be between 3.4% and 1.3% in 2017/18. Employees on spinal points 18-49 received 1% in 2016/17 and will receive the same in 2017/18. The offer also included a joint review of the NJC pay spine and term-time working for school support staff.

The provision for pay inflation was reviewed during the Business Planning process and the following amounts are included in the MTFS:-

Table 10: Provision for Pay Inflation:

(Cumulative)	2017/18	2018/19	2019/20	2020/21
Pay inflation (%)	1.0%	1.0%	1.0%	1.0%
Provision for Pay inflation (cumulative £000)	984	1,969	2,953	3,938

3.2.3 Prices

The Consumer Prices Index (CPI) rose to 1.6% in the year to December 2016, compared with a 1.2% rise in the year to November. The rate in December was the highest since July 2014, when it was also 1.6%. Price movements for the majority of the broad groups of goods and services acted to increase the rate between November 2016 and December 2016. The main contributors to the increase in the rate were rises in air fares and the price of food, along with prices for motor fuels, which fell by less than they did a year ago.

CPIH, a measure of UK consumer price inflation that includes owner occupiers' housing costs, rose by 1.7% in the year to December 2016, up from 1.4% in November.

The RPI 12-month rate for December 2016 stood at 2.5%, up from 2.2% in November 2016.

3.2.4 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. At its meeting ending on 1 February 2017, the MPC voted unanimously to maintain Bank Rate at 0.25%. The MPC voted unanimously to continue with the programme of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, totalling up to £10 billion. The MPC also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion. The MPC's latest economic projections are contained in the February Inflation Report. The MPC has increased its central expectation for growth in 2017 to 2.0% and expects growth of 1.6% in 2018 and 1.7% in 2019.

CPI inflation rose to 1.6% in December and further substantial increases are very likely over the coming months. In the central projection, conditioned on market yields that are somewhat higher than in November, inflation is expected to increase to 2.8% in the first half of 2018, before falling back gradually to 2.4% in three years' time. Inflation is judged likely to return to close to the target over the subsequent year. Measures of inflation compensation derived from financial markets have stabilised at around average historical levels, having increased during late 2016 as concerns about a period of unusually low inflation faded.

As the MPC has previously noted, however, there are limits to the extent that above-target inflation can be tolerated. The continuing suitability of the

current policy stance depends on the trade-off between above-target inflation and slack in the economy. The projections described in the Inflation Report depend in good part on three main judgements: that the lower level of sterling continues to boost consumer prices broadly as expected, and without adverse consequences for expectations of inflation further ahead; that regular pay growth does indeed remain modest, consistent with the MPC's updated assessment of the remaining degree of slack in the labour market; and that the hitherto resilient rates of household spending growth slow as real income gains weaken.

Prospects for inflation - UK economic activity remained resilient in the second half of 2016. Growth is likely to slow over 2017 as households adjust their spending to lower real income growth resulting in large part from the 18% fall in sterling since late 2015. That fall in sterling will raise CPI inflation, which is likely to return to around the 2% target by February and then rise above it over the following months.

Conditioned on a market path for Bank Rate that rises to just under 0.75% by early 2020, the MPC projects CPI inflation to fall back gradually from the middle of 2018. Continued pass-through of higher import prices means, however, that inflation is projected to remain somewhat above the 2% target at the end of the MPC's three-year forecast period.

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 11: Forecasts for the UK Economy

Source: HM Treasury - Forecasts for the UK Economy (January 2017)

	Lowest %	Highest %	Average %
2016 (Quarter 4)			
CPI	0.6	1.8	1.2
RPI	1.7	3.0	2.2
LFS Unemployment Rate	4.7	5.2	4.9
2017 (Quarter 4)			
CPI	1.7	3.8	2.8
RPI	2.3	5.2	3.5
LFS Unemployment Rate	4.5	5.7	5.3

The MPC's forecasts of Bank Base Rate in the February 2017 Quarterly Inflation Report is summarised in the following table:-

	End Q.1 2017	End Q.2 2017	End Q.3 2017	End Q.4 2017	End Q.1 2018	End Q.2 2018	End Q.3 2018	End Q.4 2018	End Q.1 2019	End Q.2 2019	End Q.3 2019	End Q.4 2019	End Q.1 2020
Feb.'17	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.7

The current assumptions regarding price inflation incorporated into the MTFS are

Table 12: Price inflation assumptions in MTFS

	2017/18	2018/19	2019/20	2020/21
Price inflation in MTFS (%)	1.5%	1.5%	1.5%	1.5%
Revised estimate (cumulative £000)	2,200	4,400	6,599	8,799

The Bank of England anticipate that inflation will be above the 2% target later in 2017 and through 2018. However, it is anticipated that the current provision in the MTFS is adequate. Clearly, this will be treated as a cash limit and if 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.

3.2.5 Excess Inflation on volatile budgets

There is also a corporate provision which is held to assist services that may experience increases greatly in excess of the inflation allowance provided when setting the budget. This will only be released for specific demonstrable demand. There is no further change proposed.

Table 13: Excess Inflation Provision

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Excess Inflation provision	451	457	468	472

The cash limiting strategy is not without risks but if current levels of inflation were applied un-damped across the period then the budget gap would change by c.£0.6m by 2020/21.

3.2.6 Income

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

3.3 Collection Fund

3.3.1 The Collection Fund is a statutory fund separate from the General Fund. It accounts for income from Council Tax and from NNDR (Business Rates).

3.3.2 The Collection Fund accounts are kept on an accrual basis and a surplus or deficit for the year in the collection fund is estimated accordingly. The audited accounts for 2015/16 include the following surplus/deficit for Council Tax and NNDR as at 31 March 2016:-

Table 14: Collection Fund Surplus/Deficit as at 31 March 2016

	Surplus/ (deficit) as at 31/03/16 Outturn	Surplus/ (deficit) as at 31/03/16 Outturn	Total surplus/ (deficit) as at 31/03/16
	Council Tax	NNDR	
	£000	£000	£000
Central Government	N/A	(2,174)	(2,174)
GLA	803	(869)	(66)
Merton	3,007	(1,304)	1,703
Total	3,810	(4,347)	(537)

3.3.3 A review of the Collection Fund, related bad debt provisions, write offs, and collection rates in 2016/17 and anticipated collection rates in 2017/18 has been undertaken. With respect to Business Rates, the NNDR1 return has been submitted (31 January 2017 deadline) which analyses the estimated Business Rates for 2017/18, estimated surplus/deficit as at 31st March 2017 and estimated Section 31 Grant for 2017/18, and the allocations between Merton, Central Government, and the GLA. As part of the Government's intentions to reform the business rates retention system and move to 100% retention by 2020, the Government is piloting the proposals in some areas (Manchester, Liverpool, London, West of England, Cornwall and the West Midlands. In London the pilot relates to Transport for London (TfL) capital grant and the GLA's RSG will also be funded from the central share of business rates. This resulted in a change in shares of funding to 33% central government (-17%), 37% GLA (+17%) and 30% Merton (unchanged). This change was reflected in the final Local Government Finance Settlement.

3.3.4 As a result of the further analysis, the estimated surplus/deficit on the Collection Fund as at 31st March 2017 is as follows:-

Table 15: Collection Fund Surplus/Deficit as at 31 March 2017

	Surplus/ (deficit) as at 31/03/17 Estimate	Surplus/ (deficit) as at 31/03/17 Estimate	Total surplus/ (deficit) as at 31/03/17
	Council Tax	NNDR	
	£000	£000	£000
Central Government	N/A	634	634
GLA	346	254	600
Merton	1,386	380	1,766
Total	1,732	1,268	3,000

3.5 Taxicards and Freedom Passes

3.5.1 These schemes are administered by London Councils on behalf of London boroughs. Based on information provided by London Councils, an adjustment was made to the provision in the MTFS to fund the cost of these schemes in 2017/18 as set out in the following table:-

Table 16: Freedom Passes and Taxicards 2017/18

<u>Budget 2016/17</u>	£000
Freedom Passes	9,221
Taxicards	170
Total Budget 2016/17	9,391
Increase allowed for in MTFS in 2017/18	450
Total Provision 2017/18 in latest draft MTFS	9,841
<u>Latest Details from London Councils</u>	
Charge to Merton for Freedom Passes	9,014
Charge to Merton for Taxicards	128
Latest Estimated Cost for 2017/18	9,142
Estimated Surplus Provision in MTFS	699

3.6 Contingency

3.6.1 The latest MTFS includes provision of £1.5m as a contingency to meet unforeseen cost and demand pressures, particularly those arising as the economy recovers from the recession.

3.6.2 As for 2016/17, there is a need for temporary resources, potentially up to £0.5m for Children, Schools and Families to be able to respond to the Children and Families Act, extended statutory duties associated with 0-25 agenda and transition. This need will be kept under quarterly review.

3.7 Bad Debt Provision

3.7.1 The bad debt provision is calculated on the basis of an examination of debts within the council's financial systems to assess the probability of their collection. Due to effective and proactive debt management it is not considered that an increase in contribution will be necessary for 2017/18, even under the current economic circumstances. The level of provision will be kept under review within the MTFS.

3.8 Revenuisation

In recent budgets it has been recognised that some expenditure formerly included in the capital programme could no longer be justified as it did not meet the definition of expenditure for capital purposes. Nevertheless, it is

important that some of this expenditure takes place and the following amounts have been included in the latest MTFS for 2017-21:-

Table 17: Revenuisation

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Revenuisation	2,129	2,129	2,129	2,129

The expenditure charged to capital during 2017/18 will be closely monitored and will be reported through the monitoring report.

3.9 Pensions

- 3.9.1 By law the Superannuation Fund is valued every 3 years. The new valuation is based on the position at 31 March 2016 and will be implemented in the 2017/18 financial year. The fund has shown an increase in funding level from 89% to c.94% since the last revaluation. Discussions took place during 2016/17 with the actuary Barnett Waddingham LLP and they undertook the revaluation based on a deficit recovery period of 12 years. This produced a reduction in the annual deficit recovery payment compared to the previous valuation as set out in the following table:-

Table 18: Pension Deficit Recovery

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
MTFS (Based on 2013 valuation)	4,592	4,799	5,015	5,015
12 year recovery (2016 valuation)	3,338	3,469	3,552	3,635
Reduction	(1,254)	(1,330)	(1,463)	(1,380)

3.9.2 Oncost

In addition, following the changes to the way national insurance contributions are calculated as a result of the move to introduce the Single Tier State Pension from April 2016, the actuary has indicated that the future service contribution rate will be 15.2% fixed for 2017/18, 2018/19 and 2019/20, an increase from 13.9% in the current year. The estimated additional cost in each department's salary costs from 2017/18 is as follows:-

Table 19: Increased oncost contribution rate

	Increase in contribution £000
Corporate Services	173
Children, Schools and Families	242
Environment and Regeneration	148
Community and Housing	205
Total	768

3.10 Summary of Corporate and Technical Adjustments

3.10.1 The financial implications of the corporate and technical adjustments discussed in this report are summarised in Appendix 2.

4. **Departmental Savings Proposals 2017-21 and Service Planning**

4.1 The approach to setting savings targets for departments for this year's Business Planning process was again based on using controllable budgets and aimed to protect front-line services and services to the vulnerable in line with the 'July principles'. Weightings for each department; Corporate Services, Environment and Regeneration, Community and Housing, and Children, Schools and Families in the ratio (100%) : (100%) : (67%) : (50%), were applied which reduces the impact on Adult Social Care, Children's Social Care and vulnerable groups. The targets set also took into account the level to which departments have identified savings against targets set for previous years.

4.2 Initial targets to balance the MTFs agreed by Council in March 2016 to 2019/20 at this stage were calculated for each department based on controllable spend and shortfalls in previously identified targets, and are set out in the following table:-

Table 20: Savings targets agreed by Cabinet

SERVICE DEPARTMENT'S SAVINGS TARGETS FOR 2017-2021 BUSINESS PLANNING PROCESS	Total £000
Corporate Services	586
Children, Schools & Families	912
Environment & Regeneration	1,659
Community & Housing	312
Total Savings/Income Proposals	3,469

4.3 Service departments reviewed their budgets and formulated proposals to address their targets. These were considered by Cabinet on 12 December 2016 and referred to Overview and Scrutiny Panels and the Commission for scrutiny in January 2017.

- 4.4 The proposals submitted to Cabinet in December 2016 by each department are summarised in the following table:-

Table 21: Savings Proposals to Cabinet on 12 December 2016

SUMMARY (cumulative)	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Corporate Services	0	0	586	0	586
Children, Schools & Families	0	0	228	0	228
Environment & Regeneration	0	0	913	0	913
Community & Housing	0	0	339	0	339
Total	0	0	2,066	0	2,066
Net Cumulative total	0	0	2,066	2,066	

The balance remaining to find is:-

Table 22: Savings Proposals compared with Targets

	Targets £'000	Proposals £'000	Balance £'000
Corporate Services	586	(586)	0
Children, Schools & Families	678	(228)	450
Environment & Regeneration	1,659	(913)	746
Community & Housing	339	(339)	0
Total	3,262	2,066	1,196

- 4.5 Where departments have not met their target or put forward options that are deemed not to be acceptable then the shortfall will be carried forward to later meetings and future years budget processes to be made good.
- 4.6 At the Overview and Scrutiny Commission meeting on 26 January 2017, the Commission resolved to forward the comment and recommendation to Cabinet that Cabinet “continue to focus on the savings that will still have to be made, and to bring forward savings where it has been identified that these could be achieved sooner”.

As a result the following changes to departmental savings were agreed:-

Table 23: Savings Brought Forward

Savings brought forward	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Corporate Services	255	30	(285)	0	0
Children, Schools & Families	0	0	0	0	0
Environment & Regeneration	16	497	(513)	0	0
Community & Housing	0	0	0	0	0
Total	271	527	(798)	0	0
Net Cumulative total	271	798	0	0	

Table 24: Revised Savings Proposals

SUMMARY (cumulative)	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Corporate Services	255	30	301	0	586
Children, Schools & Families	0	0	228	0	228
Environment & Regeneration	16	497	400	0	913
Community & Housing	0	0	339	0	339
Total	271	527	1,268	0	2,066
Net Cumulative total	271	798	2,066	2,066	

4.8 Feedback from the Scrutiny Process:-

4.8.1 The Overview and Scrutiny Commission's recommendation to reconsider the proposal (D&BC6) within Building and Development Control to stop sending consultation letters on applications and erect site notices was for £10k in 2017/18. In the "Housing White Paper : Fixing our broken housing market" published on 7 February 2017 it was announced that local authorities will be able to increase planning fees from July 2017 and it is proposed that the increased income will replace saving D&BC6.

5. **Building in the Implications of 2016/17 Spending Pressures**

5.1 As at 31 December 2016, there was a forecast overspend for the Council of £6.021m.

5.2 The overspend of £6.02m was made up as follows :-

▪ Net Service Department overspend	£10.576m
▪ Appropriation from Reserves	(£0.665m)
▪ Corporate underspend	<u>(£3.890m)</u>
	£6.021m

5.3 Where appropriate, ongoing implications of 2016/17 projected variations have been incorporated into the Medium Term Financial Strategy for 2017-21.

5.4 In terms of addressing issues which have been identified as pressures that need to be addressed in 2017/18, paragraph 1.7 includes details of growth proposals that have been put forward as part of an overall package that is designed to do this within the overall constraints of setting a balanced budget.

6. **Capital Financing and Treasury Management**

Treasury Management, Capital Financing and Investment Income:

6.1 Comprehensive details are included as part of the Capital Strategy and Treasury Management Strategy sections of the Business Plan. Capital financing costs are derived from the draft capital programme 2017-21 which is

discussed in the Capital Strategy and estimated revenue funding is built into the MTFs for the level of borrowing that is expected.

- 6.2 Details relating to how the capital programme has changed from that approved by Council in March 2016 to the capital programme for 2017-21 are discussed in the Capital Strategy. The capital programme has continued to be subject to major review as part of monthly monitoring and the process of developing the Business Plan for 2017-21.
- 6.3 In addition to reviewing the capital programme, focus was also maintained on the treasury management aspects of funding the programme, to improve forecasts of available funding and to minimise as far as possible the costs of funding capital. This included improved cash flow forecasting to enable the programme to be funded from capital receipts and internal resources for as long as possible to take advantage of current low levels of interest. Work will continue to ensure that grants and contributions are utilised effectively to ensure that the revenue impact of the capital programme is minimised in 2017/18 and beyond.
- 6.4 The analysis of the budget for capital financing costs and investment income based on the Capital Programme 2017-21 is set out in the following table:-

Table 25: Details of Budgets for capital financing costs

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
MRP	6,713	5,537	6,751	7,113
Interest	6,702	6,321	6,321	6,321
Capital financing costs	13,415	11,858	13,072	13,434
Investment Income	(1,186)	(941)	(782)	(517)
Net	12,229	10,917	12,403	12,917

7 GENERAL FUND BALANCES AND RESERVES

- 7.1 In determining an appropriate level of general fund balances previously, an analysis of the overall expenditure of the authority was prepared. This analysis has updated. The overall range of levels of balances is summarised in the following table and compares with current GF balances of £15.151m as shown in the final accounts for 2015/16. However, this will need to be adjusted for outturn, which with a projected overspend of £6.020m and a forecast contribution of £2.327m from GF balances, leaves a balance of £12.824m at 31 March 2017.

Table 26: Indicative range of balances

	Min	Medium	Max
	£m	£m	£m
Level of balances	12.3	18.1	24.0

7.2 An alternative approach was also undertaken which looked at a percentage based on the net spending of the authority. From the Audit Commission's report "Striking a Balance", most Chief Officers regard an amount of between 3 and 5 per cent as a prudent level and the minimum the auditors would consider prudent. There are also some other areas of risk and unknowns in relation to the localisation of business rates and how this impact will flow thorough, in particular in relation to appeals. There is now an amount calculated for Merton called the safety net, below which income must fall before Merton becomes entitled to funding from central government. This approach is set out below, using an amount of 5 per cent.

Table 27: Indicative level of balances

	£m
Net spending	7.3
Safety Net	2.3
Appeals	0.5
Level of balances	10.1

7.3 The average level of General Fund balances for outer London boroughs for 2015/16 was £16.7m, with a low of £8.0m and a high of £41.1m. Merton, with £15.2m is ranked 10th lowest out of 20 outer London boroughs.

7.4 A review of forecast earmarked reserves use over the MTFS period has been undertaken and is shown in Appendix 3. This shows the level of earmarked reserves falling from £28.7m to £5.3m by 31 March 2021.

7.5 The average level of earmarked reserves for outer London boroughs for 2015/16 was £62.9m, with a low of £22.9m and a high of £149.0m. Merton, with £32.6m (excluding schools) is ranked 16th lowest out of 20 outer London boroughs.

8. Revenue Support Grant and Baseline Funding (Non-Domestic Rates)

8.1 In 2013/14 there was a fundamental change in the funding methodology for local government services. This introduced the Business Rates Retention Scheme. Estimates of business rates receivable for 2017/18 were produced and included in the MTFS.

8.2 The overall changes in formula grant compared to 2016/17, the original MTFS estimate for 2017/18 and the funding announced in the Final Local Government Finance Settlement are summarised in the following table:-

Table 28: Changes in Local Government Finance Settlement

	Final 2016/17 £000	Original 2017/18 £000	Final 2017/18 £000
RSG	22,589	14,963	14,963
RSG – Transition Grant	567	557	557
NNDR	34,230	34,847	35,484*
NNDR - Section 31 Grant	822	0	1,035*
Total	57,641	50,367	52,039

* Based on NNDR1

9. Council Tax Strategy

9.1 Merton council held a consultation on a Council Tax and Council Spending. The consultation took place between 9 September and 4 November 2016 and involved a survey included in the autumn edition of My Merton and available online. The results were reported to Cabinet in December 2016.

9.2 Council Tax

9.2.1 The Settlement sets out the Government's council tax referendum principles for 2017/18. As for previous years, the core threshold for triggering the requirement for a local referendum is 2%.

9.2.2 The Settlement also increased the flexibility offered on the use of the Adult Social Care precept. The policy intention set out in the 2016/17 Settlement was that this would be 2% per year up to 2019/20. However, in recognition of the particular pressures on adult social care services, social care authorities were able to increase by up to 3% per year subject to an overall limit of 6% over the three years up to and including 2019/20. The additional 1% must be for the improvement of Adult Social Care, the details of how this is defined were released subsequently.

9.2.3 The maximum increase in either 2017/18, 2018/19, or 2019/20 was therefore 5%, subject to the overall limit of 6% over the three years on Adult Social Care and assuming a core threshold of 2% per year.

9.2.4 The financial projections in the MTF5 are based on the following levels of council tax increase:-

Table 29: Council Tax: Changes for MTF5 planning purposes

	2017/18 %	2018/19 %	2019/20 %	2020/21 %
Council Tax increase - General	0	0	2*	2*
Council Tax increase - ASC	3	3	0	0
Total	3	3	2	2

* A charge based on the assumption in the calculation of core spending power in the Final Local Government Finance Settlement

10. Council Tax Base

10.1 Cabinet on 12 December 2016 agreed the Council Tax Base calculation for 2017/18. Details of the calculation were included in reports to Cabinet and Council on the Business Plan 2017-21.

10.2 For 2017/18 the Council Tax Base has been calculated as:-

Table 30: Council Tax Base 2017/18

Council Tax Base 2017/18	72,442.3
---------------------------------	-----------------

10.3 A separate council tax base calculation was produced for the properties covered by the Wimbledon and Putney Common Conservators (WPCC) area. For 2017/18 the Council Tax Base for Wimbledon and Putney Commons Conservators has been calculated as:-

Table 31: WPCC Council Tax Base 2017/18

WPCC Council Tax Base 2017/18	11,131.2
--------------------------------------	-----------------

11. Greater London Authority Precept and Other Levies

11.1 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.

11.2 The 2017/18 GLA budget and precept were agreed by the London Assembly on 22 February 2017. This was an increase in the Mayor's Band D council tax precept of £4.02 (1.5 percent) from £276.00 to £280.02 in 2017-18 for council taxpayers in the 32 London boroughs.

11.3 Other Levies

11.3.1 The Council is required by statute to pay certain levies to the organisations listed below. The levies for 2017/18 have now been confirmed and are set out in the following table:-

Table 32: Other Levies

	2016/17 £000	2017/18 £000	2017/18 Change %
London Pension Fund Authority	262	260	(0.8%)
Lee Valley Regional Park	204	190	(6.6%)
Environment Agency	162	164	1.4%

11.3.2 LPFA – Update on a proposed arrangement with regard to the pension deficit arising from the Former Pensioner sub-fund operated by the LPFA

Following the abolition of the GLC in 1986 and the ILEA in 1990, the LPFA was established to take over the former GLC/ILEA Pensions fund and associated liabilities of the London Residuary Body (the successor body to the GLC/ILEA). The LPFA divided the fund into two sub funds with the staff in the two groups being in the pensioner sub fund.

Following the 2007 actuarial revaluation the LPFA notified boroughs that they intended to issue a further charge on the boroughs due to the deficit that had arisen on the pensioner sub fund. Discussions were then held with the SLT and draft regulations prepared by the DCLG (or its predecessor) to give effect to the proposed levy. This was challenged by two London boroughs and has remained unresolved. The Government's preference was for London boroughs and the LPFA to try to resolve the issue and subsequently the LPFA abolished the two sub funds which with other changes to the investment strategy has led to an improvement to the deficit position.

The overall total deficit on these liabilities is now £177m and discussions with SLT representatives and the LPFA have clarified that a fair proportion of any deficit for the London boroughs to be responsible for is 90% and this will form the basis of further negotiations on future proposals.

The proposal is that the GLC/ILEA deficit is apportioned to each borough in line with the current levy allocation (i.e. 2016/17 Council Tax Base with a Greater London spread for group 1 and Inner London spread for group 2). Each borough can agree individual plans with the LPFA around recovery arrangements for their specific part of the deficit and the situation will be reviewed every three years at subsequent valuations to assess the current position and agree future contribution recovery.

The LPFA have indicated that they are prepared to be as flexible as possible in agreeing terms with individual boroughs. The proposals currently being discussed represent a significant change and reduction in contributions compared to the original proposals put forward for consultation in 2009 and recognise the statutory nature of London boroughs to meet these liabilities over the long term (i.e. up to 30 years)

Merton's share of the deficit has been notified as £1.779m. If the Council was to borrow this amount over 30 years it would cost c. £86k per year.

11.4 **Wimbledon and Putney Commons Conservators (WPCC)**

11.4.1 A separate precept is levied in respect of those residents of properties bordering the Wimbledon and Putney Commons. The amount is calculated on the basis of the amount levied by the Commons Conservators and the Band D Council Tax in respect of the WPCC precept in 2017/18 will be £318,443, an increase of £18,401 (6.1%) from the 2016/17 levy of £300,042.

Table 33: Wimbledon and Putney Commons Conservators Precept

	2016/17 £000	2017/18 £000	Change %
Wimbledon & Putney Commons Conservators	300	318	6.1%

11.4.2 The average Band D cost to a council taxpayer in the WPCC area has changed from £26.97 in 2016/17 to £28.61 in 2017/18.

12. Council Tax Calculation

12.1 It is a statutory requirement that the council sets a balanced budget in 2017/18.

12.2 In accordance with sections 52ZY and 68 of the Local Government Finance Act 1992 ('the 1992 Act'), section 139A of the Local Government Finance Act 1988, and section 230 of the Local Government Act 1972 authorities are required to supply information required to measure whether any proposed Council Tax increase is in excess of the principles laid down requiring a local referendum.

12.3 The Council provided this information via Council Tax Requirement form CTR1.

12.4 Based on the assumptions included in the Medium Term Financial Strategy, the following financial position is achieved:-

Table 34: Average Band D Council Tax

Average Council Tax Calculation at Band D	2016/17 £m	2017/18 £m
Budget Requirement	147.596	145.314
RSG + Business Rates + Transition	(57.386)	(51.004)
Section 31 Grant (NNDR)	(0.822)	(1.035)
New Homes Bonus	(4.192)	(4.150)
PFI Grant	(4.797)	(4.797)
Collection Fund Surplus	(1.479)	(1.766)
Council Tax Requirement	78.920	82.562
Council Tax Base	71,327.0	72,442.3
Average Council Tax	1,106.45	1,139.71

12.5 The calculation of Band D council tax for properties outside the Wimbledon and Putney Commons Conservators area is as follows:

Table 35: Council Tax calculation

Council Tax Calculation Band D	2016/17 £m	2017/18 £m
Budget requirement	147.596	145.314
WPCC	(0.300)	(0.318)
RSG + Business Rates (inc. S.31 grant) + Transition	(58.208)	(52.039)
New Homes Bonus	(4.192)	(4.150)
PFI Grant	(4.797)	(4.797)
Collection Fund Surplus	(1.479)	(1.766)
Balance to be met from Council Tax	78.620	82.244
Implied Council Tax (Band D)	1,102.25	1,135.31

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

Table 36: Band D Council Tax

Council Tax at Band D	2016/17 £	2017/18 £	% change from 2016/17
Merton (exc. WPCC)	1,102.25	1,135.31	3.0%
GLA Precept (Provisional)	276.0	280.02	1.5%
Implied Council Tax at Band D	1,378.25	1,415.33	2.7%

13. Risk Management

- 13.1 The management of risk is strategically driven by the Corporate Risk Management Group. This is the central hub of a number of council mechanisms for risk management including a Corporate Key Strategic Risk Register, departmental risk registers and project risk registers. The group collates on a quarterly basis the headline departmental risks and planned mitigation activity from each department, project and partnership, to be put forward for discussion at CMT. Reports on risk are made through the General Purposes to cabinet and council. Developing a corporate business plan and setting a balanced budget 2017-21 and beyond has been highlighted as a key strategic risk on the corporate risk register.
- 13.2 Currently £15 million of savings are being progressed for 2016-17, coupled with a further £17m of savings identified for 2017-21. Current practice is to monitor delivery of savings as part of the monthly Business Plan Monitoring, and it is envisaged that given the size of the savings target over the next three years, additional mechanisms may need to be established to monitor more transformational and longer term projects.

14. Summary

- 14.1 Taking into account the changes that have taken place since last year, the budget gap in the MTFS has changed to the following:-

Table 37: Cumulative MTFS Gap 2016-2020

Cumulative	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Gap exc. Savings/Growth	(2,768)	6,311	16,759	24,638
Savings	(9,159)	(15,727)	(17,446)	(17,446)
Growth	11,927	12,901	10,395	10,895
Gap Net of Savings/Growth	0	3,485	9,708	18,087

- 14.2 The MTFS 2017-21 was approved by Council on 1 March 2017 and is set out in Appendix 4.

15. Future Years

- 15.1 As indicated in the updated MTFS there is a gap between the forecast level of resources and budget requirements for later years which will need to be addressed if balanced budgets are to be set for those years.

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

- Savings – reduction/deletion of services
- Savings – efficiencies including procurement
- Income – increase in fees and charges/new sources of income
- Council Tax increase – currently assumed as 2% for 2019/20 and 2020/21 for planning purposes
- Adult Social Care Precept – currently assumed as 3% for 2018/19 for planning purposes.
- Use of balances

16. Appendices

- 16.1 Appendix 1: Final Local Government Finance Settlement 2017-21
Appendix 2: Corporate and Technical Adjustments in the MTFS
Appendix 3: Reserves 2017-21
Appendix 4: Medium Term Financial Strategy 2017-21

FINAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2017/18

The Government announced the Provisional Local Government Finance Settlement for 2017/18 on 15 December 2016. It provided provisional details of core funding allocations to local authorities for the following three years 2017/18 to 2019/20. The proposals were subject to a consultation process which lasted for four weeks and ended on 13 January 2017. It confirmed the figures in the Four Year Funding offer which the majority of Councils signed up to from 2016/17 to 2019/20. The Government has confirmed the four year funding offer to Merton.

The final Settlement allocations were laid before the House of Commons on 20 February 2017 and debated in the House of Commons on 22 February 2017. The figures in the provisional Settlement have been confirmed in the Final Settlement by the Minister for Local Government and have been incorporated into this Business Plan report to Council on 1 March 2017.

Settlement Funding Assessment (SFA)

This consists of Revenue Support Grant (RSG) and Business Rates. The Government has confirmed the local government control total (i.e. total Settlement Funding Assessment (SFA)) to be £16.6 billion in 2017-18. This comprises £5.0 billion of Revenue Support Grant (RSG) and £11.7 billion of Business Rates Baseline Funding (i.e. the amount the government expects to be retained locally under the business rates retention net of tariffs and top-ups). In England as a whole, the SFA will reduce from £18.6 billion in 2016-17 to £16.6 billion in 2017-18 (10.6%). For Merton, SFA reduces from £55.5m in 2016/17 to £48.5m in 2017/18, a fall of 12.5%.

	2016/17 Adjusted	2017/18	2018/19	2019/20	Real terms change 2016/17 to 2019/20
Merton (£m)	55.5	48.5	44.7	41.0	
Annual % Change	-	-12.5%	-7.9%	-8.4%	
Cumulative % change	-	-12.5%	-19.4%	-26.2%	-30.3%
England (£m)	18,601.5	16,632.4	15,598.8	14,584.3	
Annual % Change	-	-10.6%	-6.2%	-6.5%	
Cumulative % change	-	-10.6%	-16.1%	-21.6%	-25.7%
London Boroughs (£m)	3,398.5	3,078.3	2,905.6	2,732.7	
Annual % Change	-	-9.4%	-5.6%	-6.0%	
Cumulative % change	-	-9.4%	-14.5%	-19.6%	-23.8%

Core Spending Power

The only change to the definition of Core Spending Power in 2017/18 is the addition of a new Adult Social Care Support Grant in 2017-18.

Core Spending Power is defined in 2017/18 as the sum of:

- Settlement Funding Assessment
- Estimated Council Tax excluding Parish Precepts
- Additional revenue from referendum principle for social care
- Potential additional Council Tax revenue from referendum principle for all districts.
- Improved Better Care Fund
- New Homes Bonus;
- Rural Services Delivery Grant;
- Transition Grant; and
- The 2017-18 Adult Social Care Support Grant.

The table below shows Merton's breakdown of 'Core Spending Power' by funding element. This is the Government's calculation and the Council Tax figures assume growth in the Council Tax Base at the average annual growth between 2013-14 and 2016-17 throughout the period to 2019-20. It also assumes that Council Tax Band D will increase in line with the 2% referendum limit for each year up to 2019-20. In addition, the Government assume potential additional council tax will be available from Adult Social Care flexibility. For 2016-17 this is based on actual take up (i.e. 0% for Merton) but 2% for years 2017-18 to 2019-20 is assumed.

At the England level across the four years, spending power will increase by £1.1 billion from £43.6 billion to £44.7 billion (2.6% cash increase). Within this, Settlement Funding Analysis (SFA) will reduce by £4.0 billion (22%) and New Homes Bonus (NHB) by £0.6 billion (39%), which is largely offset by the government's estimate of council tax increasing by £4.4 billion (19%). For Merton, the analysis is

	Baseline	Provisional	Illustrative	Illustrative	Change (16-17 to 19/20)	
	2016-17	2017-18	2018/19	2019/20	£m	%
Council Tax						
- Council Tax Requirement	78.920	82.203	85.622	89.184	10.264	13.01
- Assumed revenue from ASC precept	0.000	1.612	3.391	5.350	5.350	-
Sub-total: Council Tax	78.920	83.815	89.013	94.534	15.614	19.78
Settlement Funding Assessment						
<i>Of which:</i>						
Baseline Funding (NNDR)	32.911	33.582	34.663	35.896	2.985	9.07
Revenue Support Grant	22.589	14.963	10.071	5.076	(17.513)	(77.53)
Sub-total: SFA	55.500	48.545	44.734	40.972	(14.528)	(26.17)
Improved Better Care Fund	0.000	0.000	1.408	3.061	3.061	-
New Homes Bonus	4.734	4.150	3.110	2.984	(1.750)	(36.97)
Transition Grant	0.567	0.557	0.000	0.000	(0.567)	(100.00)
The 2017-18 Adult Social Care Support Grant	0.000	0.751	0.000	0.000	0.000	0.000
Core Spending Power	139.721	137.817	138.265	141.551	1.830	1.310
Change over Spending Review period (i.e. 2015/16 to 2019/20)					(4.222)	(2.90)

The Settlement Funding Assessment is the total of Revenue Support Grant (RSG) and Baseline Funding (BF) from Business Rates.

	2016/17 Adjusted	2017/18	2018/19	2019/20	Real terms change '16/17 to '19/20
Merton (£m)	55.5	48.5	44.7	41.0	
Annual % Change	-	-12.5%	-7.9%	-8.4%	
Cumulative % change	-	-12.5%	-19.4%	-26.2%	-30.3%
England (£m)	18,601.5	16,632.4	15,598.8	14,584.3	
Annual % Change	-	-10.6%	-6.2%	-6.5%	
Cumulative % change	-	-10.6%	-16.1%	-21.6%	-25.7%
London Boroughs (£m)	3,398.5	3,078.3	2,905.6	2,732.7	
Annual % Change	-	-9.4%	-5.6%	-6.0%	
Cumulative % change	-	-9.4%	-14.5%	-19.6%	-23.8%

Business Rates Retention

There has been significant change to the business rates retention scheme as a result of the adjustments for the 2017 Revaluation, which alter both tariff and top ups and business rates baselines for individual authorities. The business rates revaluation adjustment ensures, as far as is practicable, that an authority's retained income is the same after revaluation as immediately before. The Government has revised the methodology from that set out in the settlement technical consultation to reflect two changes:

- Including the value of section 31 grants that authorities are paid to compensate them for changes to the rating system introduced at successive Autumn Statements.
- Adjusting the calculation to take account of inflation only after the revaluation adjustment to tariff and top ups has been made.

No adjustment has been made for areas where there are a large proportion of charities (e.g. schools or universities) whose rateable values change in a way that is significantly different from the general revaluation effect in the area. Government will keep the situation under review and will discuss further with local government devising a fair basis for further adjustments that could be introduced at the time of when the final adjustments are made in the 2018-19 Settlement. DCLG will keep the overall methodology under review in order to allow scope for further adjustments to be made in 2018/19. This has resulted in London Boroughs' changing from being an overall £14 million top up in 2016-17 to now paying an overall tariff in 2017-18 of £223 million. At an individual authority level, both Hounslow and Tower Hamlets are tariff authorities for 2017-18 and join the existing eight boroughs that were tariff authorities, leaving 23 top up authorities. Merton remains a top-up authority.

With respect to estimates of Business Rates, the NNDR (Baseline Funding) figures in the Core Spending calculation in the Settlement are derived from the 2013/14 baseline figure and uprated by the September change in RPI. Merton remains a top-up authority and this means that on top of its 30% share of the Business Rates yield, Merton receives a top-up payment to bring it up to the Baseline funding level. The top-up is also increased in line with the small business non-domestic rating multiplier each year and this was originally planned to continue until the Business Rates system is reset in 2020 but the Government have now indicated that they propose to

use them to adjust for new burdens, and changes in needs assessments and changes arising from revaluation.

The figures in the Settlement for Merton are:-

	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
Business Rates Baseline	24.8	25.0	24.5	25.3	26.2
Top-Up	7.8	7.9	9.1	9.4	9.7
Baseline Funding	32.6	32.9	33.6	34.7	35.9

This can be a bit misleading when assessing the resources available to the authority because the funding for Business Rates is based on the forecast included in the Council's NNDR1 return (which was submitted by the deadline of 31 January 2017).

This can be seen by reference to the Council's share of Business Rates based on the NNDR1 returns over the past three years since Business Rates Retention began

	2013/14	2014/15	2015/16	2016/17
	£m	£m	£m	£m
NNDR1 Share (30%)	24.5	25.6	25.8	26.3
Top-Up	7.5	7.7	7.8	7.9
Section 31 payments	0	1.1	1.2	0.8
Total Business Rates inc. in Budget	32.0	34.4	34.8	35.0

Therefore, projections of the Council's share of Business Rates funding over the next four years are starting from a higher level than the Baseline Funding projections in the Provisional Settlement.

Business Rates	2017/18	2018/19	2019/20
	£'000	£'000	£'000
Forecast included in Settlement	(24,500)	(25,288)	(26,188)
Forecast in MTFS based on NNDR1	(26,401)	(26,929)	(27,468)
Additional NNDR assumed in MTFS	(1,901)	(1,641)	(1,280)

Over the MTFS period, a high level of uncertainty will remain with respect to the NNDR projections due to the effects of the revaluation and the move to 100% rates retention.

Special and specific grants

The provisional settlement provided details of a number of special and specific grants (included within the Core Spending Power calculation): the Improved Better Care Fund; New Homes Bonus ; Rural Services Delivery Grant (not applicable to Merton), Transition Grant; and 2017-18 Adult Social Care Support Grant.

Improved Better Care Fund

There is no change to the figures set out in the 2016-17 Settlement. The allocations take into account Council's ability to raise Social Care precept and the allocation methodology, through a separate grant to local government, benefits those councils who benefit less from the additional council tax flexibility for social care. However, the settlement does not confirm how the new flexibility to raise the Social Care Precept will impact the calculation of future year's Improved Better Care Fund allocations. The core spending power projections for this grant assume the original 2% for the social care precept each year to determine allocations.

Improved Better Care Fund	2017-18 £m	2018-19 £m	2019-20 £m	Total £m
Merton	-	1.408	3.061	4.469

New Homes Bonus

The Government has confirmed that it will implement its proposal to reduce future allocations to Councils from 6 years to 5 years in 2017/18 and then to 4 years from 2018/19. The Government has decided to introduce an initial baseline of 0.4% below which the bonus will not be paid to "focus on local authorities demonstrating a stronger than average commitment to growth." The 0.4% baseline is expected to reduce the income of councils in receipt of the New Homes Bonus by £241 million in 2017/18 in comparison to indicative figures released in February 2016. This money will be used to fund the Social Care Support Grant. The Government will retain the option of making adjustments to the baseline in future years in the event of a significant increase in housing growth.

The Government has decided to delay implementing proposals to withhold payments for areas without a local plan in 2017-18. However, it will revisit the case for withholding New Homes Bonus from 2018-19 from local authorities that are deemed not to be planning effectively, making positive decisions on planning applications and

delivering housing growth. To encourage more effective local planning the Government will also consider withholding payments for homes that are built following an appeal.

	2017-18 £m	2018-19 £m	2019-20 £m	Total £m
New Homes Bonus				
Merton	4.150	3.110	2.984	10.244

Transition Grant

Transition Grant was announced in the final 2016/17 Settlement and is being provided to authorities to ease the change from a system based on central government grant to one in which local sources determine a council's revenue. The 2016/17 local government finance settlement allocated Revenue Support Grant by looking at the main resources available to councils, ensuring that councils delivering the same set of services receive the same percentage change in funding for those sets of services. As a result of this change, authorities with relatively more income from council tax and business rates received less revenue support grant in total. The transition grant compensates authorities who are estimated to have lost out.

	2017-18 £m	2018-19 £m	2019-20 £m	Total £m
Transition Grant				
Merton	0.557	0.000	0.000	0.557

2017-18 Adult Social Care Support Grant

This is a one-off grant that distributes the £241.1 million New Homes Bonus "0.4% Baseline cut off" in proportion to the adult social care relative needs formula from 2013-14 so that all authorities with responsibility for social care receive a share of this funding. Merton's share of the national total is £0.751m.

	2017-18 £m	2018-19 £m	2019-20 £m	Total £m
2017-18 Adult Social Care Support Grant				
Merton	0.751	0.000	0.000	0.751

Council Tax

The provisional settlement sets out the Government's council tax referendum principles for 2017-185. The core principle of a 2% referendum trigger remains in

place for the portion of the authority's council tax increase that has not been hypothecated for ASC. The main change to Council Tax announced as part of the 2017-18 settlement is the increase in the flexibility permitted in the use of the Social Care Precept (SCP). Social care authorities will have the freedom to increase by up to 3% in 2017-18 or 2018-19, but cannot exceed 6% in total over the three-year period. To ensure that councils are using income from the precept for adult social care, they will be required to publish a description of their plans, including changing levels of spend on adult social care and other services. This must be signed off by the Chief Finance Officer (section 151 officer). Councils wishing to use the extra freedom to raise their precept by 3% instead of 2% in 2017-18 must also show how they plan to use this extra money to improve social care. This suggests an increasing burden compared with what was announced in 2016-17 – where local authorities were only required to show that the funding raise was spent on adult social care. The DCLG will write to adult social care authorities with further details on the conditions of the scheme in the near future.

Schools Funding

Details of School Funding in 2017/18 are included in Section 3 of the report.

OTHER CORPORATE ITEMS Council 1 March 2017

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Recharge to Education of Past Service Deficiency/Redundancy	(463)	(463)	(463)	(463)
Autoenrollment	300	300	300	300
Corporate expenditure (utilities inflation)	300	300	300	300
Changes in Corporate Specific and Special Grants	206	209	208	219
Loss of HB Admin. Grant	200	200	200	200
CHAS IP fee and dividend income	(1,152)	(1,152)	(1,152)	(1,152)
Bad Debt provision	500	500	500	500
Contingency	1,500	1,500	1,500	1,500
Additional Revenuisation & miscellaneous	102	102	102	102
WPCC Levy	318	318	318	318
Depreciation/Impairment	(22,318)	(22,318)	(22,318)	(22,318)
Transport	0	0	0	0
Redundancy/Pension Strain	1,000	1,000	1,000	1,000
Overheads Charge to Non-GF	20	20	20	20
Local Election 2018	0	350	0	0
Apprenticeship Levy	450	450	450	450
Merton Adult Education - Year 1 contribution	0	0	0	0
Rounding	1	1	(1)	0
P3/P4	400	400	400	400
Provision for Excess Inflation	451	457	468	472
Other Corporate items	(18,185)	(17,826)	(18,168)	(18,152)

Reserves

Forecast Movement in Reserves 2016/17	Actual Bal at 31/3/16	Net Movt. in year	Bal. at 31/3/17	Net Movt. in year	Bal. at 31/3/18	Net Movt. in year	Bal. at 31/3/19	Net Movt. in year	Bal. at 31/3/20	Net Movt. in year	Bal. at 31/3/21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Reserve	15,151	(2,327)	12,824	0	12,824	0	12,824	0	12,824	0	12,824
Earmarked Reserves	28,741	(4,179)	24,562	(11,676)	12,886	(6,439)	6,447	(880)	5,567	(306)	5,261
Grants & Contributions	1,926	(1,334)	591	(369)	222	(19)	203	(19)	184	(19)	165
Total Available Gen. Fund Rev. Reser	45,817	(7,840)	37,977	(12,045)	25,932	(6,458)	19,474	(899)	18,575	(325)	18,250
Fixed to Contracts	1,954	0	1,954	0	1,954	0	1,954	0	1,954	0	1,954
Total General Fund revenue reserves	47,771	(7,840)	39,931	(12,045)	27,886	(6,458)	21,428	(899)	20,529	(325)	20,204
Schools Balances & Reserves	19,572	(866)	18,707	(116)	18,590	(227)	18,363	(492)	17,871	(634)	17,238

Analysis	Actual Bal at 31/3/16 £'000	Net Movt. in year £'000	Bal. at 31/3/17 £'000	Net Movt. in year £'000	Bal. at 31/3/18 £'000	Net Movt. in year £'000	Bal. at 31/3/19 £'000	Net Movt. in year £'000	Bal. at 31/3/20 £'000	Net Movt. in year £'000	Bal. at 31/3/21 £'000
Earmarked Reserves											
Outstanding Council Programme Board	6,282	(2,606)	3,675	(1,214)	2,461	(384)	2,077	(201)	1,876	0	1,876
Savings Mitigation Fund	0	0	0	0	0	0	0	0	0	0	0
For use in future years for budget	5,865	0	5,865	(2,443)	3,422	(3,422)	0	0	0	0	0
Revenue Reserves for Capital / Revn.	7,747	(867)	6,880	(5,354)	1,526	(1,524)	2	(2)	0	0	0
Energy renewable reserve	1,523	0	1,523	(650)	873	(450)	423	(423)	0	0	0
Repairs & Renewal Fund	1,224	0	1,224	(500)	724	(224)	500	(224)	276	(276)	0
Pension Fund additional contribution	63	0	63	(63)	0	0	0	0	0	0	0
Local Land Charges Reserve	1,645	194	1,839	0	1,839	0	1,839	0	1,839	0	1,839
Apprenticeships	406	(75)	331	(210)	121	(121)	0	0	0	0	0
Community Care Reserve	1,385	0	1,385	0	1,385	0	1,385	0	1,385	0	1,385
Local Welfare Support Reserve	533	(200)	333	(200)	133	(133)	0	0	0	0	0
Economic Development Strategy	620	(619)	0	0	0	0	0	0	0	0	0
Wimbledon Tennis Courts Renewal	101	25	126	25	151	(151)	0	0	0	0	0
Governor Support Reserve	19	0	19	0	19	0	19	0	19	0	19
Corporate Services Reserves	290	(30)	260	(30)	230	(30)	200	(30)	170	(30)	140
New Homes Bonus Scheme	1,037	0	1,037	(1,037)	0	0	0	0	0	0	0
Earmarked Reserves	28,741	(4,179)	24,562	(11,676)	12,886	(6,439)	6,447	(880)	5,567	(306)	5,261
Adult Social care contributions	350	(350)	0	0	0	0	0	0	0	0	0
Culture and Environment contributions	134	(96)	38	(38)	0	0	0	0	0	0	0
Culture and Environment grant	413	(225)	188	(93)	95	(19)	76	(19)	57	(19)	38
Childrens & Education grant	371	(233)	138	(138)	0	0	0	0	0	0	0
Supporting People Grants	65	(65)	0	0	0	0	0	0	0	0	0
Housing Planning Development grant	101	(101)	0	0	0	0	0	0	0	0	0
Housing GF grants	106	0	106	0	106	0	106	0	106	0	106
Public Health	22	100	122	(100)	22	0	22	0	22	0	22
CSF Reserve	365	(365)	0	0	0	0	0	0	0	0	0
Grants & Contributions	1,926	(1,334)	591	(369)	222	(19)	203	(19)	184	(19)	165
Total	30,666	(5,513)	25,153	(12,045)	13,108	0	13,108	0	13,108	0	13,108
Insurance Reserve	1,954	0	1,954	0	1,954	0	1,954	0	1,954	0	1,954
Fixed to Contracts	1,954	0	1,954	0	1,954	0	1,954	0	1,954	0	1,954
DSG Reserve	4,368	(1,092)	3,276	(537)	2,740	(500)	2,240	(500)	1,740	(500)	1,240
Refund of School PFI contributions	100	0	100	0	100	0	100	0	100	0	100
Schools own reserves	10,504	0	10,504	0	10,504	0	10,504	0	10,504	0	10,504
Schools PFI Fund	4,600	226	4,826	421	5,247	273	5,520	8	5,528	(134)	5,394
Schools Reserves	19,572	(866)	18,707	(116)	18,590	(227)	18,363	(492)	17,871	(634)	17,238

Forecast Movement in Reserves 2016/17	Actual Bal at 31/3/16	Net Movt. in year	Bal. at 31/3/17	Net Movt. in year	Bal. at 31/3/18	Net Movt. in year	Bal. at 31/3/19	Net Movt. in year	Bal. at 31/3/20	Net Movt. in year	Bal. at 31/3/21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Grants	1,143	(329)	814	(407)	407	(386)	21	(21)	0	0	0
Capital Contributions	3,011	3,509	6,520	0	6,520	0	6,520	0	6,520	0	6,520
Capital Receipts	29,582	(11,182)	18,400	(18,400)	0	0	0	0	0	0	0
Capital Reserves	33,736	(8,002)	25,734	(18,807)	6,927	(386)	6,541	(21)	6,520	0	6,520

DRAFT MTFS 2017-21:				
	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000
Departmental Base Budget 2016/17	139,982	139,982	139,982	139,982
Inflation (Pay, Prices)	3,184	6,368	9,553	12,737
Autoenrolment/Nat. ins changes	857	1,172	1,172	1,172
FYE – Previous Years Savings	(9,429)	(15,173)	(15,173)	(15,173)
Amendments to previously agreed savings	541	244	(207)	(207)
Change in Net Appropriations to/(from) Reserves	(916)	(2,174)	(1,909)	(1,767)
Taxi card/Concessionary Fares	(249)	201	651	1,101
Change in depreciation/Impairment (Contra Other Corporate items)	4,681	4,681	4,681	4,681
Growth	11,927	12,901	10,395	10,895
Other	1,291	1,820	1,886	1,951
Re-Priced Departmental Budget	151,869	150,023	151,030	155,371
Treasury/Capital financing	12,229	10,917	12,290	12,917
Pensions	3,338	3,469	3,552	3,635
Other Corporate items	(18,185)	(17,826)	(18,168)	(18,152)
Levies	614	614	614	614
Sub-total: Corporate provisions	(2,004)	(2,826)	(1,712)	(986)
Sub-total: Repriced Departmental Budget + Corporate Provisions	149,865	147,197	149,318	154,385
Savings/Income Proposals 2017/18	(271)	(798)	(2,066)	(2,066)
Sub-total	149,594	146,399	147,252	152,319
Appropriation to/from departmental reserves	(1,085)	173	(92)	(234)
Appropriation to/from Balancing the Budget Reserve	(2,443)	(3,422)	0	0
BUDGET REQUIREMENT	146,066	143,149	147,160	152,086
Funded by:				
Revenue Support Grant	(15,520)	(10,071)	(5,076)	0
Business Rates (inc. Section 31 grant)	(36,519)	(36,304)	(37,176)	(37,725)
Adult Social Care Support Grant 2017/18	(751)	0	0	0
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	(4,150)	(3,110)	(2,984)	(2,000)
Council Tax inc. WPC	(82,563)	(85,382)	(87,420)	(89,477)
Collection Fund – (Surplus)/Deficit	(1,766)	0	0	0
TOTAL FUNDING	(146,066)	(139,664)	(137,453)	(133,999)
GAP including Use of Reserves (Cumulative)	0	3,485	9,708	18,087
Potential Loss of Better Care Funding	2,100	2,100		

CAPITAL STRATEGY 2017-21

1 Introduction

1.1 Merton's Capital Strategy for 2017-21 has been aligned and integrated with the Business Plan for the period 2017-21. The Business Plan sets out how the Authority's objectives have been shaped by Merton Partnership in the Community Plan. The Community Plan sets out the overall vision and strategic direction of Merton which are embodied into five strategic themes:-

- Children's Trusts;
- Health and Wellbeing Board;
- Safer and Stronger Communities;
- Sustainable Communities and Transport;
- Corporate Capacity

1.2 Merton Partnership works towards improving the outcomes for people who work, live and learn in the borough and, in particular, to 'bridge the gap' between the eastern and western wards in the borough.

1.3 The financial reality facing local government dominates the choices the council will make for the future of the borough. The development of the Business Plan 2017/21 is therefore based on the set of guiding strategic priorities and principles, as adopted by the council on 13 July 2011:

- Merton should continue to provide a certain level of essential services for residents. The order of priority of 'must' services should be:
 - i) Continue to provide everything that is statutory.
 - ii) Maintain services – within limits – to the vulnerable and elderly.
- After meeting these obligations Merton should do all that it can to help residents who aspire. This means we should address the following as priorities in this order:
 - i) Maintain clean streets and keep council tax low.
 - ii) Keep Merton as a good place for young people to go to school and grow up.
 - iii) Be the best it can for the local environment.
 - iv) All the rest should be open for discussion.

The financial pressures facing Merton mean we should no longer aim to be a 'place-maker' but be a 'place-shaper'. The council should be an enabler, working with partners to provide services.

1.4 Merton's scrutiny function reflects the five strategic themes above and the themes have been incorporated into the bidding process for capital funding to ensure that scarce financial resources are targeted towards strategic objectives.

2 Planning Infrastructure

2.1 Business Plan 2017-2021

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

2.2 Target Operating Models (TOMs)

2.2.1 TOMs, or Target Operating Models are a series of strategy documents that set out how the organisation will respond to and manage change over the coming months and years. TOMs have been produced for Service Areas or Departments throughout the Council.

2.2.2 A TOM is a statement of how an organisation will deliver its services within a certain structure as a future point in time, TOMs are living documents and will change as the organisation develops. There are a number of elements to a TOM, for Merton these are – Customer Segments, Channels, Services, Organisation, Processes, Information, Technology, Physical Location and People

2.2.3 Developing a TOM is about planning and preparing for change and improvement in a given service. Delivering contexts change and opportunities for improvement are always available, so taking the time to prepare/refresh a TOM allows those within a service to consider its many facets and dependencies and determine how these will change over the coming years. Having an ambitious vision for what the future looks like for the service (which is what a TOM provides), ensures that improvement activity will be more disciplined and controlled and therefore more likely to succeed.

2.3 Service Plans

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

2.3.2 This Capital Strategy is a fundamental component of our approach since it reflects our strategic priorities across the council and endeavours to maximise the contribution of the council's limited capital resources to achieving our vision. We will work closely with residents, community organisations and businesses to focus our resources and those of our partners effectively. The strategy also sets out the management arrangements for allocating resources to individual schemes, establishing funding for projects, monitoring progress, managing performance and ensuring that scarce capital resources are allocated efficiently.

3 Accounting Definitions and Practices

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

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

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

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

4 Corporate and strategic capital expenditure appraisal planning and control

4.1 Capital Programme Board

4.1.1 Merton's Capital Strategy is coordinated by the Capital Programme Board. The board, which is effectively a sub-group of the Corporate Management Team (CMT). The composition of the Board and its Terms of Reference were reviewed in 2015/16. The revisions are designed to make the board more strategic and improve communication flows throughout the organisation. The Board now comprises the Directors of Corporate and Environment and Regeneration Services with selected Level 2 managers from each service department.

4.1.2 The Terms of Reference of the Board are:

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

4.1.3 The role of the Board is to:

- Set framework and guidelines for capital bids;
- Draft the capital programme for consideration by CMT and Cabinet;
- Review capital bids and prioritise in accordance with the Council's strategic objectives;
- Identify and allocate capital funds;
- Monitor progress of capital programmes/projects and key variances between plans and performance;

- Monitor budgets of capital programmes/projects against forecasts;
 - Monitor benefits and ensure they are realised. Monitor capital receipts
 - Develop and share good practice
- 4.1.4 The Board will be accountable to the Corporate Management Team who will receive reports and escalated matters from the Board on a regular basis. CMT will set the strategy and direction, the Capital Programme Board will operationalise this and escalate concerns and ideas. The Board will refer to, and take advice from, the Procurement Board on any proposals and/or decisions that have a procurement dimension. The Board will work closely with the Property and Asset Management Board on any property/asset related proposals.
- 4.1.5 The Board will make agendas and minutes available to the other Governance Boards within 5 working days of the meeting.
- 4.1.6 During the budget process the Director of Corporate Services recommends to cabinet an initial view as to how the Capital Programme should be funded. However, this recommendation will be informed by the Capital Programme Board's consideration of the capital receipts available and the forecast of future property disposals and the final funding during the closure of accounts will depend on the precise financial position. At this stage it is intended to utilise internal borrowing, capital grant, direct revenue financing, capital receipts and earmarked reserves. Any capital loans given out by the authority, dependent on the size, will be funded from capital receipts as the repayments will be received as capital receipts. It will be reported to Members as and when it is proposed to use external borrowing.
- 4.1.7 The council has had a robust policy for many years of reviewing its property holding and disposing of surplus property, detailed in the Asset Management Plan (AMP) which also includes policy and procedures for land and property acquisition. All capital receipts are pooled, unless earmarked by cabinet, and are used either to finance further capital investment or for the payment of premiums on repayment of higher interest loans.

4.2 Capital Programme Approval and Amendment

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

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

- Virements up to £5k can be signed off by the budget manager, the Chief Financial Officer (CFO) is informed of these changes as part of the monthly financial monitoring
- Virements £5k up to £100k must be approved by the Chief Officer of the area or areas affected along with the Chief Financial Officer, typically this will be as part of the monthly financial monitoring report to CMT however approval can be sought from these officers at any time if necessary
- Virements £100k and upwards go to Cabinet
- Any virement which diverts resources from a scheme not started, resulting in a delay to that scheme, will be reported to Cabinet

(Please note virement rules are cumulative i.e. two virements of £5,000 from one code; the latter would require the approval of Chief Officers)

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

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

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

Approval thresholds are being reviewed as part of the review of processes for the implementation of the new Financial Information System.

4.3 Capital Monitoring

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

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

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

4.4 Risk Management

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

5 Revenue budget implications of capital investment

5.1 Revenue cost or savings

5.1.1 The capital strategy recognises that the prudential framework provides the council with flexibility, subject to the constraints of the council's revenue budget. This flexible ability to borrow, either from internal cash resources or by external borrowing, coupled with the revised treatment of finance leases with effect from 1 April 2010, means that prudential borrowing is used for the acquisition of equipment, where it is prudent, affordable and sustainable. In 2012/13, 2013/14, 2014/15, 2015/16 and 2016/17, it was possible to borrow from internal cash resources rather than external borrowing and it is forecast that this will continue to be the case alongside the use of capital receipts within the current planning period (up to 2020/21). This will be kept under review as part of general Treasury Management.

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

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

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
MRP	6,713	5,537	6,751	7,113
Interest	6,702	6,321	6,321	6,321
Capital financing costs	13,415	11,858	13,072	13,434
Investment Income	(1,186)	(941)	(782)	(517)
Net	12,229	10,917	12,290	12,917

6 Capital resources 2017-21

6.1 Variety of sources

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

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

6.2 Annual Minimum Revenue Provision (MRP) Statement

6.2.1 Under guidance from the Department for Communities and Local Government, authorities are required to prepare an annual statement on their policy on making MRP. This mirrors the existing requirements to report to the council on the Prudential borrowing limit and investment policy.

6.2.2 The statement is set out in the Treasury Management Strategy. This approach is under active review.

7 Asset management review

7.1 Capital receipts

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

7.2 Property as a corporate resource

7.2.1 The council treats its property as a corporate resource, oriented towards achieving its overall goals, underpinned by:

- Clear links to financial plans and budgets.
- Effective arrangements for cross-service working.
- Champions at senior officer and member level.
- Significant scrutiny by councilors.

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

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

7.2.4 Whole life costing of significant projects, which span more than one year, also forms part of the regular monitoring reports.

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

7.2.6 A new IT system for asset accounting has been brought into use and the possibility of this system being used for more widespread asset management will be explored.

8 Summary of estimated disposals 2017-2021

8.1.1 New guidance has been issued from the DCLG on the flexible use of capital receipts which comes into effect from 1 April 2016 to 31 March 2019. This gives local authorities flexibility to spend capital receipts (excluding Right to Buy receipts) from planned new asset sales on the revenue costs of reform projects, subject to the condition that the projects generate on going revenue savings e.g. transforming service delivery to reduce costs or to improve the quality of service delivery in future years. Below is a plan of activities to which the new treatment of capital receipts could be applied:

- Sharing back-office and administrative services with one or more other council or public sector bodies;
- Investment in service reform feasibility work, e.g. setting up pilot schemes;
- Collaboration between local authorities and central government departments to free up land for economic use;
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non- staff), where this leads to ongoing efficiency savings or service transformation;
- Sharing Chief-Executives, management teams or staffing structures;

- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations;
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training;

8.1.2 The direction makes it clear that local authorities cannot borrow to finance the revenue costs of service reform. Local authorities can only use capital receipts from the disposal of property, plant and equipment assets received in the years in which this flexibility is offered. Local Authorities may not use their existing stock of capital receipts to finance the revenue costs of reform. Officers are currently considering how to utilise this flexibility to progress key transformation projects such as the housing zone and related redundancy costs.

8.1.3 The Guidance recommends that the Strategy setting out details of projects to be funded through flexible use of capital receipts be prepared prior to the start of each financial year (Flexible Use of Capital Receipts Strategy). Failure to meet this requirement does not mean that an authority cannot access the flexibility in that year. However, in this instance, the Strategy should be presented to full Council or the equivalent at the earliest possible opportunity.

8.1.4 As a minimum, the Strategy should list each project that plans to make use of the capital receipts flexibility and that on a project by project basis details of the expected savings/service transformation are provided. The Strategy should report the impact on the local authority's Prudential Indicators for the forthcoming year and subsequent years. The Strategy should also contain details on projects approved in previous years, including a commentary on whether the planned savings or service transformation have been/are being realised in line with the initial analysis.

8.1.5 Due to difficulties in the property market since the economic recession a cautious view has been taken of the potential capital receipts identified. Much of the anticipated capital receipts are as a result of the VAT shelter agreement entered into with Merton Priory Homes as part of the housing stock transfer. There are current proposals for some of the properties under this agreement to be redeveloped which could result in a reduction in receipts from the VAT shelter agreement, however a Development and Disposals Clawback Agreement was entered into as part of the same transfer and this could result in a significant capital receipt should these development plans go ahead. The following table represents an estimate of an anticipated cash flow and therefore these future capital receipts these have been utilised to fund the capital programme:-

Anticipated Capital Receipts	2017/18	2018/19	2019/20	2020/21
	£000s	£000s	£000s	£000s
Sale of Assets	0	0	0	0
Right to buy/VAT Shelter	1,200	900	900	900
Total	1,200	900	900	900

As there is currently not a need to enter into external borrowing, investment balances will rise with the addition of capital receipts. Average expected interest rates on investments across the years of the capital programme are approximately 0.5%, as such an increase in receipts of £1m would be expected to generate a £5,000 increase in interest in a full year.

The table below shows the funding of the capital programme utilising capital receipts, capital grants and contributions, capital reserves and revenue provisions.

Capital Expenditure	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Capital Expenditure	38,465	39,541	33,205	16,076	8,432
Slippage	(6,698)	843	1,704	597	102
Total Capital Expenditure *	31,767	40,384	34,909	16,673	8,534
Financed by:					
Capital Receipts *	14,328	19,600	900	900	900
Capital Grants & Contributions	15,306	15,070	13,081	5,486	628
Revenue Provisions	2,061	5,482	1,537	4	0
Net financing need for the year	72	232	19,391	10,284	7,006

* Includes finance leasing expenditure

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

8.2 Debt repayment

8.2.1 The council has had a strategy to reduce its level of debt when opportunity arises in the market. The average interest payable on outstanding debt is 5.72%. For the period 2017-21, capital receipts may continue to be used to pay the premiums on the repayment of those authority debts which have high fixed interest charges, if the terms offered will result in appropriate revenue savings. Any decision to repay debt early will be considered alongside the funding however, this is unlikely to be the case in the short to medium term requirement of the programme.

9 Grant Funding Capital Resources

9.1 Environmental and Regeneration

	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s
Transport for London LIP (earmarked) Capital	2,765	*3,865	TBA	TBA
Total: E&R	2,755	2,765	TBA	TBA

* Indicative and likely to reduce
TBA – To Be Advised

9.2 Children, Schools and Families

CSF	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s
School Condition (non-ringfenced)*	1,800	TBA	TBA	TBA
Basic Need (non-ringfenced)	6,063	7,471	TBA	TBA
Total Grant Funding	7,863	7,471	TBA	TBA
New School (Expected Ringfenced)*	4,850	0	0	0
Devolved Formula Capital (Earmarked)	TBA	TBA	TBA	TBA
TOTAL: CS&F	12,713	7,471	TBA	TBA
Balance added for outstanding grant allocations - CSF	0	529	5,000	650

* Based on Indicative Information

TBA – To Be Advised

9.3 Community and Housing

	2017/18	2018/19	2019/20	2020/21
	£0	£0	£0	£0
Better Care Fund – Minimum Allocation for Disabled Facilities Grant)	TBA	TBA	TBA	TBA

9.4 Summary of Grant Funding 2017-2021

9.4.1 The new resources notified to date are summarised in the following table. It is expected that there will be additional earmarked resources notified during the financial year 2016/17:-

Grant Funding	2017/18	2018/19	2019/20	2020/21
	£000s	£000s	£000s	£000s
Environment and Regeneration	2,765	3,865	TBA	TBA
Children, Schools and Families	12,713	7,471	TBA	TBA
Community and Housing	TBA	TBA	TBA	TBA
Total Grant Funding*	15,478	11,336	0	0
Balance added for outstanding grant allocations - CSF	0	529	5,000	650

* This shows the grant funding being received by the authority

10 Summary of Total Resources 2017-21:

10.1 Summary

10.1.1 The total anticipated resources over the plan period 2017-21, including existing grant funding and anticipated CS&F grants, is summarised in the following table:-

	2017/18	2018/19	2019/20	2020/21
	£000s	£000s	£000s	£000s
Grant & Contributions *	15,070	13,081	5,486	628
Council Funding	25,313	21,827	11,188	7,906
Total	40,384	34,909	16,673	8,534

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

10.1.2 Projects for which earmarked resources have been notified have been given authority to proceed, subject to a detailed specification and programme of works being agreed which ensures that the maximum benefits accrue to the council within the overall constraints of the approved funding. Those schemes, on their own, represent a considerable capital investment.

10.1.3 The Table below summarises the Indicative Capital Programme for 2021 to 2026. Additional detail is provided as Annex 5:

Indicative Capital Programme 2021 to 2026

Merton	Updated Budget 21/22	Updated Budget 22/23	Updated Budget 23/24	Updated Budget 24/25	Updated Budget 25/26
Corporate Services	3,962,000	2,510,000	4,800,000	2,862,000	4,560,000
Community and Housing	280,000	280,000	280,000	280,000	630,000
Children, Schools & Families *	650,000	650,000	755,000	650,000	650,000
Environment & Regeneration *	4,052,000	4,017,000	4,017,000	4,077,000	8,075,000
Total Merton	8,944,000	7,457,000	9,852,000	7,869,000	13,915,000

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

10.1.4 For every £1 million capital expenditure that is funded by external borrowing it is estimated that there will be annual revenue debt charges of between £216,000 for assets with a life of 5 years to £39,600 for an asset life of 50 years.

11 Capital Bids and Prioritisation Criteria

11.1 Prioritisation of schemes 2020/21

The allocation of capital resources, on those schemes to be funded by borrowing, is focused towards the achievement of the council's key strategic objectives as agreed by councillors as highlighted in section 1 of this strategy.

The prioritisation criteria used in respect of growth were 'Statutory', Need (demand and / or priority), attracts match funding and revenue impact (including invest to save). Due to officers' awareness of the need to restrain the capital programme to affordable levels, the reduction put forward over the period 2017-21, on the basis of these criteria by the board to cabinet was £14.8 million 2017-21 (excluding TfL).

12 Detailed Capital Programme 2017-21

12.1 Corporate Services

This department is responsible for the administration of finance and staff, together with the corporate buildings including IT and utility services. Its main capital expenditure is on IT software and hardware, and on improvements to buildings. In order to support more intensive use of the civic centre HQ as part of the flexible working project, capital investment in the overall building infrastructure is essential, including replacement of the main boilers and heat exchangers that are approaching the end of their economic lifespan. There are also budgets held centrally under Corporate Services to ensure funds are available to take up opportunities arising in the local property market, to leverage match funding or to enable transformation of services. Annex 1 provides the overall scheme level for approval and Annex 3 provides a detailed breakdown of projects.

12.2 Children, Schools and Families

This department's main capital focus is the need for increased provision for pupils, with the major spend shifting from primary to secondary in 2016/17. The provision in the 2017-21 programme has been revised to that shown in the table below:

Children, Schools & Families	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s	Updated Budget 20/21 £000s
Primary School Expansions	30	0	0	0
Secondary School Expansions	8,889	6,156	4,481	0
SEN	3,196	5,310	1,000	0
Other	804	650	755	650
Children, Schools & Families	12,920	12,116	6,236	650

Please note £1 million has moved from Secondary Expansions to SEN since November Cabinet

CSF capital programme 2017-21

The requirement to provide sufficient school places is a key statutory requirement. The government provides capital grant to meet some of this need, but there is a significant shortfall for the council to fund primary school places

The capital programme in 2017/18 provides the finance to complete the expansion of Dundonald Primary School. This will complete a primary school expansion programme over eight years that is providing an additional 4,410 places (21 additional forms of entry since 2007/08).

Following the latest demographic information and admissions data, no further primary school expansions are planned or funded in the capital programme.

Secondary school places

The significant increase in demand for school places reached the secondary phase from September 2015, with significant increases at secondary age transfer up to 2018/19 that will flow into all secondary age groups.

However, it is expected the extra demand for places can be met through existing accommodation for the first two years. School expansion and a new school will be required to provide sufficient places thereafter so significant budget is proposed for this from 2016-17.

The capital programme for 2017/21 includes £19.6 million for expansions in the borough's existing secondary schools and the first phase of a new secondary school. However, the council is working with the Education Funding Agency to ensure that significant funding for the new 'Harris Wimbledon' school is provided by central government.

Due to the difficulty of accurately forecasting the specific level of pupil transfer from the last year of primary school to secondary school the level of secondary school expansion required will be subject to regular reviews over the capital programme period. There is therefore uncertainty over the size, timing and cost of the secondary expansion, this includes a lack of clarity regarding government funding.

Special school places

The increase in demand for special school provision is proportionally greater for special schools than mainstream schools, though the numbers involved are significantly smaller. Capital funding is provided in the 2017/21 programme for expansion, including ensuring the numbers in the Perseid upper school will match the lower school. Further decisions on specific expansion schemes for special school provision are subject to review.

Other schemes

With regard to other capital schemes, £650,000 per annum is provided for schools this will be limited to urgent health and safety related needs, with the council expecting schools to fund all works below £20,000.

12.3 Environment and Regeneration

This department provides a co-ordinated approach to managing the public realm (all borough areas to which the public has access), as well as the regeneration of our town centres and neighbourhoods.

The individual projects for this department are all listed in Annex 3. Other than the grant funded Transport for London scheme for the upgrade of principal roads, the departments main schemes relate to 12 main areas:

Environment & Regeneration	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21
Footways Planned Works	1,000,000	1,000,000	1,000,000	1,000,000
Greenspaces	325,590	335,000	355,000	300,000
Highways General Planned Works	419,000	422,000	427,000	427,000
Highways Planned Road Works	1,500,000	1,500,000	1,200,000	1,200,000
Leisure Centres	9,018,670	2,117,450	257,950	250,000
Other E&R	45,000	0	0	0
Regeneration Partnerships	1,145,870	1,000,000	3,000,000	1,000,000
Street Lighting	290,000	509,000	290,000	290,000
Street Scene	60,000	60,000	60,000	60,000
Transport for London	2,064,800	3,864,800	0	0
Traffic and Parking Management	620,470	150,000	150,000	150,000
Transport and Plant	1,686,000	3,070,000	300,000	300,000
Waste Operations	290,500	2,719,500	40,000	40,000
Environment & Regeneration	18,465,900	16,747,750	7,079,950	5,017,000

12.3.1 Highways Planned Road Works and Footways Planned Works

These works are based on annual condition surveys of the whole of the borough. As a result, items are prioritised and drawn up in programmes of works. These programmes may be amended as circumstances alter.

12.3.2 Highways General Planned Works

An indicative list of the major works to be done under this budgeted scheme is as follows:

Leisure Centres	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s	Updated Budget 20/21 £000s
Surface Water Drainage	69	72	77	77
Highways bridges & structures	260	260	260	260
Maintain AntiSkid and Coloured	90	90	90	90
Total Highways General Planned Works	419	422	427	427

12.3.3 Leisure

The major works relate to the authority's three Leisure Centres. The first scheme is for general improvements to the three Leisure Centres. The second scheme, Morden Park Pools, is a major investment for the council, with the replacement of the current centre with a new facility.

Leisure Centres	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s	Updated Budget 20/21 £000s
Leisure Centre Plant & Machine	450	300	250	250
Morden Leisure Centre	8,319	567	8	0
Wimbledon Park Lake De-Silting	250	1,250	0	0
Total Leisure Centres	9,019	2,117	258	250

12.3.4 Future Merton

Regeneration is a major part of the council's strategy. A vision for Morden town centre is being developed and Mitcham town centre will be sustainably developed. The main areas of expenditure over the Capital Programme period will be those below.

Environment and Regeneration	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s	Updated Budget 20/21 £000s
Regeneration Partnerships				
Mitcham Major Schemes - TfL	700	0	0	0
Industrial Estate Investment	446	0	0	0
Transportation Enhancements	0	1,000	3,000	1,000
Total Regeneration Partnerships	1,146	1,000	3,000	1,000

12.4 Community and Housing

12.4.1 This department aims to provide residents with the chance to live independent and fulfilling lives, in suitable homes within sustainable communities, with chances to learn, use information, and acquire new skills. The departmental Capital Programme for 2017/21 comprises:

Community and Housing	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s	Updated Budget 20/21 £000s
<u>Adult Social Care</u>				
SCIS Report Development	14	0	0	0
Excel Add-Ins	3	0	0	0
Adult Social Care Collections	10	0	0	0
Telehealth	44	0	0	0
Captive E-learning	8	0	0	0
<u>Libraries</u>				
Library Self Service	0	0	0	350
Colliers Wood Re-Fit	200	0	0	0
West Barnes Library Re-Fit	200	0	0	0
Library Management System	100	0	0	0
<u>Housing</u>				
Disabled Facilities Grant	755	629	280	280
Total Community and Housing	1,334	629	280	630

12.5 Overall Programme

12.5.1 The approved Capital Programme for 2017/21 follows at Annex 1, Annex 3 provides an additional breakdown detail of the approved schemes. The summary is as follows:

Merton	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21
Corporate Services	6,820,800	3,712,000	2,480,000	2,135,000
Community and Housing	1,334,100	628,900	280,000	630,000
Children, Schools & Families	12,920,030	12,116,200	6,236,000	650,000
Environment & Regeneration	18,465,900	16,747,750	7,079,950	5,017,000
Total Merton	39,540,830	33,204,850	16,075,950	8,432,000

12.5.2 The funding details for the programme follow at Annex 2

12.5.3 Within the funding details the authority has anticipated some slippage for schemes that require a consultation process or a planning application or where the implementation timetable is not certain. The slippage anticipated reduces the spend in the year it is budgeted but increases the spend in the following year when it is incurred. When slippage from 2016/17 is approved, the 2017/18 Capital Programme will be adjusted accordingly.

- 12.5.4 Annexe 1 Capital Investment Programme - Schemes for Approval
- Annexe 2 Funding the Capital Programme 2017-21
- Annexe 3 Detailed Capital Programme 2017-21
- Annexe 4 Analysis of Growth/(Reduction) from current approved programme
- Annexe 5 Indicative Capital Programme 2021-26

CAPITAL INVESTMENT PROGRAMME - SCHEMES FOR APPROVAL - ANNEX 1

Merton	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21
Corporate Services	6,820,800	3,712,000	2,480,000	2,135,000
Community and Housing	1,334,100	628,900	280,000	630,000
Children, Schools & Families	12,920,030	12,116,200	6,236,000	650,000
Environment & Regeneration	18,465,900	16,747,750	7,079,950	5,017,000
Total Merton	39,540,830	33,204,850	16,075,950	8,432,000

Merton	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21
Total Business Improvement	816,000	1,377,000	0	0
Total Resources	147,800	0	0	125,000
Total Information Technology	1,946,000	1,085,000	630,000	1,060,000
Total Facilities Management	3,911,000	1,250,000	1,850,000	950,000
Total Corporate Services	6,820,800	3,712,000	2,480,000	2,135,000
Community and Housing				
Adult Social Care	79,100	0	0	0
Housing	755,000	628,900	280,000	280,000
Libraries	500,000	0	0	350,000
Total Community and Housing	1,334,100	628,900	280,000	630,000
Children, Schools and Families				
Primary School Expansions	30,000	0	0	0
Secondary School Expansions	8,889,290	6,156,200	4,481,000	0
SEN	3,196,290	5,310,000	1,000,000	0
Other	804,450	650,000	755,000	650,000
Children, Schools & Families	12,920,030	12,116,200	6,236,000	650,000

CAPITAL INVESTMENT PROGRAMME - SCHEMES FOR APPROVAL - ANNEX 1 Continued.....

Environment & Regeneration	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20	Updated Budget 20/21
Footways Planned Works	1,000,000	1,000,000	1,000,000	1,000,000
Greenspaces	325,590	335,000	355,000	300,000
Highways General Planned Works	419,000	422,000	427,000	427,000
Highways Planned Road Works	1,500,000	1,500,000	1,200,000	1,200,000
Leisure Centres	9,018,670	2,117,450	257,950	250,000
Other E&R	45,000	0	0	0
Regeneration Partnerships	1,145,870	1,000,000	3,000,000	1,000,000
Street Lighting	290,000	509,000	290,000	290,000
Street Scene	60,000	60,000	60,000	60,000
Transport for London	2,064,800	3,864,800	0	0
Traffic and Parking Management	620,470	150,000	150,000	150,000
Transport and Plant	1,686,000	3,070,000	300,000	300,000
Waste Operations	290,500	2,719,500	40,000	40,000
Environment & Regeneration	18,465,900	16,747,750	7,079,950	5,017,000

Please Note

- 1) Excludes expenditure budgets relating to Disabled Facilities Grant funding from 2017/18.
- 2) Excludes expenditure budgets relating to Transport for London Grant from 19/20 as grant funding has not been announced.
- 3) Excludes expenditure budgets relating to Devolved Formula Capital for schools from 2017/18 as grant funding has not been announced.
- 4) Excludes any expenditure budgets relating to a Housing Company

FUNDING THE CAPITAL PROGRAMME 2016-21

Annex2

Merton	Capital Programme £000s	Funded by Merton £000s	Funded by grant and capital contributions £000s
2016/17 Current Budget	38,465	21,836	16,628
Potential Slippage b/f	0	0	0
2016/17 Revised Budget	38,465	21,836	16,628
Potential Slippage c/f	(5,330)	(4,602)	(729)
Potential Underspend not slipped into next year	(1,367)	(775)	(593)
Total Spend 2016/17	31,767	16,461	15,306
2017/18 Current Budget	39,541	24,601	14,940
Potential Slippage b/f	5,330	4,602	729
2017/18 Revised Budget	44,871	29,203	15,668
Potential Slippage c/f	(3,578)	(3,046)	(532)
Potential Underspend not slipped into next year	(909)	(842)	(67)
Total Spend 2017/18	40,384	25,313	15,070
2018/19 Current Budget	33,205	20,362	12,844
Potential Slippage b/f	3,578	3,046	532
2018/19 Revised Budget	36,783	23,408	13,375
Potential Slippage c/f	(1,475)	(1,243)	(232)
Potential Underspend not slipped into next year	(399)	(336)	(63)
Total Spend 2018/19	34,909	21,827	13,081
2019/20 Current Budget	16,076	10,796	5,280
Potential Slippage b/f	1,475	1,243	232
2019/20 Revised Budget	17,551	12,040	5,512
Potential Slippage c/f	(551)	(540)	(12)
Potential Underspend not slipped into next year	(326)	(312)	(14)
Total Spend 2019/20	16,673	11,188	5,486
2020/21 Current Budget	8,432	7,782	650
Potential Slippage b/f	551	540	12
2020/21 Revised Budget	8,983	8,322	662
Potential Slippage c/f	(101)	(100)	(1)
Potential Underspend not slipped into next year	(348)	(315)	(33)
Total Spend 2020/21	8,534	7,906	628

* Funded by Merton refers to expenditure funded through Capital Receipts, Revenue Reserves and ' by borrowing.

DETAILED CAPITAL PROGRAMME 2017-21

ANNEX 3

<u>Department</u>	<u>Scrutiny</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
<u>Corporate Services</u>					
<u>Business Improvement</u>					
Replacement Social Care System	OSC	425,540	350,000	0	0
Planning&Public Protection Sys	OSC	40,000	510,000	0	0
Revenue and Benefits	OSC	0	400,000	0	0
Spectrum Spatial Analyst Replacement	OSC	0	42,000	0	0
Capita Housing	OSC	100,000	0	0	0
Aligned Assets	OSC	0	75,000	0	0
Replacement Document Management System	OSC	0	0	0	0
Electronic Asset Management	OSC	250,460	0	0	0
Customer Contact	OSC	0	0	0	0
<u>Corporate</u>					
<u>Facilities Management</u>					
Invest to Save Schemes	OSC	900,000	300,000	300,000	300,000
Capital Works Facilities	OSC	300,000	300,000	650,000	650,000
Water Safety Works	OSC	150,000	100,000	0	0
Asbestos Safety Works	OSC	250,000	250,000	0	0
Schools PV&Energy conservation	OSC	2,000,000	0	0	0
Civic Centre Boilers	OSC	0	300,000	0	0
Civic Centre Staff Entrance Improvements	OSC	200,000	0	0	0
Civic Centre Lightning Upgrade	OSC	0	0	300,000	0
Civic Centre Block Paving	OSC	75,000	0	0	0
Multi-Function Device	OSC	36,000	0	600,000	0
<u>Information Technology</u>					
Planned Replacement Programme	OSC	1,746,000	510,000	430,000	860,000
IT Enhancements	OSC	200,000	275,000	200,000	200,000
Data Centre Support Equipment	OSC	0	300,000	0	0
<u>Resources</u>					
Full EDRMS Invoice Solution SCIS/FIS	OSC	41,000			
Replacement of Civica Icon	OSC	106,800	0	0	125,000
<u>Total Corporate Services</u>		6,820,800	3,712,000	2,480,000	2,135,000

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

DETAILED CAPITAL PROGRAMME 2017-21 Continued....

ANNEX 3

Department	Scrutiny	2017-18	2018-19	2019-20	2020-21
Community and Housing					
<u>Adult Social Care</u>					
SCIS Report Development	HCOP	14,000	0	0	0
Excel Add-Ins	HCOP	3,000	0	0	0
Adult Social Care Collections	HCOP	10,000	0	0	0
Telehealth	HCOP	43,750	0	0	0
Captive E-Learning	HCOP	8,350	0	0	0
<u>Libraries</u>					
Library Self Service	SC	0	0	0	350,000
Colliers Wood Re-Fit	SC	200,000	0	0	0
West Barnes Library Re-Fit	SC	200,000	0	0	0
Library Management System	SC	100,000	0	0	0
<u>Housing</u>					
Disabled Facilities Grant	SC	755,000	628,900	280,000	280,000
Total Community and Housing		1,334,100	628,900	280,000	630,000

Department	Scrutiny	2017-18	2018-19	2019-20	2020-21
Children, Schools and Families					
<u>Primary Expansions</u>					
Dundonald	CYP	30,000	0	0	0
<u>Secondary Expansion</u>					
Secondary School expansion	CYP	30,000	0	0	0
St Marks	CYP	200,000	1,423,600	3,681,000	0
New 6fe School	CYP	5,116,250	2,689,100	0	0
Harris merton	CYP	3,372,980	0	0	0
Harris Morden	CYP	200,060	2,043,500	800,000	0
<u>SEN Expansion</u>					
Perseid	CYP	931,930	650,000	0	0
Secondary School Autism Unit	CYP	200,000	1,160,000	0	0
Further SEN	CYP	2,064,360	3,500,000	1,000,000	0
<u>Other CSE</u>					
Schools Capital Maintenance	CYP	670,000	650,000	650,000	650,000
School Loans	CYP	104,450	0	0	0
Admissions IT	CYP	0	0	105,000	0
Total Children, Schools and Families		12,920,030	12,116,200	6,236,000	650,000

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

Please note £1million has moved from St Marks Secondary to Further SEN since November Cabinet

Please Note

- 1) Excludes expenditure budgets relating to Disabled Facilities Grant from 17/18.
- 2) Excludes expenditure budgets relating to Transport for London Grant from 19/20 as grant funding has not been announced.
- 3) Excludes expenditure budgets relating to Devolved Formula Capital for schools from 2016/17 as grant funding has not been announced.
- 4) Excludes any expenditure budgets relating to a Housing Company

Department	Scrutiny	2017-18	2018-19	2019-20	2020-21
Environment and Regeneration					
<u>Footways Planned Works</u>					
Repairs to Footways	SC	1,000,000	1,000,000	1,000,000	1,000,000
<u>Greenspaces</u>					
Parks investment	SC	201,000	307,500	295,000	300,000
Parks Bins - Finance Lease	SC	34,000	27,500	0	0
Pay & Display Machine	SC	0	0	60,000	0
Canons Parks for the People Dev HLF	SC	90,590	0	0	0
<u>Highways General Planned Works</u>					
Surface Drainage Water	SC	69,000	72,000	77,000	77,000
Highways and Bridges Structures	SC	260,000	260,000	260,000	260,000
Maintain AntiSkid and Coloured	SC	90,000	90,000	90,000	90,000
<u>Highways Planned Road Works</u>					
Borough Roads Maintenance	SC	1,500,000	1,500,000	1,200,000	1,200,000
<u>Leisure Centres</u>					
Leisure Centre Plant and Machines	SC	450,000	300,000	250,000	250,000
Morden Leisure Centre	SC	8,318,670	567,450	7,950	0
Wimbledon Park Lake De-Silting	SC	250,000	1,250,000	0	0
<u>Other E&R</u>					
Mortuary Provision	SC	45,000			
<u>Regeneration Partnerships</u>					
Mitcham Major Schemes - TfL	SC	700,000	0	0	0
Industrial Estate Investment	SC	445,870	0	0	0
Transportation Enhancements	SC	0	1,000,000	3,000,000	1,000,000
<u>Street Lighting</u>					
Street Lighting	SC	290,000	509,000	290,000	290,000
<u>Street Scene</u>					
Street Tree Programme	SC	60,000	60,000	60,000	60,000
<u>Transport for London</u>					
TfL Unallocated	SC	1,844,800	1,864,800	0	0
Morden TfL	SC	220,000	2,000,000	0	0
<u>Transport and Plant</u>					
Replacement Fleet Vehicles	SC	400,000	400,000	300,000	300,000
SWLP Vehicles	SC	1,286,000	2,670,000	0	0
<u>Traffic and Parking Management</u>					
Traffic Schemes	SC	156,000	150,000	150,000	150,000
CCTV (Match Funding)	SC	164,440	0	0	0
Tackling Traffic Congestion	SC	300,030	0	0	0

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

DETAILED CAPITAL PROGRAMME 2017-21 Continued....**ANNEX 3**

Department	Scrutiny	2017-18	2018-19	2019-20	2020-21
Environment and Regeneration Cont					
<u>Waste Operations</u>					
Alley Gating	SC	40,000	40,000	40,000	40,000
Waste Bins - Finance Lease	SC	5,500	5,500	0	0
GPS Vehicle Tracking	SC	130,000	0	0	0
SWLP IT	SC	42,000	0	0	0
SWLP Depot	SC	73,000	0	0	0
SWLP Wheelie Bins	SC	0	2,674,000	0	0
Total Environment and Regeneration		18,465,900	16,747,750	7,079,950	5,017,000

Analysis of Growth against Approved Programme 2017/20 and Indicative Programme 2020/21
ANNEX 4

Department	2017-18	2018-19	2019-20	2020-21
<u>Corporate Services</u>				
<u>Business Improvement</u>				
Replacement Social Care System	200,000	350,000	0	(150,000)
Planning&Public Protection Sys	(510,000)	510,000	0	0
Electronic Asset Management	0	0	(190,000)	0
Customer Contact	0	0	0	(200,000)
<u>Corporate</u>				
<u>Facilities Management</u>				
Capital Works Facilities	0	0	(50,000)	(50,000)
<u>Resources</u>				
Improving Financial Systems	0	0	0	(700,000)
Total Corporate Services	(310,000)	860,000	(240,000)	(1,100,000)
<u>Children, Schools and Families</u>				
<u>Secondary Expansion</u>				
St Marks	(911,800)	(1,257,400)	1,681,000	0
New 6fe School	0	0	(1,979,100)	(6,000,000)
Harris Morden	(1,643,500)	1,343,500	800,000	0
Raynes Park	(100,000)	(1,530,000)	(4,200,000)	0
<u>SEN Expansion</u>				
Secondary School Autism Unit	(960,000)	1,160,000	0	0
Further SEN	(500,000)	500,000	0	0
Total Children, Schools and Families	(4,115,300)	216,100	(3,698,100)	(6,000,000)
<u>Environment and Regeneration</u>				
<u>Greenspaces</u>				
Parks investment	0	0	0	(25,000)
<u>Highways Planned Road Works</u>				
Borough Roads Maintenance	0	0	(50,000)	(50,000)
<u>Leisure Centres</u>				
Leisure Centre Plant and Machines	0	0	(50,000)	(50,000)
<u>Regeneration Partnerships</u>				
Transportation Enhancements	0	(4,000,000)	3,000,000	1,000,000
<u>Transport and Plant</u>				
Replacement Fleet Vehicles	(100,000)	(100,000)	(50,000)	(50,000)
<u>Traffic and Parking Management</u>				
Traffic Schemes	0	(25,000)	(25,000)	(25,000)
Total Environment and Regeneration	(100,000)	(4,125,000)	2,825,000	800,000
Total Merton	(4,525,300)	(3,048,900)	(1,113,100)	(6,300,000)

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

** Negative growth in the capital programme is as a result of reduction when compared to the approved (17/20) and indicative (20/21)

INDICATIVE CAPITAL PROGRAMME 2021-26
ANNEX 5

Department	2021-22	2022-23	2023-24	2024-25	2025-26
Corporate Services					
<u>Business Improvement</u>					
Replacement Social Care System	0	0	2,100,000	0	0
Planning&Public Protection Sys	0	0	0	0	550,000
Revenue and Benefits	0	0	0	400,000	0
Spectrum Spatial Analyst Replacement	42,000	0	0	42,000	0
Capita Housing	0	100,000	0	0	0
Aligned Assets	0	0	75,000	0	0
Replacement Document Management System	0	0	900,000	0	0
Electronic Asset Management	0	0	0	240,000	0
Customer Contact	2,000,000	0	0	0	2,000,000
<u>Facilities Management</u>					
Invest to Save Schemes	300,000	300,000	300,000	300,000	300,000
Capital Works Facilities	650,000	650,000	650,000	650,000	650,000
Multi-Function Device	0	0	0	600,000	0
<u>Information Technology</u>					
Planned Replacement Programme	770,000	560,000	575,000	430,000	860,000
IT Enhancements	200,000	200,000	200,000	200,000	200,000
<u>Resources</u>					
Improving Financial Systems	0	700,000	0	0	0
Total Corporate Services	3,962,000	2,510,000	4,800,000	2,862,000	4,560,000
Community and Housing					
<u>Libraries</u>					
Library Self Service	0	0	0	0	350,000
<u>Housing</u>					
Disabled Facilities Grant	280,000	280,000	280,000	280,000	280,000
Total Community and Housing	280,000	280,000	280,000	280,000	630,000
Children, Schools and Families					
<u>Other CSF</u>					
Schools Capital Maintenance	650,000	650,000	650,000	650,000	650,000
Admissions IT	0	0	105,000	0	0
Total Children, Schools and Families	650,000	650,000	755,000	650,000	650,000

INDICATIVE CAPITAL PROGRAMME 2021-26 Continued.....

ANNEX 5

Department	2021-22	2022-23	2023-24	2024-25	2025-26
Environment and Regeneration					
<u>Footways Planned Works</u>					
Repairs to Footways	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<u>Greenspaces</u>					
Parks investment	300,000	300,000	300,000	300,000	300,000
Pay & Display Machine	0	0	0	60,000	60,000
<u>Highways General Planned Works</u>					
Surface Drainage Water	77,000	77,000	77,000	77,000	77,000
Highways and Bridges Structures	260,000	260,000	260,000	260,000	260,000
Maintain AntiSkid and Coloured	90,000	90,000	90,000	90,000	90,000
<u>Highways Planned Road Works</u>					
Borough Roads Maintenance	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
<u>Leisure Centres</u>					
Leisure Centre Plant and Machines	250,000	250,000	250,000	250,000	250,000
<u>Other E&R</u>					
Replacing Handheld Computers	35,000	0	0	0	0
<u>Street Lighting</u>					
Street Lighting	290,000	290,000	290,000	290,000	290,000
<u>Street Scene</u>					
Street Tree Programme	60,000	60,000	60,000	60,000	60,000
<u>Transport and Plant</u>					
Replacement Fleet Vehicles	300,000	300,000	300,000	300,000	300,000
SWLP Vehicles	0	0	0	0	3,956,000
<u>Traffic and Parking Management</u>					
Traffic Schemes	150,000	150,000	150,000	150,000	150,000
<u>Waste Operations</u>					
Alley Gating	40,000	40,000	40,000	40,000	40,000
SWLP IT	0	0	0	0	42,000
Total Environment and Regeneration	4,052,000	4,017,000	4,017,000	4,077,000	8,075,000
Total Merton	8,944,000	7,457,000	9,852,000	7,869,000	13,915,000

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

** Negative growth in the capital programme is as a result of reduction when compared to the approved (17/20)and indicative (20/21) programme.

Please Note

- 1) Excludes expenditure budgets relating to Disabled Facilities Grant
- 2) Excludes expenditure budgets relating to Transport for London Grant .
- 3) Excludes expenditure budgets relating to Devolved Formula Capital for schools.
- 4) Excludes any expenditure budgets relating to a Housing Company

LONDON BOROUGH OF MERTON

TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION

1.1 Background

London Borough of Merton have adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) definition of Treasury Management, which is:

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

The Council is required to update and approve its policy framework and strategy for treasury management, annually, to reflect the changing market environment, regulation, and the Council’s financial position. The key issues and decisions are:

- a) To set the Council’s Prudential Indicators for 2017/18 to 2019/20
- b) Approve the Minimum Revenue Provision (MRP) policy for 2017/18; and
- c) To agree the Treasury Management Strategy for 2017/18. This will include the annual investment strategy, containing the parameters of how the investments are to be managed.

1.2 Statutory Requirement

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

- (a) such guidance as the Secretary of State may issue; and
- (b) such other guidance as the Secretary of State may by regulations specify for the purposes of this provision

<http://www.legislation.gov.uk/ukpga/2003/26/section/15>

The Guidance requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. The Council has adopted CIPFA’s revised Code of Practice on Treasury Management.

1.3 Balanced Budget Requirement

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

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

1.4 Treasury Management Strategy for 2017/18

The strategy for 2017/18 covers two main areas:

Capital Issues

- To determine the Council's capital plans and prudential indicators for 2017/18 to 2019/20;
- To approve the Minimum Revenue Provision (MRP) policy for 2017/18.

The LG Act 2003 require local authorities to set an affordable borrowing limit (<http://www.legislation.gov.uk/ukpga/2003/26/section/3>).

Treasury Management Issues

- To agree the Council's treasury management strategy for 2017/18
 - current treasury position as at 30 November 2016;
 - treasury indicators which limit the treasury risk and activities of the Council;
 - prospects for interest rates;
 - borrowing strategy;
 - policy on borrowing in advance of need;
 - debt rescheduling and early repayment of debt review;
 - Annual Investment Strategy and alternative investment instruments (Policy on new lending and borrowing instruments);
 - creditworthiness policy;
 - Treasury Management Practices (**Appendix 5**);and
 - cash flow policy

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

2. CURRENT TREASURY POSITION

2.1 Use of the Council's Resources and the Investment Position

The application of resources (capital receipts and reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources, for example, asset sales.

The table below shows the position as at 30 November 2016.

Year End Resources	2015/16 Actual £'000	30 November 2016 Actual £'000	31 March 2016/17 Estimate £'000	31 March 2017/18 Estimate £'000
Investments	85,400	107,200	79,166	58,381
Interest on investments	1,140	451	1,262	1,186
Borrowing				
Long-term Borrowing	116,976	116,976	116,976	113,010
Short-term Borrowing				
Total External Debt	116,976	116,976	116,976	113,010
Interest on External Debt				
Long-term	6,686	6,702	6,702	6,315
Short-term	1	1		
Total Interest on External Debt	6,687	6,703	6,702	6,315

Interest on investments figures above do not include interest from policy investments.

3. CAPITAL PRUDENTIAL INDICATORS 2017/18 - 2020/21

The Council is required to calculate various indicators for the next 3 years. The aim of prudential indicators is to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The prudential indicators set out in **Appendix 6** are calculated for the Medium Term Financial Strategy (MTFS) period. The indicators relate to capital expenditure, external debt and treasury management.

The Council will monitor performance against the indicators and prepare indicators based on the Statement of Accounts (SoA) at year end.

3.1 Capital Expenditure

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

This indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle as reported in the MTFS. Environment and Regeneration figures include projects relating to Public Health programs however these are fully funded and do not have any MRP implications.

Members are asked to approve the capital expenditure forecasts:

Capital Expenditure	2015/16 Actual £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Children Schools & Families	14,348	13,396	12,920	12,116	6,236	650
Community & Housing	1,355	1,951	1,334	629	280	630
Corporate Services	2,466	8,975	6,821	3,712	2,480	2,135
Environment & Regeneration	10,910	14,143	18,466	16,748	7,080	5,017
	-	-	-	-	-	-
Total	29,079	38,465	39,541	33,205	16,076	8,432

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

The table below shows how the capital expenditure plans are being financed by revenue or capital resources. A shortfall of resources means a borrowing need. The capital programme expenditure figures used in calculating the financing costs have been adjusted for slippage in the programme as at 30 November 2016.

Capital Expenditure	2015/16 Actual £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Capital Expenditure	29,079	38,465	39,541	33,205	16,076	8,432
Slippage*	-	-6,698	843	1,704	597	102
Leasing Budgets in Programme after Slippage		-223	-125	-45	-572	-29
Total Capital Expenditure	29,079	31,544	40,259	34,864	16,101	8,505
Financed by:						
Capital Receipts	9,082	14,105	19,475	855	328	871
Capital Grants & Contributions	18,869	15,306	15,070	13,081	5,486	628
Capital Reserves	607	-	-	-	-	-
Revenue Provisions	429	2,061	5,482	1,537	4	0
Other Financing Sources	-	-	-	-	-	-
Net financing need for the year	92	72	232	19,391	10,284	7,006

*In the above table slippage includes slippage in from the previous year and out to the following year.

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

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

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

The Council has no Housing Revenue Account (HRA) and no new PFI scheme in 2017/18 is expected. Public Health capital projects are fully funded therefore have no CFR implications. The 2016/17 forecast movement in CFR shows a decrease of £8,638k because the expenditure to be funded from borrowing in 2016/17 is less than the amount of MRP charged in the year.

The current cashflow projection as at 30 November 2016 for 2016/17 year end is an estimated cash balance of £79.6m. The current forecast has been based on assumptions in the MTF5 and capital programme spend forecast after slippage. The 2016/17 forecast £31.5m, 2017/18 £40.3m, and 2018/19 £34.9m are based on best estimates which may slip due to unforeseen circumstances and the nature of large projects and the level of grant income. Also, fees and charges for the Council may change. Based on current forecasts the earliest the Council may borrow is in 2017/18 in anticipation for 2018/19. However, the Council can borrow in advance of need if rates fall and borrowing becomes a lot more advantageous than it currently is.

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

	2015/16 Actual £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Capital Financing Requirement						
CFR (non-housing)	198,616	189,978	181,644	192,997	193,274	190,553
Total CFR	198,616	189,978	181,644	192,997	193,274	190,553
Movement in CFR	(9,210)	(8,638)	(8,334)	11,353	277	(2,721)
Movement in CFR represented by						
Net financing need for the year (above)	92	72	232	19,931	10,284	7,006
Less Capital MRP/VRP	7,587	7,154	7,004	6,579	7,634	7,987
Less Other MRP/VRP (leasing, PFI)	1,118	916	876	724	1,585	897
Less Other MRP/VRP – PFI – Partial termination	597	640	686	735	788	844
Less Other financing movements • Adjustment of PFI Liability • Adjustment of MRP						
Movement in CFR	(9,210)	(8,638)	(8,334)	11,353	277	(2,721)

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

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

The table below shows the monetary values for the above ratio

	2015/16 Actual £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Net Revenue Financing Costs	19,575	16,731	16,791	16,074	18,908	18,373
Net Financing Stream	155,662	148,139	146,066	139,664	137,453	133,999
Ratio of Financing Costs to Net Revenue Stream (Non HRA)	12.58%	11.29%	11.50%	11.51%	13.76%	13.71%

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

The table below shows the incremental impact of changes in the capital programme (incorporating the effects of changes in treasury forecasts and investment decisions) on the band D Council tax. Council tax has remained the same since 2011/12 therefore there has been little or no incremental impact on Council tax band D properties.

	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Incremental Change in Capital Financing Costs (£000)	3,020	-2,844	60	-717	2,835	-535
Council Tax Base	69,638	71,327	72,442	72,805	73,169	73,534
Incremental Impact on Council Tax - Band D*** (£)	43.36	-39.87	0.84	-9.85	38.74	-7.28
Council Tax - Band D (£)	1,106.56	1,106.45	1,139.71	1,173.90	1,197.38	1,221.33

***2015/16 is actual council tax amounts, 2016/17 are actual. However the Council tax base for future years is per the MTFs.

4. MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

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

For capital expenditure incurred before 1 April 2008 or by Supported Capital Expenditure, the MRP policy follows CLG regulations (option 1). This provides for an approximate 4% reduction in the borrowing need (CFR) each year.

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

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

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

Category	Depreciation (Years)
Assets valued over £1m	
Buildings	50
Mechanical & Electrical	20
External	20
Assets valued under £1m	
Buildings	40
Infrastructure (roads etc)	25
15 Year Asset	15
10 Year Asset	10
Computer software	5
Computer hardware	5
Large vehicles – e.g. buses, RCVs	7
Small vehicles – e.g. cars, vans	5
Other equipment e.g. CCTV	5

MRP years where there is no depreciation equivalent	
Land	50
Revenue Expenditure Funded by capital Under Statute e.g. Redundancy costs	20

5. TREASURY MANAGEMENT STRATEGY

5.1 The Prospects for Interest Rates and Economic Forecasts

Consideration is given to economic and interest rate forecasts because they provide likely investment rates (bank rates), likely borrowing rates (PWLB), credit risk profile thereby giving some latitude on when to borrow, repay and invest. However as with every forecast there is also the likelihood of economic factors not following forecasts.

The following table gives the central position on the Council's treasury management adviser's view on interest rates.

Annual Average %	Bank Rate (%)	PWLB Borrowing Rates (%)			
		5 year	10 year	25 year	50 year
March 2017	0.25	1.60	2.30	2.90	2.70
June 2017	0.25	1.60	2.30	2.90	2.70
Sept 2017	0.25	1.60	2.30	2.90	2.70
Dec 2017	0.25	1.60	2.30	3.00	2.80
March 2018	0.25	1.70	2.30	3.00	2.80
June 2018	0.25	1.70	2.40	3.00	2.80
Sept 2018	0.25	1.70	2.40	3.10	2.90
Dec 2018	0.25	1.80	2.40	3.10	2.90
March 2019	0.25	1.80	2.50	3.20	3.00
June 2019	0.50	1.90	2.50	3.20	3.00
Sept 2019	0.50	1.90	2.60	3.30	3.10
Dec 2019	0.75	2.00	2.60	3.30	3.10
Mar 2020	0.75	2.00	2.70	3.40	3.20

Source: Capita Asset Services

The above forecasts reflect broad stimulus measures the Bank of England's Monetary Policy Committee (MPC) took following the vote for the UK to exit the EU (Brexit) at the Referendum on 23rd June 2016, including a cut in base rate from 0.50% to 0.25% on 4th August 2016. Since then, economic statistics suggest that the sharp fall in Sterling strengthened growth and raised inflation forecasts significantly.

During the two-year period (2017 – 2019) post triggering of Article 50, when the UK is negotiating the terms for withdrawal from the EU, it is likely that the MPC will do nothing to dampen growth prospects already adversely impacted by the uncertainties of Brexit. Accordingly, a first increase to 0.50% is not tentatively pencilled in, as above, until Q2 2019, after those negotiations have been concluded, (though the period for negotiations could be extended). However, if strong domestically generated inflation, (e.g. from wage increases within the UK), were to emerge, then the pace and timing of increases in Bank Rate could be brought forward.

Economic forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. An eventual world economic recovery may also see investors switching from the safe haven of bonds to equities.

The overall balance of risks to economic recovery in the UK remains to the downside.

PWLB rates and gilt yields have been experiencing exceptional levels of volatility that are highly correlated to geo-political, sovereign debt crisis and emerging market developments.

Apart from the above uncertainties, downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Monetary policy action by central banks reaching its limit of effectiveness and failing to stimulate significant sustainable growth, combat the threat of deflation and reduce high levels of debt in some major developed economies, combined with a lack of adequate action from national governments to promote growth through structural reforms, fiscal policy and investment expenditure.
- Major national polls:
 - US presidential election was held on 8th November 2016. Bank funding costs have risen since the US election and markets believe the policies of President Donald Trump, could push up interest rates;
 - Italian constitutional referendum was held on 4th December 2016 with the Prime Minister, Matteo Renzi resigning after his defeat sparking fears about the stability of the Italian banking system;
 - Spain has held two inconclusive general elections and is still unable to form a workable government with a coalition holding a majority of seats; the impasse could lead to a third general election – currently tentatively scheduled for 25th December 2016;
 - Dutch general election 15th March 2017;
 - French presidential election April/May 2017;
 - French National Assembly election June 2017;
 - German Federal election August – October 2017.
- A resurgence of the Eurozone sovereign debt crisis.
- Weak capitalisation of some European banks.
- Geopolitical risks in Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates, include: -

- UK inflation rising to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium in gilt yields.
- A rise in US Treasury yields as a result of Fed funds rate increases and rising inflation expectations in the USA, pushing UK gilt yields upwards.
- The pace and timing of increases in the Fed funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- A downward revision to the UK's sovereign credit rating undermining investor confidence in holding sovereign debt (gilts).

5.2 Borrowing Strategy

Current Borrowing Portfolio Position

The table below shows the CFR as at 30 November 2016 against the gross debt position of the Council. The gross debt includes other long-term liabilities like PFI and finance lease obligations. Gross debt should not exceed CFR in the medium to long-term.

Estimated debt may change as the capital programme spends and financing changes. The lease balances do not include adjustments for new implications in 2016/17.

	2015/16 Actual £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
External Debt at 1 April	116,976	116,976	116,976	113,010	113,010	113,010
Expected change in Debt (repayment and new debt)****	0	0	(3,966)	0	0	(2,000)
Closing External Debt	116,976	116,976	113,010	113,010	113,010	111,010
PFI Balance b/f	19,524	18,664	17,959	17,164	16,480	14,926
In year movement	-860	-705	-795	-684	-1,554	-805
Closing Balance PFI	18,664	17,959	17,164	16,480	14,926	14,121
PFI Partial Termination Balance b/f	15,210	14,613	13,973	13,287	12,552	11,764
In year movement	-597	-640	-686	-735	-788	-844
Closing Balance Partial Termination PFI	14,613	13,973	13,287	12,552	11,764	10,920
TOTAL PFI	33,277	31,932	30,451	29,032	26,690	25,041
Finance Leases at 1 April	219	211	81	39	31	92
Expected Change in Finance Leases	-8	-130	-42	-8	60	42
Closing Balance Finance Leases	211	81	39	31	92	134
Salix Loan	44	34	25	15	5	0
Salix in year movement	-10	-10	-10	-10	-5	0
Closing Balance Salix	34	25	15	5	0	0
Actual gross debt at 31 March	150,498	149,014	143,515	142,078	139,792	136,185
Capital Financing Requirement	198,616	189,978	181,644	192,997	193,274	190,553
(Under)/over borrowing	-48,118	-40,964	-38,131	-50,919	-53,482	-52,368

****£3.966m of long-term debt matures in 2017/18

The table above shows the CFR forecast for 2016/17 to 2020/21. Also, there is no maturing debt until 2017/18 hence little borrowing pressure therefore the Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the CFR), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cashflow has been used as a temporary measure. PFI and finance lease portion of the CFR will not be funded by additional loan. Capital forecasts relating to 2018/19, 2019/20 and 2020/21 are very much subject to change at this stage.

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

Borrowing interest rates have been on a downward trend since 2016. Against this background, the Director of Corporate Services will continue to monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances to maximise short-term savings. However when interest rates begin to rise, the Council will consider borrowing in advance of need than current forecast requirements show. The duration of loans will be driven by the current loan portfolio, affordability, the position on internal borrowing and borrowing rates. The policy of avoiding new borrowing by using spare cash balances, has served well over the last few years. However, this needs to be reviewed carefully to avoid incurring higher borrowing costs in future when the Council will not be able to avoid new borrowing to finance capital expenditure and/or to refinance maturing debt.

Council's Year End Balance Sheet Position at 31 March 2016

	2014/15	2015/16	Change
	£'000	£'000	£'000
CFR	207,826	198,616	9,210
PFI and LEASES	-35,553	-34,123	-1,430
Underlying Borrowing Requirement	172,273	164,493	7,780
External Borrowing	116,676	116,976	300
Under borrowing / Internal borrowing to date	-55,597	-47,517	-8,080

Strategy to 'Unwind' Internal Borrowing

Internal borrowing at 31 March 2016 remains at sustainable levels. However, the Council will commence a review of its strategy to 'unwind' internal borrowing.

Debt Liability Benchmarking

In defining its borrowing strategy, the Council considered the true characteristics of all of the debt instruments in its portfolio, most especially the LOBOs and the various options available to the Council.

Consideration was given to the fact that in the current economic climate the LOBOs in the Council's portfolio will not be called due to their very high interest rate. Should they be called, replacement borrowing will not be required because the council will have cash available in 2017/18 to meet the call options based on the current estimates of the use of internal borrowing for the capital programme.

If all LOBOs are called at once (an unlikely event) then future estimated use of cash to temporarily fund the capital programme may be affected.

All counterparties were contacted in 2016 and most responded and cited a minimum rate they would consider reviewing the call option on the LOBO as being over 3%. Bank of England rate is currently 0.25% with rates not expected to rise to 0.75% before Q4 2019.

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

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

Treasury Risk Analysis - Debt

Whilst it is not mandatory for Local Authorities to adopt the CIPFA Risk Toolkit produced by CIPFA's Treasury Management Panel, the Council will continue to utilise and adopt the risk tool kit and participate in the risk study in 2017/18 as there are some merits for the Council in managing its integrated treasury management portfolio and in considering risk mitigation options for its treasury management review process and benchmarking with its peers.

5.3 Treasury Indicators: Limits to Borrowing Activity

Operational Boundary - this is the limit beyond which external borrowing is not normally expected to exceed.

Operational boundary £'000	2015/16 Actual £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
External Debt	116,976	116,976	113,010	113,010	113,010	111,010
Other Long-term Liabilities	34,123	32,013	30,490	29,063	26,782	25,175
Operational Boundary	151,099	148,989	143,500	142,073	139,792	136,185

Authorised Limit for External Borrowing

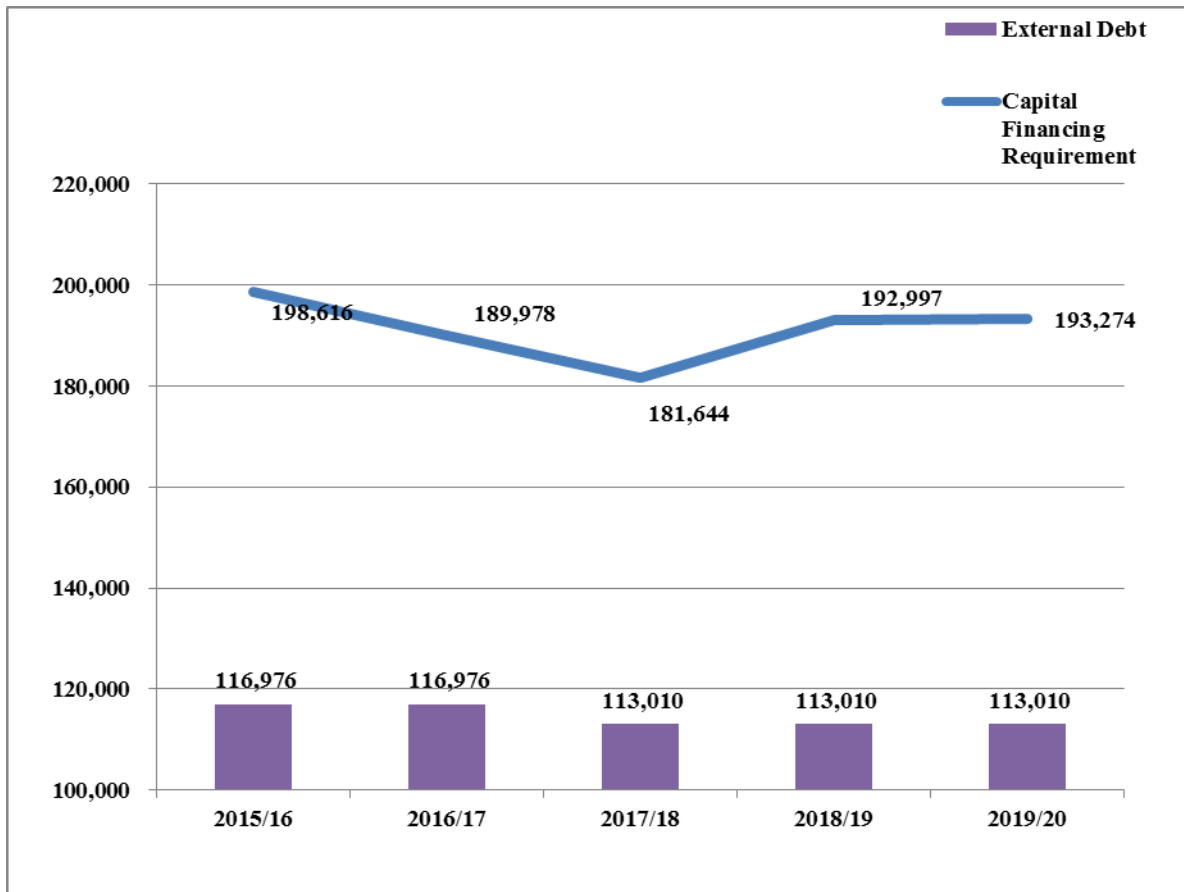
This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. It represents a limit beyond which external borrowing must not go over in the 3 years, and this limit when set is to be revised annually by Council. It reflects the level of external borrowing which, while not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

The Council is asked to approve the following authorised limit:

	2015/16 Actual £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
External Debt	151,099	148,989	143,500	142,073	139,792	136,185
Other Long-term Liabilities	60,000	70,000	80,000	80,000	80,000	80,000
Authorised Limit	211,099	218,989	223,500	222,073	219,792	216,185

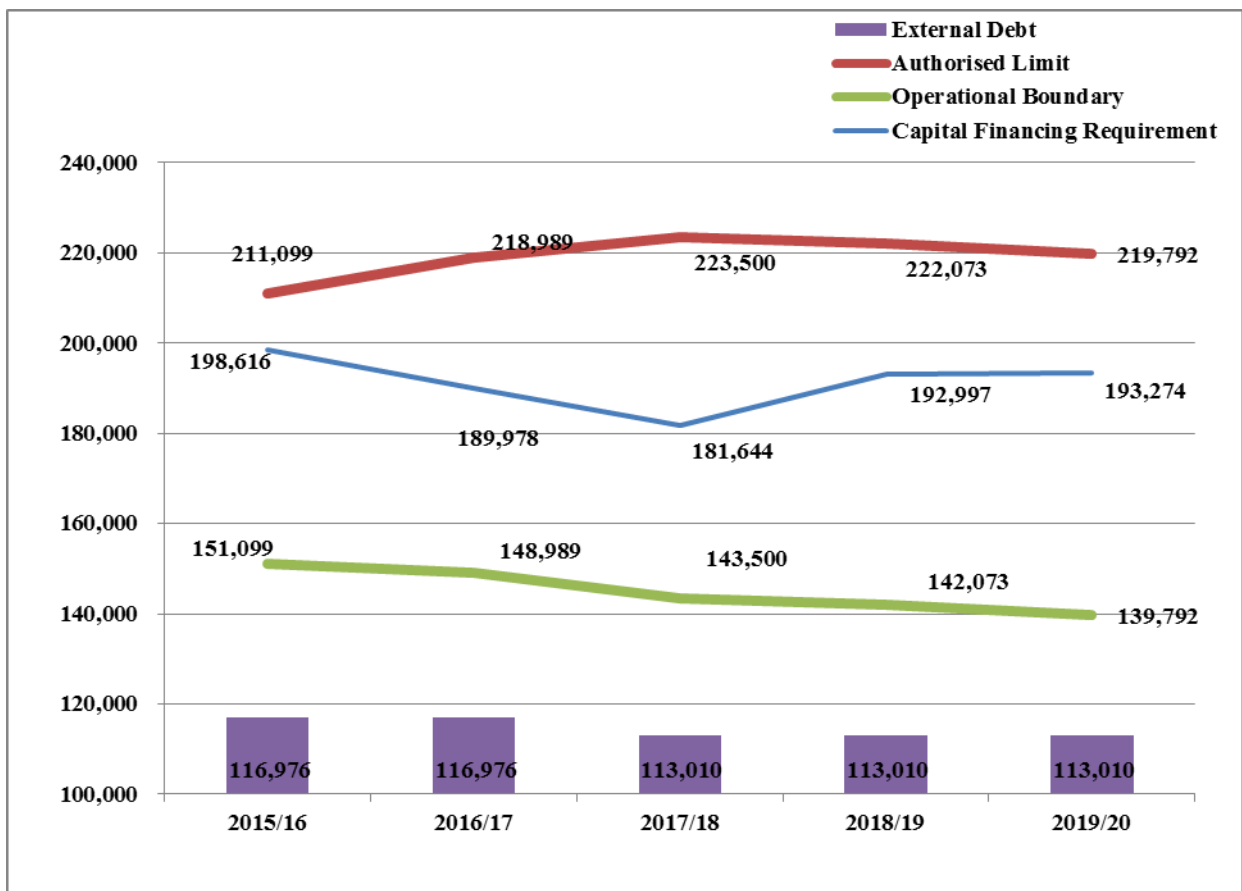
Members are required to note that these authorised limits shows the gross maximum borrowing for the year and, in year regulatory accounting changes which may affect the level of debt in the balance sheet as well as allow for any potential overdraft position and short-term borrowing for cashflow purposes.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

The following graph shows projection of the CFR and borrowing.



Within the prudential indicators, there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council should ensure that its gross debt does not (except in the short term) exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2017/18 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Director of Corporate Services reports that the Council complied with this key prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget.



5.4 Treasury Management Limits on Activity

The table below shows the debt related treasury activity limits.

Members are asked to note that the maturity structure guidance changed in the CIPFA 2011 guidance notes for Lenders Option Borrowers Option (LOBO) Loans, the maturity dates is now deemed to be the next call date.

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

The table below shows the fixed and variable interest rate exposure

	2016/17	2017/18	2018/19	2019/20	2020/21
Interest Rate Exposures	Upper Estimate	Upper Estimate	Upper Estimate	Upper Estimate	Upper Estimate
Upper limit for fixed interest rates based on net debt	100%	100%	100%	100%	100%
Upper limit for variable interest rates based on net debt	50%	50%	50%	50%	50%
Limits on fixed interest rates:					
• Debt only	100%	100%	100%	100%	100%
• Investments only	100%	100%	100%	100%	100%
Limits on variable interest rates					
• Debt only	50%	50%	50%	50%	50%
• Investments only	50%	50%	50%	50%	50%

The table below shows the Limits on the Maturity Structure of Borrowing

	Maturity Structure of fixed interest rate borrowing 2017/18			Maturity Structure of variable interest rate borrowing 2017/18		
	Actual at 30/11/2016	Lower	Upper	Actual 30/11/2016	Lower	Upper
Under 12 months	3.39%	0%	60%	0%	0%	50%
12 months to 2 years	0%	0%	60%	0%	0%	50%
2 years to 5 years	3.42%	0%	60%	0%	0%	50%
5 years to 10 years	22.66%	0%	80%	0%	0%	50%
10 years to 20 years	14.53%	0%	100%	0%	0%	50%
20 years to 30 years	11.54%	0%	100%	0%	0%	50%
30 years to 40 years	27.36%	0%	100%	0%	0%	50%
40 years to 50 years	17.10%	0%	100%	0%	0%	50%

Local Indicators

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

The table below shows target borrowing and investment rates

	2015/16 Actual %	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %
Average Investment Target Return	0.78%	0.84%	0.75%	0.75%	1.00%	1.25%
Average Investment Target – Property Fund	n/a	3.5%	3.5%	3.5%	3.5%	3.5%
Long Term Borrowing Target						
• Current Portfolio	5.72%	5.72%	5.70%	5.72%	5.72%	5.72%

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

5.5 Policy on Borrowing in Advance of Need

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

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

Borrowing in advance could be made within the constraints that:

- It will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period; and
- Would not look to borrow more than 24 months in advance of need. Where possible rates will be locked using forward borrowing to reduce the risk of the Council holding cash in low interest rate environment.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism. The probability of this happening is low.

However should the Council need to borrow in advance of need, then the following will apply.

Year	Maximum Borrowing in advance	Notes
2017/18	No more than 50% of under borrowing requirement	Borrowing in advance will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the period of the approved Medium Term Capital Programme, a maximum of 2 years in advance to reduce carrying costs.
2018-19	No more than 50% of under borrowing requirement	
2019-20	No more than 50% of under borrowing requirement	
2020-21	No more than 50% of under borrowing requirement	

5.6. Debt Rescheduling

Long-term fixed rates have remained relatively unchanged over the past three years. Although borrowing costs remain historically attractive, redemption rates are prohibitive.

The following table shows the maturity profile of the Council's current debt as at 30 November 2016.

Duration	£'000	% of Debt Portfolio
less than 1 year	3,966	3.39
1 - 2 years	0	0
2 - 5 years	4,000	3.42
5 -10 years	26,510	22.66
10 -15 years	4,500	3.85
15- 20 years	12,500	10.69
20 - 25 years	0	0.00
25-30 years	13,500	11.54
30 - 35 years	0	0.00
35-40 years	32,000	27.36
40 -45 years	0	0.00
45-50 years	20,000	17.10
Total	116,976	100.00

All of the Council's LOBOs are past their non call period, however, should all LOBOs be called at their next interest due date then the maturity profile will be as shown in the table below, an event which is very unlikely in the current low interest rate environment.

Duration	£'000	% of Debt Portfolio
less than 1 year	63,000	53.86
1 - 2 years	1,966	1.68
2 - 5 years	0	0.00
5 -10 years	26,510	22.66
10 -15 years	0	0.00
15- 20 years	3,500	2.99
20 - 25 years	0	0.00
25-30 years	0	0.00
30 - 35 years	0	0.00
35-40 years	22,000	18.81
40 -45 years	0	0.00
45-50 years	0	0.00
Total	116,976	100.00

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

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

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

The Council tests the markets for redemption opportunities should they exist. The PWLB loans portfolio was elected for the early redemption review as at 30 November 2016. A total loan value of £52m would incur redemption costs of £25million in addition to any accrued interest due.

The high cost of early redemption is not economically viable in current markets. However there may be cases where the Council is able to negotiate with the counterparty (**Appendix 1**).

The Director of Corporate Services will continue to review and identify any potential for making savings and provide Cabinet with updates when such opportunities arise. Any rescheduling activity will be reported to Cabinet at the earliest meeting following the transaction.

Use of Derivatives

The Council may use derivatives for risk management purposes in line with relevant statutory powers, recommended accounting practices and legal opinions on the use of derivatives by Local Authorities in the UK.

5.7 Borrowing Options

The Council will use a number of borrowing sources. These include the Public Works Loans Board (PWLB maturity, EIP or annuity loans), Market loans, Municipal Bond Agency, Retail Bonds, Loans from other Local Authorities and temporary loans. It is hoped that borrowing rates will be lower than those offered by the PWLB. The Council intends to make use of this new source of borrowing as and when appropriate.

5.8 Changes Which May Affect Treasury Management

- Future Regulatory Changes to Money Market Fund Valuation
Proposed EU legislative changes will require money market funds with constant net asset value to change to variable net asset value. This will mean that investors in the fund will be liable for their share of losses as a result of counterparty failure. Consultation continues on the expected changes.

- Proposed Changes to Leasing
Future changes to accounting for leasing may mean that the cost of service will increase along with increases in MRP and CFR which will affect the Council's underlying borrowing requirement. It is anticipated that there may be some impact on both capital and revenue income and the changes will require all leases to be included on the balance sheet and be measured on PV of future lease payments. The new lease standard (IFRS 13) issued in 2015 is not anticipated to be adopted until 2019/20.

- Municipal Bond Agency

It is likely that the Municipal Bond Agency currently in the process of being set up will be offering loans to local authorities in the near future. It is also hoped that borrowing rates will be lower than those offered by the PWLB.

- Future Challenges to Local Government Funding
Future challenges to local government funding and their effect on cash flow remains a challenge.

6. ANNUAL INVESTMENT STRATEGY

6.1 Investment Policy

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

6.2 Investment Strategy

The Council does not place cash with fund managers as all of its cash is managed in-house. Base rate is forecast to remain at 0.25% till Q4 2019. The forecast rates have been built on the basis that bank rate is expected to remain unchanged until around the fourth quarter of 2019, however if interest rates do not rise then future income expectations may not be met. Local indicators /benchmark for investments set is included in paragraph 5.4 of this report.

In order to maximise returns, cash available for investments will be split into three categories;

- Operational cash (under 3 months)
- Core cash (available for 3 to 6 months)
- Strategic cash (available for over 6 months)

The aim is to invest strategic cash for a minimum period of 12 months to enable the Council to secure advantageous rates, taking account of counterparty risk. However this is also constrained by counterparty risk. Operational cash will predominantly be lent overnight or for periods less than three months.

6.3 Alternative Investment Instruments

The Council has in the past restricted its treasury activities to simple investment structures like fixed deposits and money market funds. However, in the current market, regulatory and economic environment, the Council may be required to utilise various instruments. **Appendix 5** of this report gives a detailed overview of the types of instrument and investment options available to the Council.

The global financial crisis of 2008 led to a major overhaul of regulation, market practices and financial institutions across the world. The changes have been aimed at promoting greater transparency and investor confidence.

Some of these measures include more institution-level regulatory changes like stringent capital, leverage and liquidity requirements in addition to The European Union (EU) Directives on Bank Recovery and Resolution (BRRD) and Deposit Guarantee Schemes (DGSD) among a few are key in this reform. Although these changes are ultimately designed to make financial systems more robust, they are not expected to have a fundamental impact on insolvency creditor hierarchy.

Although the Council does not expect a fundamental change in type of instruments it uses in the delivery of its treasury management activities, a number of new instruments have been included to provide flexibility should there be changes in the economic environment which may warrant their use. As with any investment, there are varying degrees of risk associated with each instrument or investment options.

Should the Council decide to invest in any asset class a comprehensive analysis will be conducted to understand the associated risk and each instrument will be signed off by the Director of Corporate Services prior to any activity.

6.4 Investment Treasury Indicator and Limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and are based on the availability of funds after each year-end.

	31 Dec 2016 Actual £'m	2016/17 Estimate £'m	2017/18 Estimate £'m	2018/19 Estimate £'m	2019/20 Estimate £'m	2020/21 Estimate £'m
Estimated Principal sums invested greater than 364 days	5m	18m	40m	40m	30m	30m

In addition to fixed deposits, a number of other financial instruments like Property funds will fall under the category of investments with duration exceeding 364 days. In addition to using money market funds, call accounts and notice accounts, the Council will seek to utilise other liquid and transferable instruments like certificate of deposits and gilts for its cashflow balances.

6.5 Use of Specified and Non-Specified Investments

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

Specified Investments

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

- The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling;

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

Non-Specified Investments

Non-Specified investments are defined as those not meeting the above criteria and exceeding 365 days in duration.

6.6 Investment Risk Benchmarking

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change

Revenue Pressures – 0.1% improvement on £20m is £20k income generated and the cost of no risk is lost revenue therefore risks must be balanced to the Council's risk appetite.

Security - The Council's maximum security risk benchmark for the current portfolio:

- Liquidity – in respect of this area the Council seeks to maintain:
 - Bank overdraft - £1m
 - Liquid short-term deposits of around £5m or more available with one day access.

6.7 Risk Management and Creditworthiness Policy

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

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

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

- Yellow 5 years
- Dark pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
- Light pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

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

	Colour (and long term rating where applicable)	Money Limit	Time Limit
Banks	yellow	£35m	5yrs
Banks	purple	£25m	2 yrs
Banks	orange	£25m	1 yr
Banks – part nationalised	blue	£25m	1 yr
Banks	red	£10m	6 mths
Banks	green	£5m	100 days
Banks	No colour	Not to be used	
Limit 3 category – Council’s banker	Lloyds bank	£5m	1 day
Other institutions limit	-	£5m	1yrs
DMADF	AAA	unlimited	6 months
Local authorities	n/a	£5m	1yrs
	Fund rating	Money Limit	Time Limit
Money market funds	AAA	£35m	Instant
Enhanced money market funds with a credit score of 1.25	Dark pink / AAA	£25m	Instant
Enhanced money market funds with a credit score of 1.5	Light pink / AAA	£10m	Instant

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

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

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

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Capita Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on any external support for banks to help support its decision making process.

6.8 Country and Sector Limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in **Appendix 3**. This list will be added to, or deducted from by officers should ratings change in accordance with this policy.

6.9 Banking Arrangements

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

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

6.10 Lending to Community Organisations, Other Third Parties and RSLs - Any loans to or investments in third parties will be made under the Well Being powers of the Council conferred by section 2 of the Local Government Act 2000 or Localism Act of 2011.

The Well Being power can be exercised for the benefit of some or all of the residents or visitors to a local authority's area. The power may also be used to benefit organisations, schools, local enterprises, local companies or even

individuals. Loans of this nature will be under exceptional circumstances and must be approved by Cabinet or by delegated authority to the Director of Corporate Services. Authorisation from the Financial Conduct Authority (FCA) will also be sought where applicable.

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

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

6.11 Non-Treasury Investment Lending

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

6.12 Comparative Reviews - The Council participates in various comparative and benchmarking clubs.

7. Cashflow Management

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

Forecasts are based on best estimates which may slip due to unforeseen circumstances and the nature of large projects. The Council can borrow in advance of need if rates fall and borrowing becomes a lot more advantageous than it currently is.

7.2 Purchase and Corporate Credit Cards

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

8. Policy on the use of External Service Providers

The Council recognises CIPFA's guidance on Treasury Management that the responsibility for Treasury Management cannot be delegated outside the authority and recognises that any external service provider used by the Council is to support the in-house Treasury Management function. The Council will

ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. The Council is aware of the CIPFA Treasury Management Advisors Regulation and Services issued in March 2010.

The Council is also mindful of the requirements of the Bribery Act 2011 as amended in its dealings with external providers. A copy of the Council's policy can be found in the link below.

http://www.merton.gov.uk/democratic_services/w-agendas/w-nonexecreports/1115.pdf

9. Training

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

10. The Localism Act

- 10.1 A key element of the Act is the "General Power of Competence": "A local authority has power to do anything that individuals generally may do." CIPFA emphasise that where the legality of the use of derivatives is confirmed, then there is a need for a framework for their use. The Council currently does not use derivatives. Should the need for the use of derivatives arise as a requirement for managing its interest rate exposure or hedging its investments, the Council will take legal advice and report to members before use.

11. Treasury Management Practices

- 11.1 The 2011 Code reinforces a framework of 12 Treasury Management practices (TMPs), which define the manner in which authorities seek to achieve the policies and objectives outlined in their Treasury Management policy statement. The Council's detailed Treasury Management practices approved in March 2012/13 can be found on the Council's intranet. An updated version is included as **Appendix 5**

12. Appendices

- 12.1 Appendix 1– Early Repayment of Debt Estimate
Appendix 2 – Policy Investments (Non-Treasury Management Investments)
Appendix 3 – Approved Countries for Investment
Appendix 4 – The Treasury Management Role of the S151 Officer
Appendix 5 – Treasury Management Practices 2017/18

Appendix 6 – Prudential Indicators for 2016/17 to 2019/20

Appendix 7 – Glossary

Appendix 8 – Cashflow Forecast

13. Background Papers

- CIPFA Prudential Code for Capital Finance in Local Authorities 2013 Edition
- 2016/17 Treasury Management Strategy report
- The Guide to Local Government Finance (2013 Edition) Module 4: Treasury Management
- CIPFA Practical Considerations in Using Financial Instruments to Manage Risk in the Public Sector
- London Borough of Merton Capital Strategy 2017/21

APPENDIX 1 – Early Repayment of Debt Estimates for a Selection of Debt

PWLB loan Early Redemption Estimates at 30 November 2016

Internal Reference No.	Lender	Last Date Interest was Paid	Loan Start Date	Loan Term (yrs)	Loan Maturity Date	Loan Principal Outstanding (£)	Loan Rate (%)	Term left on Loan (Yrs)	Next Interest Due Date	Discount Rate (%)	Accrued Interest to 30 Nov 2016 (£)	Premium/Discount (£)	Total Due (£)
1000484711	PWLB	31/10/2016	13/11/2000	24	31/10/2024	5,000,000	5.000	7.9	30/04/2017	0.97	20,547.95	1,532,107.50	6,552,655.45
1000484981	PWLB	31/10/2016	30/11/2000	24	31/10/2024	1,500,000	4.750	7.9	30/04/2017	0.97	5,856.16	431,119.08	1,936,975.24
1005489969	PWLB	20/11/2016	20/05/2005	30	20/05/2035	2,500,000	4.450	18.4	20/05/2017	1.85	3,047.95	1,013,124.14	3,516,172.09
1005490706	PWLB	21/11/2016	21/11/2005	26	21/11/2031	1,000,000	4.250	14.9	21/05/2017	1.69	1,047.95	337,449.67	1,338,497.62
1005490967	PWLB	25/07/2016	10/01/2006	50	25/07/2055	10,000,000	3.950	38.6	25/01/2017	1.74	138,520.55	6,199,143.25	16,337,663.80
1005490976	PWLB	25/07/2016	10/01/2006	50	25/07/2055	5,000,000	3.950	38.6	25/01/2017	1.74	69,260.27	3,099,571.62	8,168,831.89
1006491475	PWLB	28/10/2016	28/04/2006	45.5	28/10/2051	7,000,000	4.400	34.8	28/04/2017	1.81	27,846.58	4,676,574.39	11,704,420.97
1097480120	PWLB	30/09/2016	15/10/1997	25.5	31/03/2023	310,000	6.625	6.3	31/03/2017	0.72	3,432.29	113,120.87	426,553.16
1097480121	PWLB	30/09/2016	15/10/1997	26.5	31/03/2024	12,000,000	6.500	7.3	31/03/2017	0.89	130,356.16	4,768,440.63	16,898,796.79
1097480232	PWLB	30/09/2016	11/11/1997	26.5	31/03/2024	1,700,000	6.750	7.3	31/03/2017	0.89	19,177.40	705,632.88	2,424,810.28
1098480925	PWLB	31/10/2016	30/04/1998	26	30/04/2024	6,000,000	5.875	7.4	30/04/2017	0.89	28,972.60	2,142,364.86	8,171,337.46
						52,010,000					448,065.86	25,018,648.89	77,476,714.75

APPENDIX 2 – Policy Investments (Non-Treasury Management Investments)

Type	Duration	
Joint Development Companies	One month to 10 years	Subject to specific terms
Loans to Registered Landlords	One month to 5 years	Subject to specific terms
Open Loan Facility to RCL's with an affiliation with Merton	One month to 5 years	Subject to specific terms
Loans to wholly owned companies	One month to 30 years	Subject to specific terms
Loan to any other type of organisation	One month to 10 years	Subject to specific terms

APPENDIX 3 – APPROVED COUNTRIES FOR INVESTMENTS (as at 30 November 2016)

Below is the current list of approved countries for investments for use by the Council's treasury team. The countries on the Council's approved list may change from time to time as Sovereign ratings change.

This list is based on those countries which have sovereign ratings of AA- or higher and also, (except - at the time of writing - for Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Capita Asset Services credit worthiness service.

AAA

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

AA+

- Finland
- U.K.
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- Qatar

AA-

- Belgium

APPENDIX 4

Treasury Management Role of the Section 151 Officer

The S151 Officer (Director of Corporate Services)

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

APPENDIX 5

LONDON BOROUGH OF MERTON **TREASURY MANAGEMENT PRACTICES 2017/18**

TMP 1: RISK MANAGEMENT

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

1.1 Credit and Counterparty Risk Management

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

Policy on the use of credit risk analysis techniques

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

1.2 Liquidity Risk Management

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

case for doing so and will only do so for the current capital programme or to finance future debt maturities.

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

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

a. Short-term borrowing facilities

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

b. Special payments

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

c. Inter account transfer

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

1.3 Interest Rate Risk Management and use of Derivatives

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

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

Policies concerning the use of instruments for interest rate management.

- **Forward Dealing**
Consideration will be given to dealing for forward periods depending on market conditions. When forward dealing is more than a 364 day period forward, the approval of the Director of Corporate Services is required.
- **Callable Deposits**
The council may use callable deposits as part as of its Annual Investment Strategy (AIS). The credit criteria and maximum periods are set out in the Schedule of Specified and Non Specified Investments appended to the AIS.

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

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

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

1.4 Exchange Rate Risk Management

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

1.5 Refinancing Risk Management

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

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

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

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

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

1.6 Legal and Regulatory Risk Management

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

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

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

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

1.7 Fraud, Error and Corruption, and Contingency Management

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

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

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

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

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

1.8 Market Risk Management

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

TMP 1: SCHEDULE 1 – SPECIFIED AND NON SPECIFIED INVESTMENTS

This is included in the Treasury Management Strategy.

TMP 2: PERFORMANCE MEASUREMENT

2.1 Evaluation and Review of Treasury Management Decisions

Periodic Review During the Financial Year

The Director of Corporate Services will hold treasury management review meetings with the Treasury Manager, periodically or as required to review actual activity against the Treasury Management Strategy Statement (TMSS) and cashflow forecasts. This will include:

- Total debt (both on-and off- balance sheet) including average rate and maturity profile.
- Total investments including average rate and maturity profile and changes to the above from the previous review and against the TMSS.
- Cashflow forecast against the actual.

Annual Review After the end of the Financial Year

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

Comparative Review

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

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

2.2 Benchmarks and Calculation Methodology

2.2.1 Debt management

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

2.2.2 Investment

The performance of investment earnings will be measured against any of the following benchmarks:

- In-house benchmark and when necessary other benchmarks such as Bank of England base rate, 7-day LIBID un compounded, 7-day LIBID compounded weekly, 1-month LIBID and 3-month LIBID compounded quarterly

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

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

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

2.3.1 Money-broking Services

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

2.3.2 Consultants / Advisers Services

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

TMP 3: DECISION-MAKING AND ANALYSIS

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

3.1.1 Records to be kept

The following records will be retained:

- Daily cash balance forecasts for the day and previous day
- Money market deal booking and deal approval confirmation emails
- Dealing slips for all investment and borrowing transactions
- Brokers' confirmations for all investment and temporary borrowing transactions made through brokers

- Confirmations from borrowing / lending institutions including money market fund portals
- PWLB loan confirmations
- PWLB interest due schedule
- Certificates for market loans, local bonds and other loans
- Deal confirmation letters for deals over one month
- Banking and other contract documents which the treasury team has responsibility for.

3.1.2 Processes to be pursued

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

3.1.3 Issues to be addressed

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

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

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

- a) Consider the ongoing revenue liabilities created, and the implications for the organisation's future plans and budgets
- b) Evaluate the economic and market factors that might influence the manner and timing of any decision to fund

- c) Consider the merits and demerits of alternative forms of funding, including funding from revenue, use of reserves, leasing and private partnerships; and
- d) Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

3.1.3.3 In respect of investment decisions, the Council will:

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

TMP 4: APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

4.1 Approved Activities of the Treasury Management Operation

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

4.2 Approved Instruments for Investments

English and Welsh authorities: The Annual Investment Strategy has a list of approved instruments.

4.3 Approved Techniques

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

4.4 Approved Methods and Sources of Raising Capital Finance

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

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

Other Methods of Financing

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

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

4.5 Investment Limits

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

4.6 Borrowing Limits

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

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

5.1 Allocation of Responsibilities

(i) Council (Budget)

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

(ii) Cabinet

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

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

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

5.2 Principles and Practices Concerning Segregation of Duties

5.2.1 The following duties are undertaken by separate officers: -

Tasks	Duties	Responsible Officer
Dealing	• Negotiation and approval of deal	Treasury manager
	• Entering of deal into Logotech	Treasury manager/ Fund officer
	• Sending confirmation letter to counterparty (to be signed by authorised signatory)	Treasury manager/Fund officer
	• Checking of brokers and counterparty confirmation notes against Logotech	Fund officer
	• Reconciliation of FMIS Codes and reconciliation to bank statement	Fund officer Treasury manager
	• Sign off of reconciliations	Fund officer

Accounting Entry	<ul style="list-style-type: none"> • Processing of accounting entry into FMIS (bank reconciliation team) 	Bank reconciliation team
Authorisation / Payment of Deal	<ul style="list-style-type: none"> • Inputting CHAPS on Lloyds link • Approval of CHAPS on Lloyds link and CHAPS form authorisation 	Treasury manager/Fund officer Authorisers per bank mandate

5.3 Statement of the Treasury Management Duties/Responsibilities of Each Treasury Post

5.3.1 Responsible Officer

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

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

the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations

- m) It is also the responsibility of the responsible officer to ensure that the council complies with the requirements of The Non-Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

5.3.2 Treasury Manager

The responsibilities of this post will be: -

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

5.3.3 Head of the Paid Service – the Chief Executive

The responsibilities of this post will be: -

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

5.3.4 Monitoring Officer

The responsibilities of this post will be: -

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

5.3.5 Internal Audit

The responsibilities of Internal Audit will be: -

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

5.4 Absence Cover Arrangements

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

5.5 Dealing Limits

- No investment deal must exceed £5million per transaction
- No borrowing deal at any point in time must exceed £10 million except when existing loans are being repaid.

5.6 List of Approved Brokers

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

Policy on Brokers' Services

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

5.7 Policy on Taping of Conversations

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

5.8 Direct Dealing Practices

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

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

5.9 Settlement Transmission Procedures

A confirmation letter signed by an authorised signatory per the Council's bank mandate must be sent to the counterparty if the deal period exceeds one month. Copy of forms folder located in H:/techaccy/treasury/Daily Treasury for PF

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

5.10 Documentation Requirements

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

5.11 Arrangements Concerning the Management of Third-Party Funds.

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

TMP 6: REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

6.1 Annual Treasury Management Strategy Statement

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

6.2 Annual Investment Strategy Statement

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

- a) The Council's risk appetite in respect of security, liquidity and optimum performance
- b) Which specified and non specified instruments the Council will use
- c) The Council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list
- d) Which credit rating agencies the Council will use
- e) How the Council will deal with changes in ratings, rating watches and rating outlooks

- f) Limits for individual counterparties and group limits
- g) Country limits
- h) Levels of cash balances
- i) Interest rate outlook
- j) Budget for investment earnings
- k) Policy on the use of external service providers

6.3 Annual Minimum Revenue Provision Statement

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

6.4 Policy on Prudential and Treasury Indicators

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

6.5 Other Reporting

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

TMP 7: BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

7.1 Statutory / Regulatory Requirements

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

TMP 8: CASH AND CASHFLOW MANAGEMENT

8.1 Arrangements for Preparing Cashflow

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

amounts to be paid or received as and when they are known. Logotech is used to record cashflow.

8.2 Bank Statements Procedures

The Council receives daily bank statements on a daily basis, download into the folder below. Estimates on Logotech cashflow is updated with actuals from bank statement.
H:\TECHACCY\TREASURY\Daily Treasury for GF General Fund Daily

TMP 9: MONEY LAUNDERING

9.1 Proceeds of Crime Act 2002 and Amendments

See Council's website and intranet for money laundering process and associated policies
http://intranet/anti_money_laundering_policy.pdf

9.2 The Terrorism Act 2000 and Amendment order

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

9.3 The Money Laundering Regulations 2007 and Updates

The Council's money laundering officer is the Head of Audit. See Council's website and intranet for details http://intranet/anti_money_laundering_policy.pdf

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

9.4 Procedures for Establishing Identity / Authenticity of Lenders

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

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

9.5 Methodologies for identifying Deposit Takers

Other than those organisations mentioned in para section 6.10 and Appendix 2 of the treasury strategy, in the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list.

These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The FCA Register can be accessed through their website on www.fca.gov.uk.

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

TMP 10: TRAINING AND QUALIFICATIONS

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

All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time.

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

10.1 Details of Approved Training Courses

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

10.2 Records of Training Received by Treasury Staff

Staff will keep records on their training.

10.3 Member Training Record

Member training will be provided as required.

TMP 11: USE OF EXTERNAL SERVICE PROVIDERS

11.1 Details of Contracts with Service Providers, Including Bankers, Brokers, Custodian Banks, Consultants, Advisers

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

11.1.1 Banking Services

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

11.1.2 Money-Broking Services

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

11.1.3 Consultants'/Advisers' Services

Treasury Consultancy Services

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

11.1.4 Custodian Banks

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

11.1.5 Credit Rating Information

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

11.2 Procedures and Frequency for Tendering Services

See TMP2

TMP 12: CORPORATE GOVERNANCE

12.1 List of Documents to be Made Available for Public Inspection

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

APPENDIX 6

PRUDENTIAL INDICATORS FOR 2016/17 TO 2019/20

PRUDENTIAL INDICATORS	2016/17 Probable Outturn £'000	2017/18 Forecast £'000	2018/19 Forecast £'000	2019/20 Forecast £'000
1. CAPITAL EXPENDITURE				
a) Capital Expenditure (includes expenditure funded by supported, unsupported borrowing and other sources)				
i) General Fund estimated as at 30/11/16 (Net of Leasing)	31,544	40,259	34,864	16,101
Total as at 30/11/16	31,544	40,259	34,864	16,101
b) In year Capital Financing Requirement (CFR)				
i) General Fund (Gross of MRP costs)	7,154	7,004	6,579	7,634
Total in year CFR	7,154	7,004	6,579	7,634
c) Capital Financing Requirement as at 31 March (Balance Sheet figures)				
i) General Fund (Net of MRP costs)	189,978	181,644	192,997	193,274
Total	189,978	181,644	192,997	193,274

2. AFFORDABILITY				
a) Ratio of Financing Costs to net Revenue Streams				
i) General Fund	11.29%	11.50%	11.51%	13.76%
b) General Fund Impact of Prudential (Unsupported) Borrowing on Band D Council Tax Levels (per annum)				
i) In year Increase	-£39.87	£0.84	-£9.85	£38.74
ii) Cumulative Increase (includes MRP costs)		-£39.03	-£48.88	-£10.14
3. LONG-TERM EXTERNAL DEBT				
a) Debt Brought Forward 1 April	116,976	113,010	113,010	113,010
Debt Carried Forward 31 March	116,976	113,010	113,010	113,010
Additional Borrowing	0	(3,966)	0	0
b) Operational Boundary for External Debt (Excludes Revenue Borrowing)				
i) Borrowing	148,989	143,500	142,073	139,792
ii) Other Long-term Liabilities	32,013	30,490	29,063	26,782
c) Total Operating Debt (Excludes Revenue Borrowing)	181,002	173,990	171,136	166,574
Add margin for cashflow contingency	37,987	49,510	50,937	53,218
Affordable Borrowing Limit (Includes Revenue Borrowing)	218,989	223,500	222,073	219,792
Authorised Limit for External Debt (Includes Revenue Borrowing)				
• Borrowing	148,989	143,500	142,073	139,792
• Other Long-term Liabilities	70,000	80,000	80,000	80,000

Authorised Borrowing Limit	218,989	223,500	222,073	219,792
4. TREASURY MANAGEMENT				
a) Borrowing Limit – Upper Limit for Fixed Interest Rate Exposure Expressed as: Net Principal re Fixed Rate Borrowing/Investments	218,989	223,500	222,073	219,792
b) Borrowing Limit – Upper Limit for Variable Interest Rate Exposure Expressed as a %: Net Principal re Variable Rate Borrowing/Investments	50%	50%	50%	50%
c) Lending Limit – Upper Limit for Total Principal Sums Invested for Over 364 Days Expressed as a % of Total Investments	50%	50%	50%	50%
d) Maturity Structure of new Fixed Rate Borrowing, if Taken During 2017/18	LOWER LIMIT		UPPER LIMIT	
i) Under 12 Months		0		10%
ii) 12 Months to 24 Months		0		20%
iii) 24 Months to 5 Years		0		30%
iv) 5 Years to 10 Years		0		40%
v) 10 Years and Above		0		100%

APPENDIX 7

GLOSSARY OF TREASURY MANAGEMENT TERMS

Accrued Interest

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

Basis Point

One hundredth of 1% e.g. 0.01%

Certificate of Deposit (CD)

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

Coupon

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

Covered Bond

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

Credit Rating

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

Credit risk

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

Debt Management Office (DMO)

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

Financial Strength Rating

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

Floating Rate Note (FRN)

An instrument issued by Banks, Building Societies and Supranational organisations which has a coupon that re-sets usually every 3 months. The refix will often be set at a premium to 3 month LIBOR.

Gilt

A UK Government Bond, sterling denominated, issued by HM Treasury

Index Linked Gilts

A government bond issued by the DMO whose coupon and final redemption payment are related to movement in the RPI (Retail Price Index)

Interest Rate Risk

The risk that an investment's value will change due to a change in the absolute level of interest rate. Interest rate risk affects the value of bonds more directly than stocks, and it's a major risk to all bond holders. As interest rates rise, bond prices fall and vice versa. The rationale is that as interest rates increase, the opportunity cost of holding a bond decreases since investors are able to realise greater yields by switching to other investments that reflect the higher interest rate

LIBOR

London Interbank Offered Rate: set on a daily basis. The rate at which banks lend to each other for different periods

Long Term

Duration in excess of 1 year

Net Asset Value (NAV)

Often used when funds or investment assets are valued. This term generally means the total assets less total liabilities.

Premium

The sale/purchase of an asset at a level that is above the par value or original price. If a security is trading at a premium, current market interest rates are likely to be below the coupon rate of the security.

Short Term

Duration of up to 1 year

Support Rating

Fitch Ratings Agency's assessment of extraordinary support given to a financial institution either by the parent and or sovereign.

Supranational Bond

A bond issued by a Supranational organisation (multi-lateral development banks). They are AAA rated organisations in which the share capital is jointly owned and guaranteed by leading developed nations in their respective region.

Treasury Bill (T-Bills)

A Treasury Bills is a short dated instrument issued by HM Treasury. They are issued at a discount, therefore they are not coupon bearing.

Viability Ratings

Assessment of a bank's intrinsic creditworthiness applied by Fitch Ratings Agency. Its aim was to enhance visibility on benefits of support. This replaced the individual ratings.

Yield Curve

The yield curve represents the relationship between yield and maturity. The conventional shape being that as the maturity lengthens, the yield will increase. Each security will have its own yield curve, depending on the yield in every time period available.

Description	2015/16	2016/17	2016/17	Forecast	2017/18	2018/19	2019/20
	Actual £000	Current Budget Forecast £000	Year end Forecast as at December 2016 Forecast £000	Variance at year end (December forecast compared to "Budget") Forecast £000	Forecast £000	Forecast £000	Forecast £000
Payments							
Payroll Related Payments (including payroll element of Schools' advances)-net pay	116,209	109,615	168,000	58,385	114,843	115,991	117,151
Payroll related-HMRC	41,600	37,642	39,240	1,598	39,459	39,853	40,252
Payroll related-Teachers Pensions Authority	14,502	8,678	13,805	5,127	13,828	13,966	14,106
Payroll related-pension fund and disbursements and including back funding and added years	22,712	15,752	20,127	4,375	21,796	22,014	22,234
Service payments- (Premises, Transport, Supplies and Services and Third Party payments)	299,145	359,642	216,143	-143,499	277,842	291,611	287,598
Transfer Payments-Housing Benefits	93,060	97,349	89,561	-7,788	94,589	97,427	100,349
Bank Charges & Related Expenditure	247	246	281	35	288	297	306
Precepts and Levies - CTAX (GLA) and NDR(GLA,CLG) and levies	80,113	84,250	84,088	-162	86,778	89,381	92,062
Business Rates and CTax Refunds	5,787	6,360	6,128	-232	6,176	6,361	6,552
Capital Payments	29,078	32,006	26,300	-5,706	46,459	47,853	49,289
Total Payments	702,453	751,540	663,673	-87,867	702,057	724,755	729,899
Receipts							
Business Rates Receipts	-90,733	-91,913	-95,439	-3,526	-99,641	-102,630	-105,709
Council Tax Receipts	-104,431	-105,028	-105,062	-34	-109,179	-112,454	-113,579
DWP - Housing Benefit Subsidy & Admin Grant & Discretionary Housing Payment grant&S31 Grant)	-93,310	-97,816	-90,983	6,833	-95,048	-97,900	-100,837
Grants (Including Capital Grants and Public Health Grants)	-240,758	-270,641	-216,230	54,411	-221,347	-225,774	-230,289
Other receipts-fees and charges	-72,025	-77,689	-55,931	21,758	-63,237	-65,134	-67,088
Payroll Recoupment	-83,440	-85,218	-76,064	9,154	-88,323	-90,972	-93,701
VAT Reimbursement	-21,830	-21,546	-21,281	266	-21,082	-21,715	-22,366
Total Receipts	-706,527	-749,851	-660,989	88,862	-697,857	-716,579	-733,570
1. Net Cashflow (Revenue and Capital Cash)	-4,074	1,689	2,685	995	4,200	8,175	-3,671
Interest Received on investments	-942	-580	-1,023	580	-947	-702	-543
Interest on Pooled Property Investment	-198	-284	-239	284	-239	-239	-239
Interest Paid on Debt inc DME	6,704	3,937	6,718	-3,937	6,437	6,173	6,173
2. Interest-net (Net cash flow)	5,564	3,073	5,456	-3,073	5,251	5,232	5,391
B/F Cash Deposits Balance (SoA Note 9 Financial Instruments)	86,100	58,538	85,400	-58,538	79,166	58,381	45,074
B/F ST Borrowing (SoA Note 9 Financial Instruments)	-11,910	0	0	0	0	0	0
Change in cash and investments	1,490	4,763	-6,234	-4,763	-20,785	-13,307	-1,770
C/Fwd Total	85,400	53,775	79,166	-53,775	58,381	45,074	43,304

Section B

Other Key Resources

B. WORKFORCE STRATEGY

The workforce strategy will be reviewed again following the completion of the Target Operating Model development process within the council. A refreshed draft will be ready in 2017 and in the meantime we will continue to deliver the actions identified in the current strategy. However some information has been updated.

1. INTRODUCTION

Welcome to Merton's Workforce strategy, which outlines our aims for the period 2014 – 2018 and shows how we will support, engage with and develop our workforce, so they are equipped to meet the challenges of continuing to deliver high quality services to our customers and local communities.

The people, who work for, work with, volunteer with, and wish to work for Merton Council, are vital for us to reach our goals. All of our achievements as a council, and the excellent services we deliver to our public, are reliant on us having a suitably skilled, able and equipped workforce, who demonstrates our values and behaviours. Our MJ Award for the Best Achieving Council in 2013 is testament to the commitment and professionalism of our people. This strategy aims to build on the success and dedication of the current workforce, and ensure that we have the structures and resources to meet the challenges of the future.

Through our Merton 2015 and London's Best Council programme we have already begun to transform the way we work and what we do - successfully delivering savings and new approaches to the services we offer our residents, while maintaining customer satisfaction. In order to achieve further changes, council departments have designed Target Operating Models which are focussed on providing the highest quality services to the public, operating with efficiency and accountability.

The workforce strategy will underpin the delivery of these Target Operating Models. Our workforce is at the heart of everything we do, and this strategy ensures that we have the right staff in the right place, with the right skills and tools to enable the transformation of council services to meet future challenges. This means in some areas the council will diminish in size and in other areas it may expand, depending upon the needs of that service to operate efficiently and effectively for our residents.

The strategy has been developed in consultation with staff from across the council, harnessing their knowledge and experience to identify the measures and actions that will enable Merton Council to meet its aspirations and continue to provide our public with high-quality services, environment and facilities.

The strategy shows how departments, managers and human resources will jointly contribute towards achieving our organisational priorities, and addresses four key areas:

- Workforce planning
- Recruitment and retention
- Organisational and workforce development
- Morale, health and wellbeing

Through the action plans and outcome measures that we are proposing, we believe that we will equip Merton Council with the modern and dynamic workforce that is needed to take on the challenges of delivering excellent public services for years to come.

Ged Curran

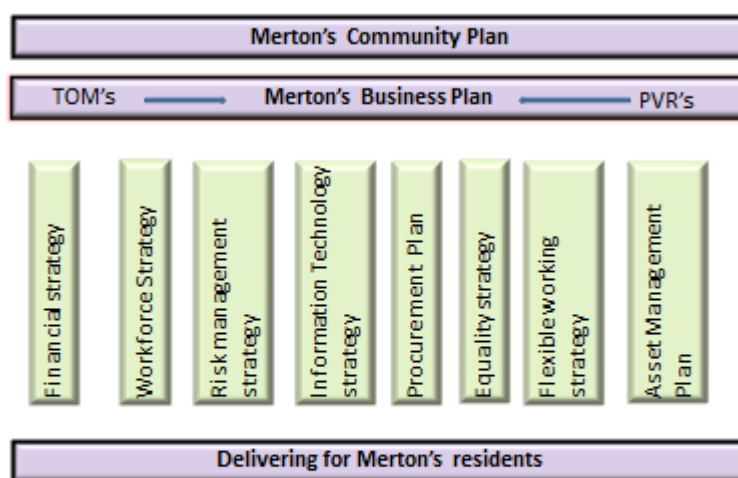
Chief Executive

2. BACKGROUND

Merton Council is undergoing a period of sustained and conscious transformation in order to best respond to the changing environment (especially financial) and customer expectations. We are working together to shape services and the organisation to ensure a successful future for our residents and staff.

2.1 Key Council priorities

The key priorities for the borough are captured within the Community Plan, developed by the Merton Partnership. The Plan sets the overall long-term direction and vision for the borough to 2019.



The Community Plan identified the first four priority areas, with Corporate Capacity having been added by the Council.

- Children and Young People – Better opportunities for youngsters
- Health and Well Being – A healthy and fulfilling life
- Sustainable Communities and Transport – Keeping Merton moving
- Safer and Stronger – Being safe and strong
- Corporate Capacity

The theme of Corporate Capacity encompasses the effective recruitment, development and management of staff. This Workforce Strategy outlines how we will transform the Council's workforce and be fit for purpose in 2018.

2.2 How the Council has changed in the last 3 years

We take a proactive approach to planning for our future. Since 2010 our transformation programme Merton 2015 has delivered savings of £70 million, or one third of our budget. It is to our employees' credit that through this time we have maintained high levels of resident satisfaction.

We are particularly proud of winning over 40 industry awards across a range of sectors and having achieved the MJ Award for the Best Achieving Council in 2013 against the backdrop of such a challenging financial environment.

Continued delivery of quality and value for money services for our residents has been achieved through reviewing our service delivery models and developing innovative solutions, including shared services, partnership working and the development of volunteering in the borough. Continuous improvement is at the heart of our approach and we have introduced lean methodology to drive out waste from our processes and now work in a highly focused and lean operation.

Our employees have shown themselves equal to the challenges, and as we plan the future shape of our services and organisation, we are laying the foundations to ensure that the workforce continues to enable the Council to best serve our residents.

3. HIGH LEVEL SHAPE OF THE WORKFORCE

Merton Council has a workforce of 2,003 people in 1,746 full-time equivalent posts, with an additional 3,307 (2,253 FTE) Schools employees, not including casual staff.

We work across five Departments: Environment and Regeneration (30%), Children, Schools and Families (25%), Community and Housing (25%), Corporate Services (20%) and the Chief Executive's Department. We work over a number of sites across the Borough, and we have recently undertaken a project to move more colleagues to the Civic Centre to free up premises space.

Within Schools (68.55%) of employees work part-time, outside of the Schools we mainly work full time (74.43%).

While some groups are unevenly represented across pay levels, there are no significant discrepancies in pay by protected characteristics.

The Council has a pay ratio of 1:11 between the lowest and highest paid employees, well within the ratio level of 1:20 that was established for the Hutton Fair Pay Review (March 2011), with the Council positioned in the bottom quartile for senior pay for the 32 London boroughs.

The decision has been taken to implement the London Living Wage, increasing the salary of the lowest paid staff to £9.75 per hour from 1 April 2017. We are working on calculating the full value of the pay and benefits package to be able to accurately communicate the reward for working at the Council.

Agency workers are a key part of our workforce plan providing resource and business-critical skills as and when it is needed, with agency workers making up 5.6% of our workforce in 2013. Through the workforce planning element of this strategy, agency use will be reviewed and reconfigured to provide best value for money and consistent service delivery, while maintaining the agility of the workforce.

We have a diverse workforce, the majority, 60% are female (88% in Schools) and 5.84% are disabled, which compares positively to the London Councils' median of 4.6% but this ratio is only 1.03% in Schools. A quarter of our workforce (23.26%) are from a Black, Asian and Minority Ethnic (BAME) background, which compares favourably to our 23% target.

However, only 5.8% of employees are from the Asian or Asian British community. In Schools there are 15% BAME employees, and 6.4% of an Asian or Asian British background, in both groups somewhat lower than the London Councils' median of 7.6%. Of more concern is the fact that within the resident community 35% are of Black, Asian and Minority Ethnic background as 18% of the community is of Asian background (2011 Census).

As is characteristic of local government, we have a mature workforce as 60.6 % of us are over the age of 45, while only 17.6% are 16-34, but only 2.21% are 16-24 of age. In recent years the numbers of younger workers have increased due to the rollout of apprenticeships.

Our turnover rate is traditionally very low with natural turnover (resignations) in 2013 at 5.5% with full staff turnover at 14.37% annually, which compares favourably with other London boroughs. In some areas however it is agreed that some turnover may actually be beneficial to service delivery and could be achieved through transformation.

In 2013 we recruited to 254 posts and the time to hire, from identification of a vacancy to the post being filled, is now at 90 days, having recently been reduced through a recruitment process review and the implementation of an applicant tracking system in April 2013.

Merton has a consistently higher than expected rate of sickness, with an average of 9.29 days per person lost to sickness, which compares unfavourably to the London Councils' average of less than 8, which is also our own target. Particularly high levels of sickness are present in Environment and Regeneration (12 days) and Community and Housing (11 days). Within these Departments, the high areas for sickness absence are Street Scene and Waste, and Access and Assessment and Direct Provision respectively. In these areas sickness is more prevalent due to the nature of the work which includes more physically demanding roles and work with vulnerable residents.

Merton Council performs well overall on analysis of our workforce data against

information from London local government organisations as well as recommendations for good practice.

The following areas have been identified as requiring action through the Strategy:

- Communicating the full value of the pay and benefits package
- Spans of control (e.g. who has responsibility for what)
- The review of agency use as part of workforce planning: reducing costs, while maintaining flexibility and sufficient resource
- Representation of the Asian community within the workforce
- Ageing workforce – succession planning and talent management
- Sickness absence – managing a reduction in the number of days lost to sickness

4. STRATEGY

4.1 The Council's strategic direction

We are rightly proud of our achievements over the past years, including the MJ Award for Best Achieving Council 2013, which is testament to the quality of dedication of our workforce.

We are committed to continue making Merton a great place for people to live, work and learn. The Council provides high quality services and we work with the community to enhance resident satisfaction. In the face of the economic climate, we set out to provide excellent value for money and continue to challenge the way we deliver our services to improve outcomes for our residents. We aim to do this by finding innovative solutions to maximise future efficiency. Our customers must be at the heart of our service planning. We will deliver services that customers want and need and involve our customers in service specification and design.

We are continuously reviewing and updating our delivery models and are at the forefront of new developments, such as partnership working including shared services and flexible working. The financial pressures facing Merton mean we will now take on the role of 'place-shaper' whereby the Council should be an enabler, working with partners to provide services.

By 2015 the core Merton Council workforce will be smaller than it was in 2010. However, some service areas may remain unchanged others have experience growth in this time, for example through becoming the hosts of shared services or expanding our volunteering schemes. We want to employ people who are resilient, ambitious, disciplined in thought and action, people who can take us from 'good to great'. We will reward and celebrate great individuals and team performance, but not tolerate sustained poor performance.

We build on the principles of the disciplined people, disciplined thought and disciplined action to take Merton Council from 'Good to Great' (Collins 2006). We work to a clear direction with high ambition, a strong vision and shared values. The

Council has a strong leadership at its helm, setting high expectations and driving continuous performance improvement.

4.2 Model for achieving the strategy

Since 2010 we have been working on a major transformation programme **Merton 2015**, which will radically transform our services by 2015 to meet resource constraints, while still delivering quality and value for money services for our residents.

To set the future vision for the Council and its services, we work on developing a Target Operating Model (TOM). TOM documents set a vision for each of the departments and detail the shape of our future business model, covering all aspects of the organisation, including: services, processes, structures, people and technology.

Through this process, the Departments have identified the main developments we will have to make to best deliver our services in the future. These include:

- Strategic modernisation of service delivery, including review of direct service delivery and management e.g. reduction in resources, externalisation / remodelling of services, changes to terms and conditions;
- Workforce that meets the demands of the future working environment, managing flexible working, more agile and responsive workforce, adaptability e.g. appropriate agency usage, review of the skill mix and spans of control;
- Workforce demographics, knowledge transfer and new approaches e.g. partnership working, apprenticeships and the use of volunteers;
- New and improved skills, responding to legislative changes, competency / behaviour based approach for staff management, leadership and management skills to embed a performance approach and quality assurance e.g. technical management skills, such as workforce mapping, and people management skills e.g. performance management conversations and effective staff engagement;
- 'Good to Great' principles of disciplined people, thought and action. Effective management of performance, capability and sickness, in policy as well as practice;
- Morale and engagement, further enhancing commitment to the organisation, clarifying what the Council expects of us and what we can expect of the Council. Effectively managing the impact of changes on the workforce;
- Ensuring that supporting resources and the relevant infrastructure are available, e.g. IT systems, and management information;

Additional programmes that have been designed to identify how we can provide better value for money services e.g service reviews, including Public Value Reviews, Target Operating Models and lean processes will have an impact on how we work. The reviews look to reduce costs while maintaining the quality of services and we apply the Lean methodology to best utilise our resources.

Through the Customer Contact Programme we are exploring better, cheaper contact with customers maximising the use of innovative technology to make it easier for us to do business, for customers to report service requests and for us to keep them informed of progress. This will require staff to implement and learn new systems and new ways of working to achieve this change.

The Flexible Working Programme will provide us with greater flexibility for staff and save time and money by making better use of technology.

5. KEY WORKFORCE PRIORITIES FOR THE FUTURE

We have identified four priorities for workforce transformation to support the realisation of the

Council's plans for the future:

- Workforce planning
- Recruitment and retention
- Organisational and workforce development
- Morale, health and wellbeing

To understand and define the priorities, key requirements and the corresponding actions, we triangulated statistical and comparative workforce data, departmental information through discussions with DMTs and information in the TOMs, to establish the future position of the Organisational and People Layers and associated requirements, and undertook a series of employee engagement focus groups.

What we want to achieve, why this is a priority, what actions we will take and who will be responsible to lead each action are outlined in the following sections and in the accompanying action plan in Appendices B and C in more detail.

Merton Council has a diverse workforce, but there is more work to ensure it is done to be fully representative of the resident community. As these changes can take time and are not fully within the Council's control, we will work to develop awareness and skills to enable employees – particularly those delivering services on the front line – to effectively work with diverse communities.

The Council's structure, its terms and conditions and therefore its workforce reflect the traditional local authority model and are fairly rigid. While much development is already underway, we will need to carry out significant further work to modernise the organisation, its service delivery and workforce. A key element of this modernisation will be embedding a flexible approach to work, which is a newly

introduced concept to the organisation. Flexible working will require new skills of managers, better performance management practice and a more outcomes based and accountability-driven approach from staff.

Highly responsive workforce planning is a new concept to some areas of the business, therefore skills to be able to do this successfully need to be developed. We will offer managers the support to accurately determine future workforce need, both in terms of employee numbers, volunteers and skills requirements. Once demand is determined, we will need an agile workforce, where employees are multi-skilled, and able to deploy their specialist skills in a range of settings.

In recent years, we have reduced management costs to minimise the number of front line job losses. We need to ensure that we have appropriate management spans of control and flexible and lean organisational structures. In 2009 Merton had 1.46 managers to direct reports. In 2012, our ratio of managers to staff was 1:6. We should aspire to develop Merton to reach the optimum span of control structure of 1:8 according to the Deloitte report to maximise efficiency and continue to reduce headcount, where it is safe and reasonable to do so. It is recognised that in some service areas, notably social care, direct practice with children has appropriate ratios, as governed by our regulators.

These transformation changes are having a significant impact on staff, which we need to proactively manage. We want everyone to feel supported to embrace these changes and will need to provide effective change management practice, engagement and communication activities, building on recent successes in this arena e.g. shared legal services reorganisation.

In order to maintain commitment to the organisation and positive morale, we will have to communicate a new 'psychological contract' (what we can expect of the Council and what it can expect of us). We can no longer offer a job for life, or, with flatter structures, necessarily a progression through the ranks, but can provide opportunities for on-going development of skills on the job and in formal training, leading to increased professional confidence and competence and better employability for the future.

5.1 Workforce planning

The Council has effective mechanisms for successful workforce planning. The shape of the workforce reflects service delivery models and supports the organisation to achieve its business objectives and outcomes.

What we want to achieve

- Correct alignment of workforce size, skills base, and behavioural competencies to future business models
- An agile workforce, which is responsive to changing needs
- A workforce which is representative of and sensitive to the community which it serves

Why this is a priority

The workforce is truly our most important asset, and one of the largest resources, as most Council services are delivered directly by our staff. The composition of Merton's current workforce requires some changes to ensure our continued success, meet future requirements and to better reflect our communities. We need to be able to accurately predict the shape of the workforce we will need to deliver our strategic plans and our services.

Actions

- Based on departmental TOMs, design the future shape of the workforce to best match its service delivery plans and financial context;
- Determine organisational structures, which support future delivery models - determine the desired combination of directly employed staff, shared services, externalised work, agency workers and volunteers, as well as appropriate spans of control for each service area;
- Review and action requirements to reflect legislative and regulatory changes as they emerge (e.g. Care Bill, BSF and Children and Families Act);
- Manage the transition from the current to the future structure;
- Establish on-going monitoring for workforce arrangements through accurate and relevant management information for decision-making e.g. workforce, equality, productivity and financial data;

Key outcomes

- A new workforce structure is in place supporting future service plans
- Appropriate organisational structures, including spans of control, are designed and implemented for each service area, reflecting best practice and local requirements
- Enhanced service delivery – as reported through the residents' survey - through improved workforce planning practice, including better training needs analysis
- Review and consideration of modernised terms and conditions

5.2 Recruitment and retention

The organisation has a clear and effective recruitment and retention focus and plan of key workforce skills and behaviours. This includes succession planning, and managing turnover.

What we want to achieve

- Make Merton an employer of choice through creating all innovative and positive brand image;
- Ensure future key talent is successfully recruited retained and developed in appropriate roles within the Council to deliver effective services to

residents and that capacity is built across the future workforce to implement new service delivery models;

- Establish inter-organisational collaboration to ensure that Merton's residents are served by the best people, whether within the Council or through our partners;
- Reduce recruitment and turnover costs and agency use;

Why this is a priority

We want to recruit, develop and retain talented people to enable us to deliver outstanding services to our residents. As our requirements and service delivery models change, our recruitment activity needs to evolve and respond to meet demand as cost effectively as possible. We want to attract the right people with the right skills and behaviours. We want to build leadership and strategic capacity. In specific divisions within the Council we have a high level of turnover, retention needs to be understood and stabilized.

Actions

- Implement the recommendations of the Recruitment Review 2013/14 ensuring that we optimise technological solutions, employer brand and embed the functionality of our applicant tracking system to meet hiring managers' and candidates' needs;
- Develop our employer brand, value proposition and talent wave to become an employer of choice, building on the success of recent awards;
- Analyse market trends, consider and find solutions for their impact on the current pay model, and communicate the value of the full benefits package;
- Sustain effective recruitment and retention of key staff groups, e.g. qualified social workers and children's specialist functions;
- Work to reflect our communities profile: review potential initiatives to address where the workforce is insufficiently representative of the community. In the interim, provide skills development to equip staff with knowledge and insight to effectively and sensitively work with diverse communities;
- Collaborate with strategic partners to develop a mobile and agile workforce serving the residents of Merton, develop new models, such as inter-organisational working, partnerships and volunteering;
- Develop career paths to support the optimum organisational design, build on opportunities for in-house professional development to grow leadership and strategic capacity e.g. apprenticeships, training contracts, secondments;

Key outcomes

- Balanced workforce in terms of skills, age and experience, addressing current concerns in workforce demographics and community representation;
- Merton Council perceived to be an employer of choice, attracting high quality candidates;
- Employees are more satisfied with opportunities to develop themselves and progress their employability;
- The structure and size of the Council meets current requirements and is adaptable to future needs
- Core professional and business critical skills are retained and available within the Council
- Reduction and better targeting in the use of agency staff – reduction in agency rates in social work roles;
- Talented people are delivering our services through direct employment or other service delivery models including partnership working, shared services or volunteering;

5.3 Organisational and workforce development

The workforce is equipped with the skills, competencies and infrastructure to achieve cultural change and the desired organisational behaviours when creating and delivering new and improved service delivery models (e.g. flexible working, customer service, IT). To support this the Council will provide new skills, abilities and competencies for the workforce including learning and development of key skills for future service delivery.

What we want to achieve

- Accurate mapping future workforce function, form, skills and behaviours to alternative business delivery models
- Ensure staff work in a modern, flexible way to improve productivity and efficiency and equip them with key future skills and behaviours to enable them to do so
- Provide first class customer service to meet our residents' needs, through new service channels where appropriate
- Best practice in safeguarding is embedded in all relevant roles and activities

Why this is a priority

It is crucial for Merton's success that our workforce has the right skills, behaviours and adaptability to meet the demands of the transformation and new service delivery models. Our managers need the skills and resources to effectively lead our teams and we need to be able to respond to organisational as well as legislative changes.

The requirements on organisational and workforce development are changing, with more focused and flexible options becoming the norm.

Actions

- Engender the 'Good to Great' principles of disciplined thought and action through the organisation;
- Managers' capability development specifically on building strategic capacity through future planning, accurate workforce planning and designing spans of control
- Train managers to strategically plan for service transformation and improvement i.e.TOM's including:
 - Train managers to map future workforce profile to business need
 - Train managers to undertake development needs analysis of the workforce to improve skills and behavioural competencies
- Develop first class customer service behaviours to meet our residents' needs, through new service channels where appropriate;
- Develop a workforce that's self-disciplined, enabled with both tools and skills to deliver excellence and held accountable for outcomes;
- Engender effective change management and communication practice to support the workforce to embrace changes and minimise the impact of changes;
- Embed the management behaviours across the organisation to support performance
 - Service inputs, outputs & outcomes – performance
 - People
 - Communication – stakeholder scanning
 - Resources – money, assets, technology
 - Change
 - Self-awareness and personal responsibility
- Maintain the golden thread of Council objectives – departmental objectives – team objectives – individual objectives to guide everyone's work;
- Provide a flexible and responsive suite of development options;
- Ensure that all statutory CPD requirements are met;
- Establish effective change management practices to support employees through the transformation;
- Prioritise learning and development spending to best support the Council's objectives and transformation;
- Leverage the opportunities for development arising from shared services and partnerships;

Key outcomes

- Correlate the development of first class workforce to deliver resident satisfaction, reflective of the 'Good to Great' culture, as measured by improvements on the Mori residents' survey;
- Employees feel supported through organisational change and report that communication was effective;
- Learning needs are effectively identified and support the organisations' overall objectives in the most cost effective way;
- Leaderships competencies are clearly demonstrated and performance improved;
- Potential future leaders have been identified, the diversity profile of the group is representative of the workforce and people are engaged on a talent management programme (Bringing on Talent Programme);
- Outcomes of learning and development activity can be clearly linked to the delivery of our priorities and key workforce objectives;
- Learning and development accessible to all staff and partners where appropriate;
- Performance of staff is increased through development of key skills and behaviours supported through honest performance appraisal conversations;
- Staff understand the Council and their own priorities and know what they need to do to achieve these;
- Staff are more satisfied with the opportunities for them to contribute to how the Council works;
- Increased customer satisfaction with effectively delivered services.

5.4 Morale, health and wellbeing

We need to ensure that the organisation understands what a healthy workforce looks like and supports staff to achieve this.

What we want to achieve

- An improved understanding of the issues underpinning workforce wellbeing, and develop actions to optimise wellbeing, productivity, engagement and attendance.
- Improved morale and employee engagement

Why this is a priority

We want to be a healthy and motivated workforce, able to meet the demands of the Council, its residents and customers. We want to understand and address the root causes of sickness and act to enhance engagement and support the wellbeing of staff and improve attendance rates.

Actions

- Carry out a research project with Public Health on the root causes of sickness absence and consider its recommendations for implementation, including the option of using the London Workplace Charter
- Improve access to data and information for managers, to help them manage sickness better – embedding an attendance and performance culture
- Provide flexible working arrangements that support employee wellbeing
- Provide policies and practices that reflect the requirement for new ways of working and service delivery
- Effectively manage the impact of changes on the workforce, including appropriate supervision, direction and support from managers
- Review employee engagement initiatives and develop ways to increase engagement and Morale
- Release the capacity of staff and managers away from bureaucratic administrative practice using innovative technological solutions such as channel migration and self service.

Key outcomes

- A healthier workforce with a reduction in number of days lost through sickness – a stretch target of moving to the upper quartile from bottom quartile, with differential targets for frontline and back office
- Employees report that they feel supported in performing their roles in a day-to-day basis and through organisational changes
- Employees are more satisfied with their work / life balance
- Flexible working practices are effectively implemented and have a positive impact on morale
- Employees are aware of available support structures and make use of these as required e.g. Employee Assistance Helpline
- We have a culture of employee engagement: Staff Attitude Survey results improving each time with a stretch target of 80% satisfaction reported in 2018
- We have a culture of improved productivity as reflected in the Mori residents' survey

PROCUREMENT PLAN Section

1 – Introduction

Procurement is defined in the National Procurement Strategy as:

“The process of acquiring goods, works and services, covering both acquisition from third parties and from in-house providers. The process spans the whole cycle from identification of need, through to the end of a service contract or the end of the useful life cycle of an asset. It involves options appraisal and the critical ‘make or buy’ decision which may result in the provision of services in house in appropriate circumstances”

Although the definition is primarily about procurement, it also about the need to secure sustainable services, products and outcomes which meet the needs of the community we serve. Strategic procurement also encompasses collaboration, including the need to develop partnerships, consider delivery options and ensure value for money for every pound spent.

This document sets out the Council’s strategic approach to procurement for the next three years. It is not intended to be a procurement manual; however, the principles should be applied to all procurement and commissioning, recognising that procurement must work closely with our health and social care colleagues to deliver value for money from all commissioning and procurement.

Consideration of this strategy is not optional and it should be read in conjunction with the Council’s Contract Standing Orders (CSO’s).

The Procurement Strategy emphasises the continuing importance of sustainable procurement being used to support wider social, economic and environmental objectives in ways that offer real long term benefits to the residents of this borough.

Cost reduction and efficiency targets will not be achieved if the Council fails to approach competition positively, taking full account of the opportunities for innovation and genuine partnerships which are available from working with others in the public, private and Voluntary, Community and Faith Sectors (“VCFS”).

This strategy provides a corporate focus for procurement. It embraces the Council’s commitment to strategic procurement and sets out the Council’s aspirations. It is not a ‘user manual’; more detail on procurement processes and issues will be found in the Contract Standing Orders and on the procurement intranet.

The strategy will contribute to delivering the long term goals of:

- The Business Plan 2017-21
- Community Plan
- London's Best Council by 2020

The principal means of disseminating detailed procurement guidance are the Commercial Services Team (CST), and the intranet.

Section 2 – Objectives and Benefits

The overarching objectives of this strategy are:

- To evaluate and improve current procurement practices to achieve better value for money and to ensure customer/client needs are met
- To ensure best practice examples are identified and applied consistently across the organisation.
- To align procurement activities with other strategies adopted and to ensure that corporate objectives are addressed
- To ensure that current and future procurement activities are planned, monitored, and reviewed effectively including identifying opportunities for collaboration with both private and public sector bodies and the VCFS

In taking this strategy forward, the Council expects to realise the following benefits:

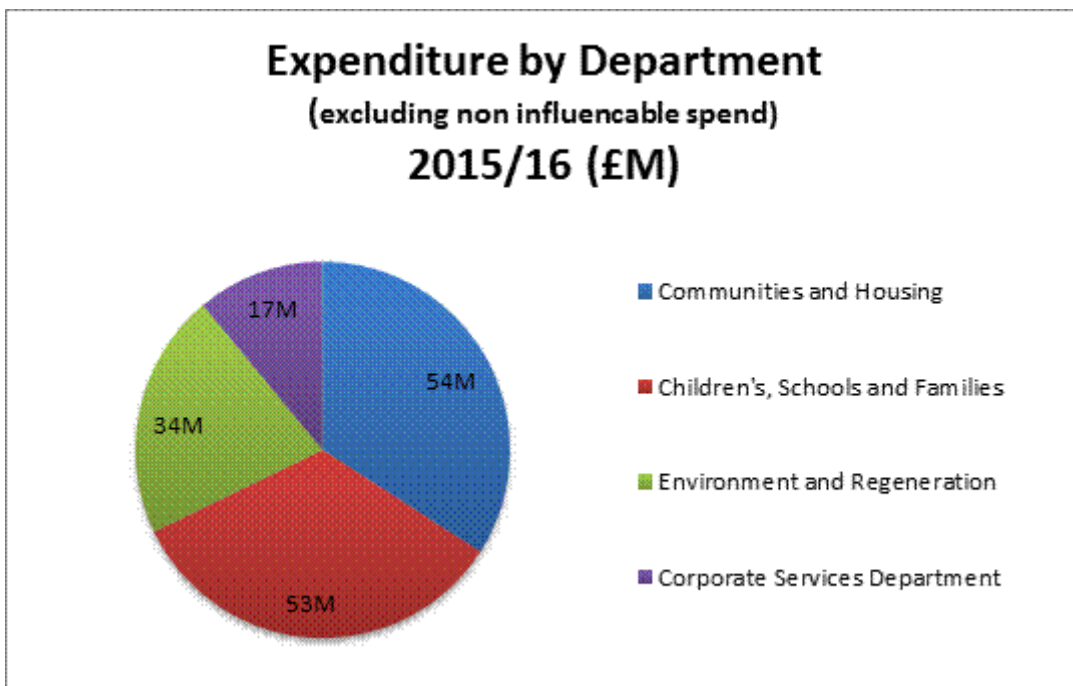
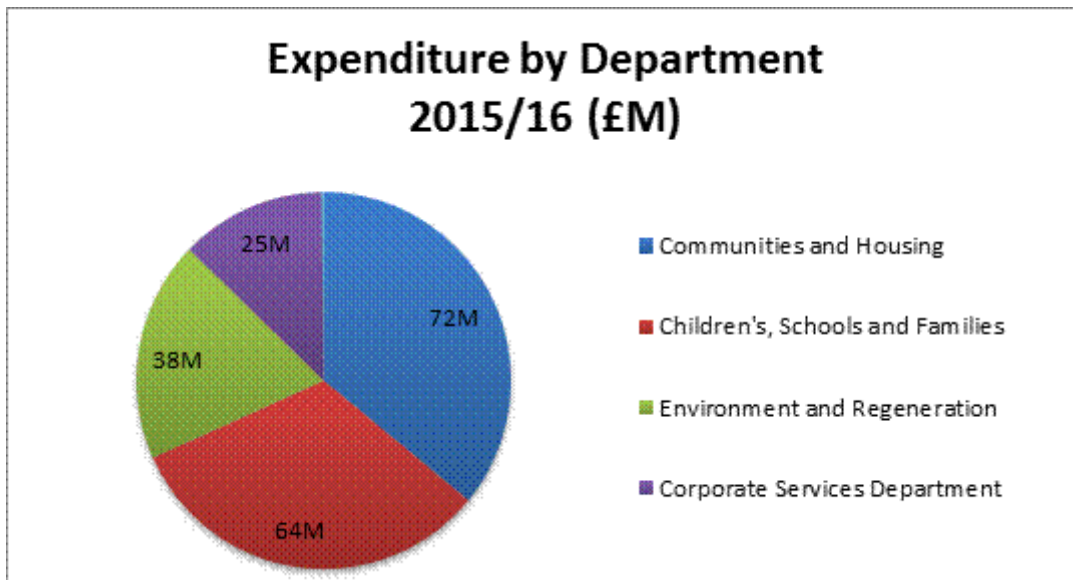
- Demonstrate continuous improvement and achieve value for money through the efficient procurement of goods and services
- Encourage communication and interaction with local and national suppliers to understand their views
- Develop relationships between the Council, the business community and the broader voluntary sector which create mutually advantageous, flexible and long term relations
- More efficient procurement processes
- Better risk management
- Strategic procurement planning
- Effective spend analysis and measurable cash savings
- Proactive contract management
- Greater use of standard processes and templates
- Compliance with appropriate legislation
- Compliance with Contract Standing Orders
- Collaboration, including with other authorities, local businesses and the VCFS
- Greater use of the E-Tendering system

Our vision for procurement is to provide a first class service for our residents whilst we build on best practice to ensure value for money in all our procurement exercises.

Section 3 - Overview of Procurement

The London Borough of Merton spends approximately £200m each year on goods and services on behalf of Merton's residents. Of that £200m, the Council can influence approximately £160m. The range of goods and services is varied, but includes services for schools, waste collection, care services for children and adults, maintaining the highways, parks and services, encouraging business growth and major construction works.

Updated expenditure 1 April 2015 – 31 March 2016



Procurement in the Council takes place across all departments and is undertaken in what is called a 'devolved' model. This means that responsible officers in the departments undertake day to day operational procurement.

CST is part of the Infrastructure & Transactions division of Corporate Services department and was set up specifically to provide procurement support, advice and guidance to the departments and responsible officers. The devolved system means that the responsibility and accountability for operational procurement decisions and actions remain firmly with each responsible officer in the departments. This operating model for procurement is currently under review.

CST provides the following services:

- Provision of strategic commercial advice as requested
- Specific advice on EU Regulations and associated areas, including latest case law
- Benchmarking, identification and promulgation of best practice
- Involvement in high profile tender exercises as agreed
- Spend analysis and the Identification of potential savings opportunities and areas of collaboration
- Participation in key commercial exercises, such as make/buy reviews
- Maintenance of the contracts register. However, responsibility for entering information onto the contracts register and ensuring that the information is up to date and accurate, rests with the departments
- Undertaking a skills matrix and training of officers and elected members
- Engagement with partners and potential partners with the objective of streamlining the procurement process, i.e. making the Council an easier organisation with which to deal
- Providing up to date support via the intranet, toolkits, procurement guidance and advice.

Procurement is not simply about lowest price; instead it is a strategic tool to ensure that we receive best value whilst putting the needs of Merton's residents first.

Effective procurement is about managing the whole life cycle of the goods and services we procure, and also ensuring that specifications are right and fit for purpose with clear outcomes and purposes.

From January 2012 to May 2013, a number of improvements were made, including a strengthened Procurement Board, an enhanced Contracts Register and the implementation of a new e-Tendering system.

Furthermore, the Council also adopted a Procurement Governance and Gateway process which comprises four key elements, the Procurement Board, the Procurement Gateways, the

Operational Procurement Groups and the Risk Assessment Tool. These four elements are designed to work together to enable the Procurement Board to exercise effective oversight, control and to provide direction to procurement activity Council wide.

Section 4 – Key Themes

a. Value for Money (VFM)

In the unprecedented economic climate, the Council will need to make substantial year on year savings for the foreseeable future. Every pound spent must deliver true value to the community, whether that is by better management of our existing contracts, proactive spend analysis, being more commercially aware, or through reviewing current services and potential delivery models.

Knowing how, where and on what our money is spent will be used to drive a supplier review to maximise savings. Furthermore, we intend to review the supply base and drive additional efficiencies by reducing the overall number of suppliers and to utilise the additional leverage obtained. This exercise will also help us to develop and shape supply markets, define the skills to develop the market and to negotiate better outcomes for the Council and service users.

Principal Objectives

- Undertake regular spend analysis of the Council's full non-pay spend with recommendations in how to identify and capture efficiencies
- Supply base review and rationalisation
- Make/buy reviews of services
- Challenge specifications and assumptions around strategic contracts

b. Category Management

By grouping together products and services according to their function (e.g. care, construction, transport, professional services etc.) the Council can better manage the overall spend, whilst maximising our buying power and achieving economies of scale.

A 'Category' is an area of spend determined by known market boundaries separating different products or services. Category Management recognises that suppliers within a certain market are likely to have similarities which enable a tailored approach to procurement.

We will develop our capacity and capability in Category Management to support the major commercial decisions the Council is facing. We will add value to projects we support, bringing commercial insight and support throughout the commissioning lifecycle. Recognising this challenge, we will also develop our staff through a revised professional training programme. It will also enhance their relationship and partnership building skills. This means they will spend less time involved in the administrative task of running tenders and spend more time with customers, commissioners and our major suppliers.

Principal Objectives

- Develop a suite of category strategies to drive further savings and efficiencies
- Embed a category management approach across the Council
- Category Management specific training programme

c. Contract Management

We will manage our major contracts more actively to drive continuous improvement in performance and efficiency and further develop contract management across the Council. We will provide greater visibility of the performance of our top contracts to help to improve the management of major suppliers and ensure they are delivering against the agreed performance standards.

By reviewing strategic contracts and adopting a more commercial approach to the management of our key contracts we will ensure that improvements and efficiencies are delivered.

We will also work with operational contract managers in departments to build on best practice and provide training in contract management techniques.

The outcome of this change will be measured by the monitoring of contract performance and by the identification of improvements in performance levels and additional efficiencies during the life of a contract. Furthermore, as we develop stronger relationships with our key suppliers, we will be recognised as their 'customer of choice' which may lead to increased market intelligence and therefore improve our opportunities for innovation in the marketplace.

Through a clear commercially led approach to contract management, we will ensure a greater focus is directed towards obtaining the required outcomes. This will include increased monitoring and management of supplier performance through robust SLA's and KPI's (including the delivery of community benefits) and where performance is not being achieved, an action and improvement plan will be implemented.

Principal Objectives

- Reduce non-contracted spend
- Embed contract management principles across the Council
- Hold regular performance meetings with suppliers
- Set clear and proportionate KPI and SLA targets for suppliers
- Link payment to performance (where appropriate)

d. Partnering and Collaboration

Partnering means the creation of sustainable, collaborative relationships with suppliers in the public, private, social enterprise and voluntary sectors to deliver services; carry out major projects; or acquire supplies and equipment.

Partnerships can be beneficial and integrated in service delivery, but it needs to be recognised that this is not an easier contract style; indeed, partnering agreements are likely to be more challenging than traditional contracts. A partnership agreement will therefore require careful preparation and procurement. Partnering should be considered when engaging in best value reviews of services as a potential alternative to established methods of service delivery.

When formulating our procurement strategies, we will ensure that we take account of potential opportunities afforded by partnering and collaborating. We will also look at existing framework agreements when considering any future options for procurement and where appropriate the use of any national, regional or pan London procurement arrangements that fit with the Council's strategy.

Collaboration describes the various ways in which councils and other public bodies come together to combine their buying power, to procure or commission goods, works or services jointly or to create shared services.

Collaboration is a form of public partnership; its major benefits are economies of scale and accelerated learning.

We will ensure that contractors and partners have priorities which align with those of the Council and that they understand how they contribute to the Council's performance.

The Council will actively participate with other authorities and organisations where appropriate and feasible, to seek economies through joint procurement, joint commissioning, framework agreements and shared services.

Principal Objectives

- Work with other public bodies to seek joint partnering and collaboration opportunities
- Investigate the greater use of collaborative contracts
- Look to use existing framework agreements where appropriate

e. Market Management

The Council will continue to work with more diverse providers of services. In some areas there are strong markets but in others they are either small or not yet developed. The Council will make full use of all the different methods of delivery available, including joint ventures, public, private and VCFS options. Through procurement, we will support the growth of local businesses and other organisations by encouraging the use of local suppliers. While staying within the legal constraints of public sector procurement, the Council will encourage local suppliers to work with us, recognising and exploiting the ability to create a positive climate for firms based in Merton. The Council will endeavour to support a thriving local business sector, providing opportunities for suppliers to develop the capacity to win future contracts from the Council and other public sector partners.

This approach recognises that by encouraging sustainable high quality local employment, the Council is reducing the demand and thus cost of other public services. The Council will seek to encourage innovation, improve skill levels in Merton, create jobs and retain money in the local economy.

Principal Objectives

- Identify where market capacity may be weak and where new markets may need to be developed
- Encourage suppliers to develop innovative approaches
- Foster a collaborative approach to procurement
- Work to increase the proportion of spend with SME's and VCFS
- Take steps to promote and encourage local economic growth e.g. reducing the barriers to SME and VCFS participation
- Hold regular supplier engagement events

f. Supplier Relationship Management

The Council will build strong, long term, positive relationships with suppliers across all sectors, not just when actively procuring goods and services but also when considering alternative delivery models e.g. social enterprises.

The Council will establish strategic relationships with suppliers to ensure that both parties are delivering against the commitments within the contract and also build upon mutual experience and knowledge to embed continuous improvement practices throughout the contracted period. Effective engagement with suppliers will also inform future specifications. This will ensure that the Council is approaching the market place with requirements which meet clearly defined needs and are commercially attractive to potential bidders.

The Council commits to making all procurement activity fair and transparent and to encourage a diverse range of potential bidders to participate.

A suite of standardised documents and contracts will be developed for use across the Council to ensure consistency and to make the procurement process more accessible to suppliers.

Principal Objectives

- Engage with key suppliers in all sectors
- Robust contract management
- Explore new models of service delivery and welcome dialogue with communities and suppliers to establish new and innovative procurement practices
- Encourage a diverse range of suppliers to work with the Council

g. Developing People and Improving Skills

Procurement is a key activity in sourcing the skills, services and supplies required by the Council to deliver community outcomes. The officers who undertake procurement and contract management activity are vital to the successful delivery of the Council's strategic procurement objectives.

The required capacity and skills will continue to be developed in departments with support and guidance from CST.

CST will develop other ideas to encourage officer participation. These will include the offering of regular 'drop-in' sessions which will allow any topic of interest to be discussed informally. Also, specific targeted training will be developed and made available to officers/teams and divisions as required.

Regular procurement forums for all Merton responsible officers will continue to be offered. Active participation will be encouraged by the use of focus and working groups on specific topics of interest; such as toolkits, market engagement and benchmarking.

The forums will:

- Bring together all professionals across the Council working on procurement activity into a single forum
- Provide a platform for evidence sharing and best practice (both internal and external)
- Introduce and embed a co-ordinated and consistent Merton approach to procurement
- Identify savings and efficiencies opportunities

The forum is a reference group, accountable to the Procurement Board, with recommendations and updates to be fed bilaterally.

Principal Objectives

- Provide a career path for practitioners of procurement with clear roles and responsibilities
- Provide skills and training and learning & development opportunities for officers
- Ensure that procurement best practice advice is available via the Procurement Toolkit

h. Systems and Processes

Continued use of the e-Tendering system has improved compliance and at the same time it has streamlined the tendering processes.

The contracts register has received a refresh and is now part of the e-Tendering suite which is in the public domain so that any interested parties may view it. This has led to greater visibility of Council spend which will be fed into procurement and resource planning and should lead to greater opportunities for efficiency savings.

It will also make it easier for members of the public to have their requests under the Freedom of Information Act 2000 (Fol's) answered quickly and efficiently.

Ensure council and departmental rolling 1-3-year procurement plans are produced each financial year and kept up to date.

Principal Objectives

- Maintain an up to date contracts register
- Increased use of the e-Tendering system
- Investigating the strategic use of e-Auctions
- Training in the use of the procurement toolkit
- Develop a comprehensive rolling 1-3-year procurement plan

Section 5 - Governance Framework

Merton's procurement is governed by EU law, UK Law and by Merton's Contract Standing Orders. These are mandatory for officers of Merton to follow.

a. The Corporate Management Team

The Corporate Management Team (CMT) will continue to initiate and lead all procurement activity and endorse and support adherence to the procurement strategy across the Council. CMT will set the strategic direction of the Council, empower officers and hold officers to account in the delivery of the strategy.

b. Contract Standing Orders

The Council will comply with the wide range of legislation, regulation and guidance which governs procurement. The Council's Contract Standing Orders, last fundamentally revised in April 2012 in line with the latest legal and operational requirements, are currently under review again, to take into account the Public Contracts Regulation 2015 (PCR2015), the Social Value Act 2012, lessons learnt over the past three years as well as emerging best practice principles.

Adherence to the Contract Standing Orders will be enforced to ensure the highest standards of probity and compliance, one of Merton's principles underpinning procurement activity.

c. The Procurement Board

The Procurement Board is the primary strategic agent through which procurement activity is governed. The Procurement Board is made up of senior management officers and procurement professionals and is chaired by a Director.

The main functions of the Procurement Board are:

- Oversee the production and management of the procurement strategy
- Assure that procurement is managed competently and legally
- Ensure changes in legislation e.g. The Social Value Act (2012) and best practice are embedded in the Council's procurement practices
- Assessing whether procurement is achieving best value for the Council
- Ensuring that staff engaged in procurement have the required skills
- To be responsible for the Operational Procurement Groups (OPG)

d. Departmental Management Teams

Departmental Management Teams will receive regular reports from their procurement champions and ensure that the Procurement Strategy is being delivered effectively within their respective departments.

e. Operational Procurement Group

The OPG's are the operational arm of the Procurement Board, and are the means through which departmental procurement activity is planned and co-ordinated. One OPG exists for each department and the Groups co-ordinate, risk assess and manage the flow of all procurement activity. Each group is championed by a departmental procurement lead who also attends the Procurement Board.

f. Procurement Gateway process

It is a risk based approach which uses a series of minimum criteria and risk triggers to determine which procurement activities will come to the Procurement Board.

Currently projects need to be brought to the Procurement Board for review where:

- the total value is over £3m (or annual value over £750k) (Thresholds under review)
- or the decision to award the contract is to be made by Cabinet or
- three or more risk triggers are assessed at amber level or greater. These include; political or reputational risk, impact of failure on service user and maturity or volatility of the market.

g. Financial Regulations and Procedures

The Financial Regulations and Procedures are the internal rules applicable to Merton's financial processes and these have also been reviewed to take account of current and recent changes in procurement practice e.g. use of Framework Agreements. Within the options appraisal carried out for each procurement project there will be included due consideration to the methods of financing the project available i.e. capital borrowing, leasing, and other alternatives.

h. Procurement Plans

These plans identify the required strategic procurement activities for a period extending 1-3 years into the future. The departmental procurement plans inform the Corporate Procurement Plan, which will encompass all major procurements due in the following 1-3 years. This will allow for enhanced planning and scheduling, improved visibility and improved risk management for the Council's major procurement activities. The Corporate Procurement Plan is overseen by the Procurement Board.

i. Procurement Templates and Toolkits

The 'Procurement Toolkit' is available to officers via the Procurement Intranet pages and it provides specific procedural guidance and templates for procurement activity.

The Council will review and keep these up to date. It is against this procedural guidance that individual compliance will be measured to ensure best practice, legal compliance and whether there is any off contract spend.

The CST will be working with departments to improve the current toolkit and templates.

j. The Contracts Register

The Contracts Register is a Council-wide record of all contracts that the Council has entered into above the value of £5,000.

The Contracts Register is currently part-hosted via the London Tenders Portal as part of the Council's e-Tendering system. Responsible Officers must ensure that all contracts are entered onto it and that they are kept up to date.

The Contracts Register will continue to be a key component to co-ordinate and risk manage procurement activity at the corporate level and will assist with Fols.

k. e-Procurement

During 2015 the Council re-let its contract for Pro-Contract. The system provides officers and suppliers with an effective and efficient way to electronically manage tender and quote processes. The system is designed to allow staff to conduct requests for quotations and tenders online, much more quickly and also to allow potential suppliers to respond without the need to complete numerous paper forms.

We will ensure that the benefits of e-Tendering continue by the promotion and monitoring of the system. The use of the e-Tendering system was made mandatory as of 1 April 2012.

Improved use of the e-Tendering system will provide corporate visibility on spend and prevent duplication of processes. Improved corporate visibility will in turn allow greater scrutiny of the management of spend across the Council.

l. Looking to the Future

We are investigating the use of e-Auctions as a way of saving additional monies.

Section 6 – Key Actions

A procurement action plan will cover the principal objectives detailed in this strategy document.

To help us achieve our vision, there are five key actions we are taking:

1. Implement our people development plan, putting in place a new programme of training, coaching and mentoring
2. Roll out stronger contract and supplier management across the Council for key contracts, identifying clear roles and responsibilities and providing professional support for service teams
3. Develop a rolling three-year corporate procurement plan, incorporating robust departmental plans
4. Provide an updated procurement toolkit and templates for responsible officers
5. Increased use of partnerships and collaboration with other organisations to drive greater efficiencies

By 2021, we will have:

Delivered substantial cost savings through strategic contracting, to help meet the Council's budget targets

Developed a best-in-class service which is highly responsive to the needs of customers, and is valued by them as a strategic partner in developing their own plans

Encouraged greater levels of spend with local suppliers and have thriving relationships with local businesses and VCFS communities

Established strong partnerships with other public sector bodies to leverage best value for money

Contacting Us

Please contact us if you have any questions, comments or feedback about the Procurement Strategy:

E-mail: procurement@merton.gov.uk

Phone: 020 8545 3736

Other useful websites

Audit Commission <http://www.audit-commission.gov.uk>

Comprehensive Performance Assessment <http://www.audit-commission.gov.uk/cpa>

Department for Communities and Local Government <http://www.communities.gov.uk>
Improvement and Development Agency, (I&DeA)

<http://www.idea.gov.uk>

Local Government Association

<http://www.lga.gov.uk> Regional Centre of

Excellence <http://www.rcoe.gov.uk>

ICT STRATEGY 2016-20

EXECUTIVE SUMMARY

This document sets out the Council's vision – articulated as a series of strategic objectives – for its information, communication and technology infrastructure and architecture.

The development of the document is a result of a comprehensive planning and consultation exercise involving all services across the organisation. This was guided by a number of design principles that provide a broad framework within which the strategic priorities have been developed. The aim of these principles is to ensure that the management and development of IT and systems complies with necessary standards and protocols and aligns with the wider strategic direction of the council by:

- organising information and systems around customers;
- automating processes wherever possible;
- consolidating and rationalising master data sets wherever possible
- supporting joint working and shared services; and
- reducing, as far as possible, reliance on highly technical support.

Importantly, the strategy introduced a Technical Design Authority to ensure a controlled, disciplined approach to changes to the technical architecture and infrastructure. This is designed to accommodate the demands and requirements that will inevitably arise during the lifetime of this strategy but are not currently known. The role of this body is to manage and agree any alterations that are proposed to the agreed implementation plan that supports this strategy. The terms of reference for the group are appended to this strategy (Appendix 2), and these are designed to ensure it operates in a collaborative, agile way to mitigate against the risk of unnecessary bureaucracy and business interruption,

The strategic priorities that this strategy seeks to deliver are:

- Customer focused systems
- Integrated and joined-up systems and infrastructure
- Single source of master data sets
- IT that is fit for purpose now and into the future
- The ability to operate from multiple locations and devices (flexible and mobile working)
- Increased self-service
- Automation where it's efficient and effective to do so
- Systems and infrastructure that are resilient, compliant and experience minimal downtime

All of these outcomes need to be delivered within an overarching strategic aim of **becoming London's Best Council with an efficient organisation and reduced operating costs.**

These high level outcomes shape and prioritise the activity set out in the supporting implementation plan for the strategy.

ABOUT THIS STRATEGY

This document sets out Merton's vision and strategy for its Information, Communication and Technology infrastructure and systems architecture. In developing the strategy, officers have drawn on the target operating models (TOM) and associated delivery plans developed by the Council's businesses throughout 2015/6. This ensures that Merton continues to take a business-led (and therefore customer-led) approach to the development, improvement and maintenance of its IT assets.

The strategy also reflects the more technical guiding principles and constraints that frame our IT ambitions, either because of legislative requirements or as part of our commitment to adhere to industry standards and best practice.

In striking the balance between responding to business needs and managing IT assets effectively and efficiently this strategy is designed to provide a broad strategic framework for the maintenance and improvement of the Council's IT and business systems. It is supported by a more detailed implementation plan that sets out the operational tasks associated with achieving the strategy. The implementation plan will be reviewed annually; the content of the plan and progress against it will be assured and managed through Corporate Services DMT and the Merton Improvement Board. The Assistant Directors of Infrastructure & Transactions and Business Improvement will be jointly accountable for its delivery.

BUSINESS CONTEXT

As a high achieving authority, Merton is single minded in its commitment to continuous improvement. The organisation recognises that this will require IT infrastructure and systems that support excellent services and – in the context of a decreasing financial envelope – greater automation and self-service.

The financial context in which we operate requires that the organisation finds ever more efficient ways to manage and improve its IT assets. Where judicious investment is required in order to transition the organisation towards more efficient ways of working on an 'invest to save' basis, the Council allocates funding from reserves earmarked specifically for this purpose. The Merton Improvement and Capital Programme Boards manage this process, awarding funding on the basis of sound business cases and overseeing their implementation to ensure benefits are realised.

Through the development of TOMs each business has set out its future state and the role that IT will play in enabling this. It is this information that, drawn together, forms the basis of this strategy and supporting implementation plans. The activities reflect the development, improvement and maintenance of IT and business systems needed by services in order to achieve their stated ambitions.

In addition, the strategy incorporates the activity that will be required to deliver cross-cutting transformational projects and programmes of change and improvement. The most notable of these are:

- Flexible Working – a programme of coordinated activity designed to introduce modern working practices that make the most effective and efficient use of office space and officer time.
- Customer Contact – a three-year programme that will enable and drive channel shift, the transition of customer interaction to cheaper (usually online) channels and self-service wherever possible.

- Mobile working – the integration of systems and introduction of mobile devices and mobile-enabled systems so that officers can work from any location.
- SCIS – the re-procurement of the Council’s social care information system.
- Financial systems – the re-procurement of the Council’s financial information management systems.

STRATEGIC DESIGN PRINCIPLES

As this strategy has already acknowledged, Merton must be judicious in its management and development of IT and systems – changes to our infrastructure and architecture have cost implications beyond the initial investment as they will require support and maintenance. In addition, there are a suite of technical standards and protocols with which the Council needs to comply.

To ensure that all of these factors are taken into account, the organisation has adopted a holistic approach to developing this strategy. Businesses have worked with target operating models to clarify and articulate their current and future IT needs; but to help frame their thinking and ensure development proposals are realistic a series of design principles have been applied to the process. These will continue to inform our IT development:

- IT systems must be customer centric and support the Council’s Customer Channel Design principles.
- IT systems should consolidate information around the citizen, reduce reliance on paper and provide automated workflows wherever possible.
- IT systems must support social inclusion and be user friendly.
- IT systems must improve information use and sharing with Merton partners, where appropriate, and comply with the Information Strategy.
- IT systems must support the Council’s Information Channel Design Principles.
- IT systems will maximise use of configuration to ensure they are readily upgradable and supported by the vendor. System customisation should be avoided.
- IT systems and Service delivery will be designed with shared function/service in mind.
- All significant IT developments, improvements and technology purchases will be governed and controlled through the Technical Design Authority to ensure technology compliance and maximum value is achieved.

STRATEGIC PRIORITIES

Drawing on the TOMs and transformation delivery plans of the organisation, as well as developments in the world of IT, legislative requirements and industry good practice, we have developed a set of strategic priorities that clarify where scarce resources will be focused over the life of the strategy.

These are the high level outcomes this strategy aims to deliver:

- Customer focused systems
- Integrated and joined-up systems and infrastructure
- Single source of master data sets (master data management)
- IT that is fit for purpose now and into the future
- The ability to operate from multiple locations and devices (flexible and mobile working)
- Increased self-service
- Automation where it's efficient and effective to do so
- Systems and infrastructure that are resilient, compliant and experience minimal downtime

All of these outcomes need to be delivered within an overarching strategic aim of **becoming London's Best Council with an efficient organisation and reduced operating costs** .

These high level outcomes shape and prioritise the activity set in the supporting implementation plan for the strategy. The following objectives set out in more detail how each will be achieved.

Customer focused systems

- Council systems that support the Customer Contact Strategy and programme, enabling a customer centric approach, with information consolidated around the service users.
- Support social inclusion by maximising access to IT resources by members of the community and community groups, and by providing user-friendly systems, systems that cater for a wide range of needs in support of the Digital Inclusion Strategy.
- Support the customer contact strategy by providing a consistent customer experience through a variety of channels.
- Customer data stored consistently across various systems.
- System and IT infrastructure enhancements and implementation informed by business need (which in turn articulates customer need).
- Where feasible and beneficial, maximise the benefits of mobile working by gathering multi-agency data at each interaction thereby reducing multiple contacts with customers.

Integrated and joined-up systems and infrastructure

- System integration wherever possible and beneficial.
- Actively consider the potential for joint working with partnering boroughs and agencies in all IT decisions.
- Improved – through IT systems/infrastructure – information use and sharing with Merton partners.
- IT infrastructure and systems that support, enable and promote shared services.
- Support business transformation through end- to-end integration of processes, consolidated customer databases and exploiting e-enabling services and improved service delivery within the council.

- Create and maintain a 'single version of the truth' with appropriate arrangements in place to improve and maintain primary data sources that feed secondary sets with minimal manual intervention.
- Maximise existing investments.

Fit for purpose now and into the future

- Create a clear vision and target operating model for the IT infrastructure and systems architecture that is based on businesses' plans for the future.
- Create and maintain IT infrastructure and systems that support business agility.
- Lead and promote business change through innovation and technology.
- Actively maintain good market intelligence and scan for new opportunities.

Operating from multiple locations and devices

- Provide business solutions and IT infrastructure that support the flexible working programme and accommodation strategy through mobile and home working.
- Documents available electronically at point of use; reduced reliance on paper.
- Telephone systems and printing follow the worker.
- Deploy, wherever possible, device and operating system agnostic solutions

Increased self service

- Introduce and improve the functionality of web-enabled services and systems.
- Better use and quality of geospatial data.
- Support stronger clienting of the IT service by businesses by raising IT skills.

Systems and infrastructure that are resilient, compliant and experience minimal downtime

- Establish and maintain a programme for effective disaster recovery.
- Develop and regularly test business continuity plans.
- Achieve and maintain compliancy with PSN, N3 and CJSM regulations.
- Manage and monitor 'downtime' that is as close to zero as possible.
- Introduce, develop and maintain change control mechanisms.
- Adopt a 'cloud first' managed/hosted infrastructure approach wherever appropriate

CHANGE MANAGEMENT

A key factor in delivering this strategy will be the introduction and maintenance of effective change management mechanisms. As the Council increases its reliance on technology through programmes such as Customer Contact and Flexible Working but also seeks, in parallel, to reduce the cost of maintaining and supporting systems and IT infrastructure, establishing effective governance and control of IT assets will become even more important. The uncontrolled and ungoverned development of systems and IT infrastructure risks not only confusing and disrupting the system and IT architectures, but also carries a cost implication: improvements will be inefficient where technical support and maintenance resource implications have not been correctly understood. This could, in the longer term, counteract business benefit/efficiencies if not properly planned for.

It is therefore important that explicit arrangements are put in place that guarantee that appropriate discipline will be consistently applied to the development of the organisation's system architecture and IT infrastructure. Whilst this strategy and implementation plan provides a route map for investment over the coming four years, it cannot be expected that the requirements of the organisation will remain static over its lifetime. New business demands are likely to emerge that are not currently understood, or are driven by changes in policy or statutory frameworks. For this reason, this strategy introduced a **Technical Design Authority**. The role of this body will be to manage and agree any alterations that are proposed to the agreed implementation plan that supports this strategy.

It will govern and manage development of the Council's systems and IT and ensure changes and improvements are compliant with not only necessary technical and security standards, but also Council strategy, i.e. rationalisation and integration of systems, reduction in support overheads etc. This will ensure that there is full collaboration and consultation on any significant proposal to amend the Council's technology architecture (outside those improvements and activities already agreed as part of this strategy and implementation plan). The terms of reference for the group are appended to this strategy (Appendix 2).

OPERATIONAL DELIVERY

The core delivery plans for the Infrastructure and Transactions and Business Improvement divisions will incorporate activity required for the routine maintenance of the Council's IT infrastructure and systems. This strategy and supporting implementation plan captures the activity over and above this core offer, relating to improvements outside those that are routinely expected. For each of these, a business case has been prepared to secure investment from earmarked reserves. This will enable the necessary resources to ensure timely and effective delivery to be made available.

To provide consolidated and resilient support arrangements, any system that is being supported by individuals within service teams, the support arrangements will be migrated to the IT infrastructure and business systems team.

Prioritisation and sequencing of the programme will be managed through Merton Improvement Board to ensure that it takes account of pan-organisation imperatives and priorities. Regular reports on progress and resource management will be submitted to the Merton Improvement Board, in addition to Corporate Services DMT.

A series of Service Level Agreements will sit alongside the strategy and set out agreed metrics and service standards to enable departments to assure and monitor delivery.

BUSINESS CONTINUITY

Business continuity will be assured through the deployment of four planned maintenance windows per year. These will allow crucial system and infrastructure updates and improvements to be made with minimum impact on service provision.

It will also be enhanced through the provision of suitable Wide Area Network (WAN) links to the designated Business Continuity centre; and we will ensure that connectivity to Business

Critical systems is maintained in the event that we were no longer able to occupy the Civic Centre.

We will continue to ensure that the remote access infrastructure is available with diverse internet routes.

Business continuity plans will be routinely reviewed and tested.

DISASTER RECOVERY

The Council's IT infrastructure and business systems underpin many of the Council's critical activities. In the event that an incident occurred that interrupted the availability of IT and systems – for example a fire, or borough emergency that affected the Civic Centre – it would be essential that systems were restored as quickly as possible. This is particularly true given the potential for some systems to support civic recovery.

In order to ensure this is the case, we will complete Phase 1 Disaster Recovery arrangements, which include the identification of the Council's core business critical IT systems and the relocation of hardware to the new Disaster Recovery facility located at London Borough of Wandsworth. We will also review departmental IT Disaster Recovery plans and provide some critical challenge to ensure that they are robust and fit for purpose.

Utilising agreed planned maintenance periods we will undertake regular testing of Disaster Recovery arrangements including operational infrastructure, hardware and emergency backup systems to ensure that they are fully operational.

We will develop phase 2 Disaster Recovery arrangements including the procurement of new Active/Active Storage Area Network equipment (SAN) and install the new infrastructure and equipment at the Civic centre and Wandsworth sites.

Finally, we will properly map and document the new Disaster Recovery processes and produce an operational maintenance manual.

All of these activities – along with timescales – are included in the Implementation Plan that supports this strategy.

APPENDICES:

1. Implementation plan
2. Technical Design Authority terms of reference

RELATED DOCUMENTS

Information Technology (IT) Policy

Social Media Protocol

Information Strategy

Authors	Sophie Ellis, AD Business Improvement Mark Humphries, AD Infrastructure & Transactions Richard Warren, Head of IT Services Clive Cooke, Head of IT Systems
Version	3.1 Final
Date Issued	August 2016
Document Status	Approved by MIB

List of Agreed Schemes in the IT Implementation Plan

.Appendix 1

Project Name	Brief Description	Comment as at w/c 06/02/2017
System improvements and implementations - AGREED and RESOURCED		
In-Cab - specification devt and requirements gathering	Exercise to establish business requirements for functionality currently delivered through Confirm (street scene, asset mgt & waste mgt)	Completed. Cost prohibitive so scaled down into EAMS project
(EAMS) - Environmental Asset Management system - specification devt and requirements gathering	Exercise to establish business requirements for functionality currently delivered through Confirm (street scene, asset mgt & waste mgt)	Completed.
(EAMS) - Asset Management - procurement and implementation	Project to procure and implement new Environmental Asset Management System (EAMS).	Procurement completed. Implementation in progress – due for completion September 2017.
Customer Contact	Implement new transactional website, content management system, customer account functionality and customer relationship management system	A number of pathfinder services now live. Pilot EDRMS live.
EDRMS	Implement replacement EDRMS (to replace SMART)	Pilot teams live, first tranche of teams due April 2017
Implement room booking system (internal)	Room and Space management system	Completed
(SCIS) - Social Care Information System	Implement replacement system (replacing CareFirst)	Implementation in progress go live schedule for April 2017
Inspire	Scope and initiate work to achieve new European INSPIRE standard for metadata for geospatial info.	Completed and data published.
Data labelling	Implementation of new system to categorise and label data for increased information security	Re-scoped and implementation being planned.
(FIS) -Financial Systems Re-Engineer	Procure and implement replacement financial management information system	Completed. System went live on 6th February 2017
Implement phone system call control liberty system	Implement Liberty Parking Services	Completed

Project Name	Brief Description	Comment as at w/c 06/02/2017
Implement Planet Press	Implement new system for automated payment letters and printing	Completed for initial scope, further opportunities for automation to be investigated.
Automated Council Tax forms	Implement (pilot) new revenue and benefits ePayment portal solution to automate Council Tax payments	Completed
ANPR - Specification	A consultant to write the specification and provide expert advice and support in respect of the project to procure new ANPR CCTV cameras to be used for traffic enforcement.	Completed
GIS requirements review	A consultant to assess and prioritise the GIS requirements of the Authority.	Completed
Pop Up Libraries		Completed
NHS Number as URN	To introduce the NHS number as the URN within our Social Care System. Already under way and in CareFirst action plan	De-scoped for phase 1. To be reviewed in phase 2.
Tree Survey Remote Solution	Provision of remote survey solution for tree survey work (underway) .	Short-term solution in place. Longer term solution will be addressed by EAMS implementation.
Schools Admissions System	Procurement exercise and implementation of new schools admissions system (Currently Impulse system) as current contracts expire - No shared service, so use of Framework.	Complete. Went live on 30th September 2015
Mapping and Data Improvement	Geocode and integrate a range of datasets into the GIS database - prioritised by business benefit.	Mostly completed. Minor issues remain, due for completion March 2017

Project Name	Brief Description	Comment as at w/c 06/02/2017
Firmstep e-forms	Develop and implement a range of new eForms (using existing system) to provide automation for businesses pending replacement eForm solution becoming available through Customer Contact programme.	Completed. Prioritised forms completed, on-going urgent requirements being funded as and when required.
Libraries Self Service Machines	To replace the current self-service kiosks in libraries	Tender completed - implementation started
ANPR - Implementation	Following successful trial, Implement automatic number plate recognition system. Now to be combined with CCTV maintenance contract.	Implementation in progress.
Library system Enhancements	A series of enhancements included within the LLC (London Libraries Consortium) development plan.	Completed.
ePayments re-procurement and implementation	Civica icon epayments contract expires 31st March 2016, Re-procure and implement new solution by 31st March 2016.	Completed.
Infrastructure improvements and implementations - AGREED		
Replace all photocopier / printers	Replace all MFD on floors and print room and install integrated system	Completed
Replace corporate Storage Area Network and backup solution	Replace SAN and Backup to near zero downtime	Completed
Replace desktop devices	Replacement desktop devices	Continuous replacement program in place
Replace out of warranty servers	Replace out of warranty servers	Servers are replaced as required on a five year cycle
Replace UPS batteries	replace UPS batteries	Completed

Project Name	Brief Description	Comment as at w/c 06/02/2017
Renew Citrix licences	purchase more VDI licences	Completed
Replace Core switches	Replace core network switches	Scope of works required currently being assessed
Retender Prism asset management system	Retender Asset management, patch management and deploy	Procurement of a new system completed and implementation by end of March 2017.
Purchase of additional tokens	Purchase additional tokens for remote working	Completed
Purchase of additional tapes	Purchase additional tapes for network backups	Completed
Replacement of lobby screens	Purchase replacement screens for lift lobby	Completed
Replace edge Network switches	replace Network edge switches	Scope of works being determined and specified
RE-cable sites network cabling	Re-cable sites with new cabling	Completed
Proxy server replacement		Completed
Infoblox replacement	Replace DHCP / DNS infoblox	Completed
Replace flukes	Replace flukes used for network testing	Completed
Replace Netscaler remote access		Completed
Spam Filters	replace email spam filters	Completed
Upgrade PABX		Currently developing scope of requirements
Replace VOIP phones		Completed
Replace BTS call logging	Replace telephone call logging system	Included within PABX upgrade project
Replace Voicemail System		Completed
Replace internet packet shaper		Included within Proxy Server replacement project
Replace Wifi	Replace corporate/visitor Wifi system	Completed
Replace NOF PC's	Replace Public access terminals	Completed
Consolidate Network management and Server management software		Completed

Project Name	Brief Description	Comment as at w/c 06/02/2017
Retender Source One email archiving	Replace corporate email archiving facility	Included within upgrade to Office 365
Renew Microsoft Enterprise agreement	Renewal of Microsoft software Enterprise Agreement	Upgrading to Office 365 as part of next renewal
Replace MASCOT system	Replace current MASCOT system with new product which includes enhanced telephony and data facilities	New replacement system is currently being procured

Technical Design Authority

Terms of Reference

January 2017

1. Purpose

The Technical Design Authority (TDA) is the strategic body which ensures that an appropriate level of governance and control is applied to changes or improvements in the council's IT infrastructure or systems. Its role is to facilitate appropriate challenge, assurance and support to ensure all proposals for major upgrades, or new systems, modules, or services, are fit for purpose.

The Technical Design Authority will;

- govern and manage the IT systems architecture and IT infrastructure for the London Borough of Merton;
- maintain and lead on supporting IT policies and standards;
- agree and manage changes to the IT Strategy and Implementation Plan; incorporating changes and development to the systems architecture and IT infrastructure for the council such that it complies with strategic objectives, relevant legislation, appropriate quality standards, and good practice;
- oversee changes to, and development of, the systems architecture and IT infrastructure for the council set out within the IT Strategy and Implementation Plan in order to ensure that these are well managed and meet agreed business objectives;
- implement and maintain a scheme of delegation that allows for effective and timely decisions on changes to the IT Strategy and Implementation Plan at a level proportionate to their significance and impact;
- review its Terms of Reference annually.

2. Functions

The overarching objective of the TDA is to ensure that the appropriate level of discipline and control is applied to changes or improvements to the council's IT infrastructure and systems.

The ultimate aim is to enhance IT performance and flexibility and ensure that the council's technology is fit for purpose, the likelihood and predictability of success is increased, and the likelihood and cost of non-conformance is decreased.

This is to be achieved by ensuring that all proposed significant changes are approved by the TDA prior to funding being allocated or implementation agreed.

This extends to technical aspects of wider transformation and improvement projects and programmes commissioned across the council.

The TDA defines significant change as;

- any new system, module or service;
- any major upgrade to current infrastructure or;
- any major system upgrades, enhancements or configuration.

The scope of the TDA does not extend to routine maintenance and upgrades, nor any activity already agreed as part of the IT Strategy and Implementation Plan.

The TDA operates closely with the Continuous Improvement Team and Business Partners to ensure that it is engaged at appropriate gateways in the project / programme cycle, and provides advice, guidance, and support to projects / programmes, and services to enable benefits to be secured through well managed and disciplined technical improvements.

In considering proposed amendments and alterations to the systems architecture and infrastructure, the TDA will consider;

- selection and design of technology for systems development / maintenance and production operations;
- alignment of proposals with the council's strategic direction, including the IT Strategy, Information Strategy, and corresponding enterprise architecture principles, architectures and roadmaps;
- guidance and advice on leading practices, industry standards and conventions and frameworks and methods;
- technical risks and mitigation strategies;
- integration with existing systems and infrastructure so that the overall solution meets a combined set of user requirements;
- impacts on existing infrastructure capacity and systems;
- software licensing impacts (where relevant);
- data integrity and quality and, specifically, alignment with agreed master datasets;
- future support requirements and the capacity of the council to respond to these;
- feasibility in relation to costs, resources, impacts and business benefits;
- design to meet technical goals in relation to compatibility, usability, security, reliability, maintainability, reusability, supportability and recoverability in operations;
- implementation plans to increase the likelihood of success, e.g. project / programme management that complies with MAP, scheduled user testing, etc.;
- ability to meet business continuity and disaster recovery arrangements of the council.

The TDA will also regularly review the relevant council policies and standards to ensure they are fit for purpose.

3. Membership

The membership of the TDA will be drawn from Corporate Services to ensure the appropriate level of technical expertise.

The Board will be considered quorate if the Chair (or their delegate) plus four other members, including the Head of IT Systems and Head of IT Delivery (or their delegates), are present.

The table below outlines the TDA membership and expected roles.

Post	Role in the TDA
Director of Corporate Services	Chair
Assistant Director of Infrastructure and Transactions	Ensure proposals align with strategic direction of the organisation in relation to IT Infrastructure
Assistant Director of Business Improvement	Ensure proposals align with strategic direction of the organisation in relation to transformation and change and IT systems
Head of IT Service Delivery	Ensure proposals align with IT strategy in relation to operational management of IT Infrastructure
Head of IT Systems	Ensure proposals align with IT strategy in relation to operational management of IT Systems Architecture
Head of Continuous Improvement	Ensure proposals align with the Merton Improvement Portfolio and Merton Approach to Projects (MAP) methodology
Head of Information Governance	Ensure proposals align with the council's data protection and information governance policies

Business Partners are considered optional attendees unless their Department is bringing a proposal to the TDA, in which case their attendance is mandated. The Business Partners will support the Department in the preparation and delivery of their proposal for the TDA. They will ensure business interests are represented in technical decisions.

Additional temporary members will be invited to join the board for individual meetings where a particular item requires their expert input. These will usually be Heads of Profession for a given area or subject.

The TDA will always seek to reach a decision on any proposal through consensus and collaboration; looking to reach a conclusion that is in the best interests of the organisation as a whole as well as the service seeking to introduce change. In the event that such a decision cannot be reached then the TDA will escalate the decision to the Merton Improvement Board or CMT as appropriate, providing all necessary information to ensure a swift resolution can be achieved.

4. Board support

The Continuous Improvement Team will organise and service all TDA meetings. This will include scheduling meetings and circulation of documentation, maintaining an online document library, keeping a decision log and summary notes of all meetings, and monitoring actions arising from the meeting, including escalating issues / out of date actions to Merton Improvement Board as required.

Each meeting will adopt the following broad format:

- A representative from the relevant business area, preferably the owner of the proposed initiative / project, will present their proposal, including any options appraisal undertaken, the anticipated business benefits, and the overarching plan.
- Board members will ask questions and clarify the proposal as required.
- The Board will reach a decision on the proposal which may be to;
 - a) approve as currently set out;
 - b) approve subject to certain amendments or additions;
 - c) refer it for further development on the basis of guidance provided by the board, or;
 - d) reject the proposal altogether with a clear rationale for the decision.

5. Accountability

The TDA will report all decisions to the Merton Improvement Board (MIB) on a monthly basis. In addition, the TDA may escalate issues and risks to MIB as required.

The TDA will work in conjunction with the other established change control mechanisms within the organisation as follows:

Governance	Role	Relationship to TDA
Departmental Management Teams (DMT)	Business leadership and management; agree, prioritise and resource transformational activity.	Refer requests / proposals for significant system / IT changes to the TDA for advice prior to approval.
Senior Management Teams (SMT)	Manage discrete business functions, propose, prioritise and manage transformational activity.	Consult the TDA on proposals for significant system / IT changes for advice prior to approval.
Merton Improvement Board (MIB)	Oversees cross cutting transformation and secures assurance on quality and progress against delivery.	Refer requests / proposals for significant system / IT changes to the TDA for advice prior to approval.
Capital Programme Board	Oversees, determines and directs activity (projects and programmes) undertaken as part of the council's capital programme.	Refer requests / proposals for significant system / IT changes to the TDA for advice prior to approval.
Carefirst Programme	Oversees and directs	Significant improvements

Governance	Role	Relationship to TDA
Board	significant change to the Carefirst System, ensuring this is driven by and takes full account of business need.	to be referred to the TDA for consultation.
Adults and Children's Departmental Information Groups	Manages and controls change to the Carefirst system at the operational level, ensuring this is driven by and takes full account of business need.	N/A

6. Meetings

TDA meetings will be scheduled every two months for routine agenda items and non-urgent requests. Additional reactive meetings will be held as required in order to respond in a timely manner to more urgent change and improvement requests that cannot wait until the next scheduled meeting. In the case of such urgent requests a meeting will be convened and a decision reached (subject to sufficient information being made available to the Board) **within seven working days**.

Requests are to be submitted via email to the Continuous Improvement Team (continuous.improvement@merton.gov.uk) and DMTs must approve any proposals / requests arising from their department prior to submission to the TDA.

The Board will meet every eight weeks on the fourth Tuesday of the month.

7. Extraordinary Meetings

The Board may arrange occasional meeting to address specific themes or topics.

Section C

Risk Management

C. RISK MANAGEMENT STRATEGY

Policy Statement

Merton's policy is to manage our risks by identifying, assessing and controlling them, with the aim of eliminating or reducing them to acceptable levels whilst being mindful that some risks will always exist and will never be eliminated.

The council recognises its responsibility to risk management by supporting a structured, systematic and focussed approach to risk management through the approval of our risk management strategy.

The effective management of risk is at the core of our approach to delivering cost effective and efficient services as well as sound corporate governance and is a continuous and evolving process, running through our strategies and service delivery arrangements. As risk is very much concerned with our objectives, the management of it will be closely linked to the creation of our strategic, service, project and partnership objectives and plans.

Our risk management process will be continuous and will support internal and external change. The risk management process will be fully integrated with the normal business management processes across the authority.

Merton's aims and objectives in relation to risk management are to:

- Establish and maintain a robust framework and procedures for the identification, analysis, assessment and management of risk, including reporting and recording.
- Minimise the council's exposure to unacceptable levels of risk, minimise injury, damage, loss and inconvenience to staff, residents and service users.
- Integrate risk management into the day to day activities of staff and the culture of the organisation, raising awareness of the importance and need for risk management.
- Assign clear roles and responsibilities for councillors and officers responsible for risk management
- Ensure consistent application of our methodology across all of our activities, including partnerships and projects.
- Effectively manage the total cost of risk.

We will achieve this by:

- Having a clear and concise risk management strategy which underpins our approach and responsibilities to risk
- Incorporating risk management into business planning, project management and service delivery
- Monitoring risk on a regular basis through the Corporate Risk Management Group (CRMG)
- Reporting on risk on a regular basis to the Corporate Management Team (CMT), Cabinet and General Purposes Committee

Risk Management Strategy

The process of identifying and evaluating risks is known as risk assessment. By understanding the risks we face, we are better able to actively recognise where uncertainty surrounding events or outcomes exists, and identify measures which can be taken to protect the council, its staff, residents, customers and assets from these risks.

This strategy provides a structured approach to identifying emerging risks as well as assessing and managing current risks. It also incorporates a process for regularly reviewing and updating identified risks.

This strategy will be reviewed on an annual basis, and updated where required.

What is risk?

Risk is the threat that an event or action may adversely affect an organisation's ability to achieve its objectives and successfully execute its strategies. A risk can be a threat, obstacle, barrier, concern, problem or event that may prevent us fulfilling our objectives.

Our risk management processes also include the assessment of Issues. Issues are current problems, questions, outstanding items, tasks or a request that exists in the immediate present. There is a strong element of fact surrounding it. An issue becomes a risk when the issue cannot be addressed and could continue or get worse.

Definition of Risk Management

Organisations exist to achieve their ambitions, aims and objectives. Risk Management is the process by which organisations methodically address and identify the risks that may prevent them from achieving these ambitions, aims and objectives. The intention is to achieve sustained benefit within each of their activities, and across the portfolio of all their activities.

Ultimately, risk management is about creating a better understanding of the most important problems facing organisations.

Risk is also implicit in the decisions all organisations take; how those decisions are taken will affect how successful they are in achieving their objectives. Decision making is, in turn, an integral part of the day to day existence and is particularly significant in times of change. Risk management therefore is a key component in the management of change and helps to support effective decision making.

We endeavour to identify all risks facing the council and to monitor, manage and mitigate (where possible) all those risks which are deemed to be high (scored Amber or Red). Risks are monitored via Departmental Risk Registers, and key crosscutting risks to the council are also placed on the Key Strategic Risk Register (KSRR).

The benefits of risk management

In addition to the business and service benefits of our approach, we are required to undertake risk management because it forms part of the Annual Governance Statement. We must, therefore, demonstrate that we have a systematic strategy, framework and process for managing risk.

However, the council recognises that the benefits of risk management far outweigh the requirement to undertake the activity and such benefits include:

- Stronger ability to achieve our ambitions, aims and objectives as key risks are managed.
- Better decision making as we are more aware of risk.
- Ability to take advantage of opportunities because we understand the risks attached to them.
- Better governance and the ability to demonstrate it to our stakeholders.
- Reduction in failure, loss, damage and injury caused by risk
- Improvement in our ability to adapt to change
- Improvement in our corporate governance
- Compliance with statutory and regulatory requirements

Organisational awareness of risk and risk management

Ensuring that there is a strong organisational awareness of risk management will be achieved through training sessions, reviews, departmental meetings, briefings and staff bulletins which will take place on a regular basis. Each department has an assigned Risk Champion who will offer guidance to staff where required. The [risk management intranet page](#) will be regularly reviewed and staff will be signposted to the information they need to pro-actively identify and manage risk ie the Risk Management Toolkit and other guidance.

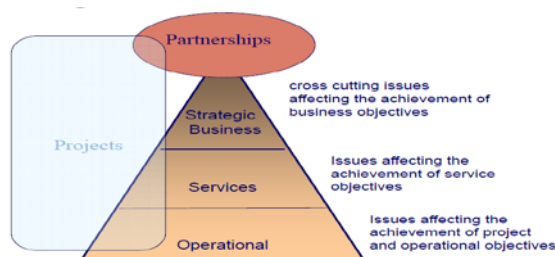
Risk Appetite

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

It is also recognised that a higher level of risk may need to be accepted, for example to support innovation in service delivery. To offset this there are areas where the council will maintain a very cautious approach for example in matters of compliance with the law, and public confidence in the council, supporting the overall “informed and cautious” position on risk.

How does risk management integrate with other policies?

Risk management links closely with Health and Safety, Business Continuity, Emergency Planning and Insurance; by ensuring close links we can enhance our resilience. Generally, a single issue or risk will fall into only one of these categories; however some may fall into two or more. As Business Continuity is a way of mitigating risk, its link with risk management is key to ensuring the continuous delivery of services which are important to the community.



Risk management in projects

Risk management is a key part of the ongoing management of projects and partnerships and is clearly defined in [Merton's Approach to Projects \(MAP\)](#).

Risk management in partnerships

The council is involved in a wide range of partnerships to achieve our ambitions, aims and objectives. It is vital we assess the risks to achievement within our key partnerships, and ensure that they are monitored regularly.

Our methodology for assessing and monitoring risks has been adopted by our key partnerships in order to ensure consistent scoring, and effective integration into our risk management system.

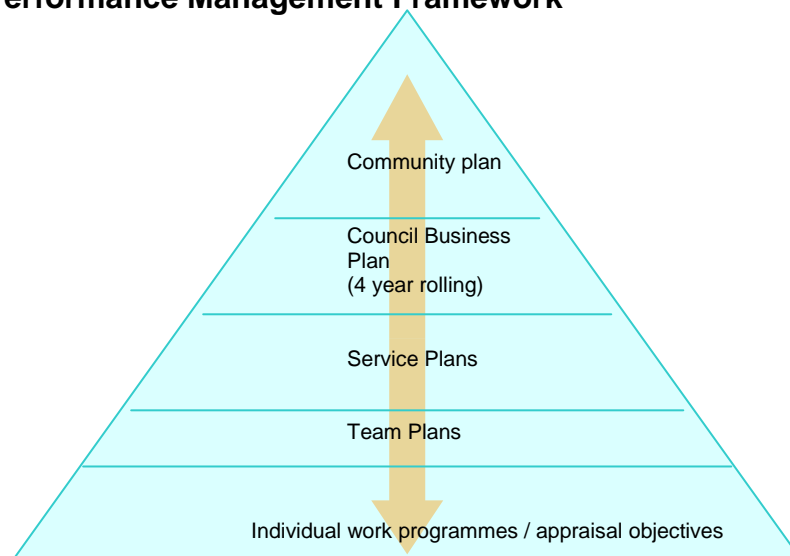
Risk management and financial planning

Risk management is an important part of financial planning. As part of the budget setting process a robust risk assessment is completed, and then reviewed on a regular basis.

Corporate approach to risk management

In order to formalise and structure risk management, it is recognised there is an obvious and clear link with the business planning process and therefore risk management sits within the Business Planning team. The overall council Business Plan, incorporating the individual service plans, sets out what a team, division, department, or the council as a whole, want to achieve within a specific time frame, as shown below.

Merton Performance Management Framework



- CMT is ultimately accountable for delivering the council's Business Plan therefore they are responsible for monitoring and reviewing the KSRR.
- DMTs are responsible for their own services' risk registers.
- Divisions or teams are responsible for their own risk registers, if applicable.

It is important that risks identified and assessed at an operational level can be escalated to a departmental or corporate level. However, because a risk may have a great impact on a team it does not necessarily follow that it may have the same impact on the department, or the organisation as a whole.

Ultimately, it is the respective management team which decides if a risk is an appropriate inclusion on its risk register.

Scoring Risk

In conjunction with this strategy, more detailed guidance will be issued to assist officers in identifying risks and issues, and the scoring, managing and reporting of those risks identified.

When determining a score for service level risks, definitions of likelihood and impact of risk (Service Level) should be used in conjunction with the matrix below. Therefore, if the likelihood of a risk is 4, significant, (occurs or likely to occur more than 25%, and up to 50% of the time) and the impact is 3, critical, (service provision - service suspended short term) – then the risk rating will be 12 (4x3) which is amber.

Defining the Likelihood of Risk

Classification	Definition
6 - Very High	Occurs or likely to occur more than 90% of the time
5 - High	Occurs or likely to occur more than 50%, and up to 90% of the time
4 - Significant	Occurs or likely to occur more than 25%, and up to 50% of the time
3 - Possible	Occurs or likely to occur more than 5% and up to 25% of the time
2 - Low	Occurs or likely to occur more than 1% and up to 5% of the time
1 - Almost Impossible	Occurs or likely to occur up to 1% of the time

Defining the Impact of Risk (Service Level)

Categories	1 Marginal	2 Significant	3 Critical	4 Catastrophic
Financial Impact - FI	Up to 15% gross budget or turnover	Over 15% and up to 50% of gross budget or turnover	Over 50% and up to 75% of gross budget or turnover	Over 75% of gross budget or turnover
Service Provision - SP	Reduced service	Significant reduction	Service suspended short term	Service suspended long term / statutory duties not delivered
Health and Safety - HS	Broken bones / illness	Major illness / threat not life threatening	Loss of life / major illness	Major loss of life / large scale illness (pandemic)
Objectives - O	Objectives of one service area not met	Departmental objectives not met	Corporate objectives not met	Statutory objectives not met
Reputation - R	Adverse local media lead story short term	Adverse local media story long term. Adverse national publicity short term.	Adverse national publicity longer term	Remembered for years

Risk Matrix

Likelihood

6	= Very High
5	= High
4	= Significant
3	= Possible
2	= Low
1	= Almost Impossible

Likelihood	6	6	12	18	24
	5	5	10	15	20
	4	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4
		1	2	3	4

Impact

Impact

4	= Catastrophic
3	= Critical
2	= Significant
1	= Marginal

Reporting and escalating risks

All risks on individual service risk registers are reviewed at Departmental Managers Team (DMT) meetings with particular attention given to red or increasing amber risks.

Risks are also checked for any cross cutting implications. If the risk is high scoring and/or could have an impact across the organisation, then it must be rescored using the Defining the Impact of Risk (corporate level) criteria below, prior to inclusion on the Key Strategic Risk Register.

Defining the Impact of Risk (Corporate Level)

Categories	1 Marginal	2 Significant	3 Critical	4 Catastrophic
Financial Impact - FI	Up to £2.5m per annum or up to £10m one off	£2.5m up to £5m per annum or up to £20m one off	£5m up to £7.5m per annum or up to £30m one off	£7.5m up to £10m per annum or above £30m one off
Service Provision - SP	Reduced service	Significant reduction	Service suspended short term	Service suspended long term / statutory duties not delivered
Health and Safety - HS	Broken bones / illness	Major illness / threat not life threatening	Loss of life / major illness	Major loss of life / large scale illness (pandemic)
Objectives - O	Objectives of one service area not met	Departmental objectives not met	Corporate objectives not met	Statutory objectives not met
Reputation - R	Adverse local media lead story short term	Adverse local media story long term. Adverse national publicity short term.	Adverse national publicity longer term	Remembered for years

Monitoring and Managing

During the year, new risks will arise that have not previously been considered and there may be changes to existing risks. Therefore the risk registers need to be regularly managed, with risk owners re-assessing their risks, re-scoring them if appropriate, and providing sufficient narrative in respect of the Control Measures they have in place (ie the actions which they are taking to mitigate against the risk). The reviews of risk registers should be managed by exception. The reporting cycle as detailed below, takes place during April, July, October and January.

1 st week	2 nd week	4 th week
DMT – review operational service risks and propose KSRs as per the definitions of likelihood and impact for crosscutting risks	Corporate Risk Management Group (CRMG) – review service risks and proposed KSRs	CMT – identify and review KSRs

All risks are reviewed according to the quarterly cycle shown above, with a particular focus upon red risks, and also upon amber risks which have increased their risk score since the previous quarterly review.

There are no rigid guidelines for dropping risks from the registers because clear parameters are not always possible. Removal of any risks from the registers must be approved by DMTs and then CRMG. A decision is sometimes taken to keep a low-scoring risk in view on the basis that its status might change over a short period, or so that those with an assurance role can be confident that mitigation against a risk can be sustained.

A flowchart showing how service, departmental, corporate and partnership risks are escalated and reported is shown on the final page of this Strategy.

Roles, Responsibilities and Governance

Councillors

Elected councillors are responsible for governing the delivery of services to the local community. Councillors have a responsibility to understand the key risks the council faces and will be made aware of how these risks are being managed through the annual business planning process. All Councillors will have a responsibility to consider the risks associated with the decisions they undertake and will be informed of these risks in the plans and reports submitted to them.

Chief Executive and CMT

The Chief Executive and CMT are ultimately accountable in ensuring that risk management is fully embedded in the council's business planning and monitoring processes as well as having overall accountability and responsibility for leading the delivery of the council's Risk Management Strategy and Framework. CMT will take a leading role in the risk management process, ensuring that risk management is communicated, understood and implemented by Councillors, managers and staff. CMT will also play an important role in establishing a supportive culture.

CMT will submit an annual report on risk to the General Purposes Committee and Cabinet.

Directors

Each Director is accountable for proper monitoring of their departmental risk register, action plans and the embedding of risk management into the business planning process of their directorate. They will need to be actively involved in the risk management process within their department and CMT, including nominating an appropriate Risk Champion for their department. Directors are also accountable and responsible for leading the delivery of the council's Risk Management Framework in their respective Directorate.

Section 151 Officer / Internal Audit

The Section 151 officer and Internal Audit will be responsible for carrying out independent reviews of the risk management strategy and processes. They will provide assurance and give an independent and objective opinion to the council on the adequacy of its risk management strategy, control procedures and governance.

An annual Audit Plan, based on a reasonable evaluation of risk, will be carried out and an annual assurance statement will be provided to the council based upon work undertaken in the previous year. The section 151 officer will chair the CRMG group.

Risk Champions

Risk champions will work with their Director, Heads of Service, Managers and Team Leaders to ensure the RM Strategy and Framework is embedded in the Directorate and departmental planning, performance, project and partnership management, offering support and challenge. They will also represent their directorate at CRMG meetings.

Risk Champions will ensure that risks are identified, assessed and scored correctly by the Risk Owners, offering advice and guidance where appropriate. They will also challenge risk scores where they do not appear to be reasonable, or where they contradict the Control Measures narrative or the corporate Risk Scoring Guidance.

All Risk Champions will receive appropriate training to ensure that they can perform their role effectively. Training needs will be regularly evaluated.

Service Managers

Managers have a responsibility not only for the risks for which they are the risk owner, but are also accountable for those risks, within their service, which are owned / managed by others.

They are required to maintain an awareness of risk and ensure that any risks they identify are captured by the risk management process, understanding and responding to the key risks which could significantly impact on the achievement of their service and/or team objectives. Managers should encourage staff to be open about risk so that appropriate mitigation actions and control measures can be agreed.

Risk Owners

Risk owners are responsible for identifying and implementing appropriate actions which will mitigate against risks they own and reduce these risks to an level acceptable to the organisation. They are required to regularly review the effectiveness of their control measures and provide a formal update to DMTs and CRMG on a quarterly basis as part of the risk review cycle.

Individual Employees

Individual employees need to have an understanding of risks and consider risk management as part of their everyday activities, identifying risks deriving from their everyday work, processes and environment. Risks which could impact on service delivery, the achievement of objectives, or their own or others' wellbeing must be identified and actively managed, with mitigating actions in place where appropriate.

Business Planning team

The business planning team is responsible for ensuring that risk management is embedded throughout the council, as well facilitating and supporting the risk management process and supporting risk owners.

The team will ensure risk management documentation and intranet pages remain up to date and relevant, as well as updating the KSRR with emerging risks, new risks and updating existing risks.

In addition the Business Planning team will ensure risk is part of the annual service planning process, facilitate the CRMG meetings, and submit strategic updates and reports on risk management to CMT, Cabinet, Audit and Assurance Committee etc. as required.

Corporate Risk Management Group

The Corporate Risk Management Group will provide strategic direction and leadership to ensure our risk strategy is maintained and updated and that risks are appropriately identified and managed within the organisation. It will provide a forum for the detailed discussion and monitoring of organisational risks for the benefit of the council, its staff and the wider community.

CRMG will strive to ensure that the risk management framework is embedded within the council's overall strategic and operational policies, practices and processes in a consistent and standardised manner.

In addition it will provide assurance that all risk systems and processes are operating effectively to minimise the Council's overall exposure to risk. The headline departmental risks and planned mitigation activity reported by each department will be discussed by CRMG on a quarterly basis. CRMG will then report its conclusions and recommendations for discussion at CMT.

Cabinet

Cabinet will receive reports on the risk management strategy to determine whether corporate risks are being actively managed. They are responsible for agreeing the strategy on an annual basis, or when significant changes are made, and to report to full Council on the adequacy of the risk management framework.

Standards and General Purposes Committee

To provide an independent oversight of the adequacy of the risk management framework and the associated control environment. The committee will receive an annual review of internal controls and be satisfied it properly reflects the risk environment and any actions required to improve it. Reports will also be provided regarding the KSRR in order that the committee can determine whether strategic risks are being actively managed.

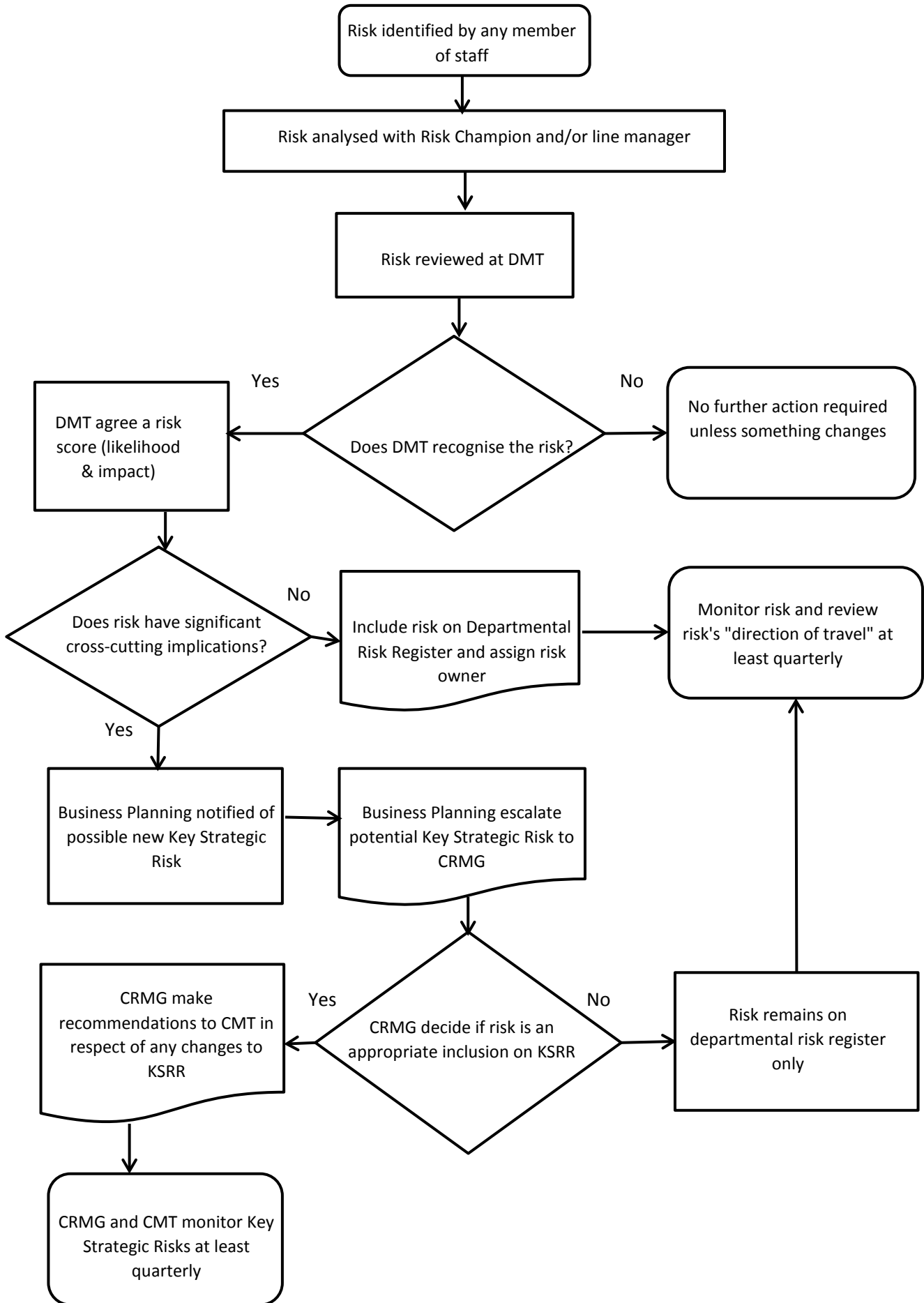
On an annual basis, the committee will review and recommend the adoption of the risk management strategy to cabinet, or if significant changes are identified, to request a revision.

Risk management in committee reports

When a report is submitted to a committee the author is required to complete a section on Risk Management and Health and Safety Implications. The committee should be informed of any significant risks involved in taking a recommended course of action, or if it decides not to follow the recommended course of action. The risk assessment should follow the corporate risk management procedures and be scored using the risk matrix. The report should also give details of any control measures (either proposed or existing) to manage any significant risks identified. Where appropriate, reference should be made to any existing risk(s).

Report authors are advised to consult with the Business Planning team or their departmental Risk Champion, for further advice and to propose any risks to be considered for inclusion in the departmental or KSRR.

London Borough of Merton Risk Management Process



Risk Register ~ Key Strategic Risks ~ Quarter 3

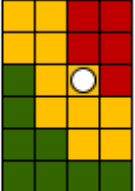




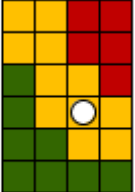




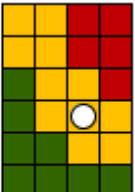




Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Control Measures in place	Date of comments
Gemma Richardson	ASC21 / KSR77 Deprivation of Liberty Safeguards (DOLS)	Key Strategic Risk	A recent court ruling widens the criteria for people that can be defined as being subject to a DoL,	Government have not made any additional resources available for this new burden, so there is a cost pressure in relation to the cost of health assessments. Current levels of trained staff to conduct assessments and reassessments are not adequate to cope with the additional workload, resulting in the potential of challenge if clients have been detained unlawfully. This affects all authorities with social care responsibilities and Merton is not out of kilter with other authorities' positions.		12 31-Jan-2017	FI / SP	A report was taken to CMT outlining 3 options for managing increased demand in this area. A further piece of work is being developed to deliver a more robust response to DOLS and Mental Capacity Act assessments more generally. We are confident we have a managed position in-line with other authorities and therefore the likelihood of this risk occurring has been reduced.	31 Jan 2017
						20 14-Dec-2016			
						20 12-Oct-2016			
						20 27-Sep-2016			
Sophie Ellis	BI18 / KSR68 Inability to deliver TOM's across the organisation	Key Strategic Risk	Inadequate delivery planning for TOM's across the organisation. Unanticipated changes in delivery context, including additional financial reductions.	Ambition set out in TOM is not achieved.		6 19-Dec-2016	O	No change. Departmental delivery arrangements yet to be confirmed by MIB.	19 Dec 2016
						6 15-Sep-2016			
						6 10-Jun-2016			
						4 11-Mar-2016			
Kris Witherington	BI39 / KSR74 Failure to consult in general (formerly CS17/KSR74)	Key Strategic Risk	Failure to adequately consult over changes to Council services and policies, and/or the design and implementation of projects etc	Inadequate consultation carries the risk of increasingly robust scrutiny and challenge, including Judicial Reviews.		6 19-Dec-2016	R, FI	The standards expected for consultation are described in the Community Engagement Strategy ("Get Involved") which was agreed by the Merton Partnership in 2010 and refreshed in 2014. All Council consultations should be listed on the Council's online consultation database, having been approved by the Consultation and Community Engagement Team. Support for services is available including training around the need for consultation, design, and legal obligations.	19 Dec 2016
						6 05-Sep-2016			
						6 06-Jun-2016			
						6 16-Mar-2016			

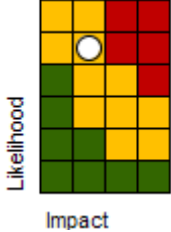




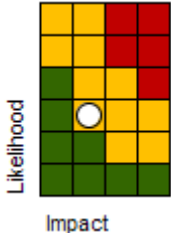




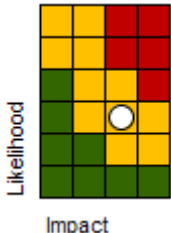




Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Control Measures in place	Date of comments
Yvette Stanley	CSF01 / KSR35 Safeguarding children	Key Strategic Risk	Potential for less effective inter-agency working. Changing expectations & updated regulatory framework. Ongoing budget pressures across all agencies could undermine Merton Model.	Child protection & safeguarding issues including possible child death or serious harm. Possible increase for high cost interventions.		12 21-Dec-2016	R	LSCB Business Plan & refreshed CYPP. Reconstituted CYP partnership board. Strengthened MSCB governance. Launched refresh of the Merton Health and Well-Being Model to be implemented by April 2017. Ongoing rigour in conversations with partner agencies and third sector to improve understanding and responsibility of safeguarding has been formalised and a task and finish group was set up and agreed by the MSCB in October 2016. Three sessions were planned and agreed for January/February 2017 (two of which have taken place). The outcome from the task and finish will then inform the content of a wider multi agency workshop to be held on 1st March at the MCCB conference.	20 Jan 2017
						12 25-Oct-2016			
						16 30-Sep-2016			
						16 04-Jul-2016			
Charles Baker; Cormac Stokes	ER112 / KSR73 KSR - Waste disposal overarching risk (sub risks ER 113 to ER 117)	Key Strategic Risk	1. Increase in waste disposal costs 2. Increase of waste to landfill 3. Construction work at Beddington Lane Sub-risks ER113 to ER117 provide additional detail to this overarching risk	1. Increased costs for waste disposal 2. Operational difficulties 3. Performance may be affected (more landfill, less recycling and more missed bins) 4. Political fallout		12 07-Dec-2016	FI/R/O	Indexation for 2016/17 has been agreed and communicated. Fuel indices have gone down for a second year. Landfill costs are capped in line with interim arrangements. This will be increased in line with Phase B contractual agreements in 2017. Waste flows continued to be monitored monthly and forecast amended accordingly. Additional budget is being allocated for 2017/18.	19 Jan 2017
						12 26-Sep-2016			
						12 30-Jun-2016			
						12 21-Mar-2016			
Paul McGarry; James McGinlay	ER118 / KSR75 Impact of Crossrail 2	Key Strategic Risk	Impact on councils income, commercial activity in Wimbledon Town centre and Weir Road	1. Financial impact on council and services 2. Economic impact on Wimbledon Town Centre and the borough (potential loss of businesses and jobs) 3. Council reputation		12 09-Dec-2016	FI	The Government have delayed the process until early next year	09 Dec 2016
						12 26-Sep-2016			
						12 15-Jun-2016			
						12 21-Mar-2016			

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Control Measures in place	Date of comments
Kim Brown	HR09 / KSR42 Single status	Key Strategic Risk	Post single status challenge	Cost of settlement; cost of litigation & resources to contest; impact on staff morale; reputational & political impact		4 19-Dec-2016	R	Single status issues are nearly all resolved with negotiations having taken place with the TUs. The risk rating has remained the same until the three remaining cases are resolved/completed.	19 Dec 2016
						4 19-Sep-2016			
						6 16-Jun-2016			
						6 22-Mar-2016			
Mark Humphries	IT03 /KSR48 IT Systems	Key Strategic Risk	Major disruption in the civic centre causing 6th floor data centre to become unusable	IT failure leading to unavailability of IT services impacting on organisational service delivery.		12 06-Dec-2016	SP	Current IT Disaster Recovery network architecture now provides limited functionality, but following recent equipment failure a further review is now being undertaken in order to improve resilience of systems. This will be completed by March 2017.	06 Dec 2016
						12 19-Sep-2016			
						8 09-Jun-2016			
						8 09-Mar-2016			
Caroline Holland	IT24 / KSR21 Failure to adhere to Public Contract Regulations 2015 and Contract Standing Orders (previously RE03)	Key Strategic Risk	Lack of awareness in some areas that procurement is a tightly regulated area of council activity.	Impact on strategy and time for procurement exercises. Adverse budget and service implications if not carried out correctly in accordance with regulations and standing orders such as legal challenges and slower identification, capture and delivery of savings. Reputational risk.		15 06-Dec-2016	R	New head of Commercial Services is currently reviewing and updating the councils current procurement related governance processes and procedures which includes a review of Contract Standing Orders.	06 Dec 2016
						15 12-Sep-2016			
						15 20-Jun-2016			
						15 04-Apr-2016			
Caroline Holland	MPF11 / KSR72 Failure to procure investment managers in good time and so not improving Fund performance	Key Strategic Risk	Failure to review investment strategy and investment management arrangement within appropriate timescales resulting in failure to improve performance of investments.	Investment mandates incompatible with incumbent fund managers to the detriment of investment performance, fund may fail to meet its investment and funding objectives in the short and medium term.		12 19-Dec-2016	FI, R	Review of Pension Fund investment strategy, mandates and investment management arrangement discussed at the Pension Fund Advisory Panel meeting on 1 December. Special meeting of the Panel is proposed for mid-February 2017 to consider strategy options and get some momentum behind the review process. Funding cashflows have been provided to JLT, the investment advisers. Investment Strategy Statement will be developed and published by no later than 1 April 2017. Monitor developments at the CIV. Engage manager with complementing strategies. Appropriate balance between passive and active	16 Jan 2017
						12 19-Sep-2016			
						12 04-Jul-2016			
						12 11-Dec-2015			

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Control Measures in place	Date of comments
								investment styles. Review IMAs and ensure fund managers adhere to the mandate. Comprehensive ongoing monitoring of investment guidelines, benchmarks and performance.	
Paul Dale; Caroline Holland	RE02 / KSR49 Developing corporate Business Plan & setting a balanced budget for 17/21 & beyond	Key Strategic Risk	Reduced budgets may impact negatively on service delivery levels	Impact on service provision, reputation, staff morale & internal & external customers satisfaction	 Likelihood Impact	15 05-Dec-2016	FI	Risk has been updated to reflect the fact that extending the period to 2021 is likely to increase anticipated shortfalls, especially given receipt of any revenue support grant will cease and the details of retained Business Rates are unclear.	20 Dec 2016
						15 22-Sep-2016			
						12 12-Sep-2016			
						12 17-Jun-2016			
Caroline Holland	RE16 / KSR61 Failure to deliver the multi-year Savings Programme	Key Strategic Risk	Savings of £30m have been agreed for the period 2016/17 to 2019/20, the period of budget decisions required by this council.	Non achievement of any significant saving would adversely impact on the authorities ability to balance its budget in the medium to long term if larger than the contingency and could require reserves to be reinstated.	 Likelihood Impact	15 31-Jan-2017	F	The monthly monitoring report for the financial year 2016/17 will continue to monitor the delivery of 16/17 savings and projections of out-turn spending. Progress on 14/15 and 15/16 savings unachieved will be reported to Cabinet. A series of remedial measures have been put in place with departments to compensate for non-delivery of savings. Central measures will also be taken. The budget gap is currently being reviewed due to growth requirements and the setting of Council Tax.	31 Jan 2017
						18 05-Dec-2016			
						18 03-Oct-2016			
						18 17-Jun-2016			
Corporate Management Team	RE20 / KSR76 Inability to respond effectively to post-Brexit changes	Key Strategic Risk	Inefficient response to the inevitable changes brought about by Brexit ie inability to demonstrate flexibility, organisational resilience, or ability to capitalise on potential opportunities.	Inadequate budget management and planning in a period of rapid change, negative impact upon service delivery across all areas of the council's work, failure to identify and respond to positive opportunities arising from Brexit.	 Likelihood Impact	8 19-Dec-2016	FI, R, P, SD	In late 2016 the Finance & Pensions team took the decision to suspend its weekly discussion meetings pending clarification of the government's negotiating position. Following the PM's speech on 17 Jan 2017 when a number of key details were revealed, the regular Monday meetings have been resumed.	19 Jan 2017
						8 16-Sep-2016			
						8 14-Jul-2016			

Risk Register ~ Key Strategic Issues ~ Quarter 3

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Control Measures in place	Date of comments
Yvette Stanley	CSF04 / KSR55 Changing Borough Demographics	Key Strategic Issue	Increases in both the total population in the borough, including in particular families with young children, & also in the mix of the population with respect to ethnicity, disability & deprivation.	Additional demand for services for children with special educational needs & disabilities, as well as pressure for growth in children's social care & child protection interventions including support for families with no recourse to public funds.	 Likelihood Impact	12  26-Jan-2017	O	CSF Service Plans identify current control measures, these include reviewing and strengthening the eligibility criteria, step up step down process and consistently managing demand. The SENDIS Improvement plan continues to be regularly reviewed and updated with clear actions set out to strengthen the service delivery.	26 Jan 2017
						15  21-Dec-2016			
						15  30-Sep-2016			
						15  04-Jul-2016			
Paul Ballatt; Yvette Stanley	CSF05 / KSR34 School places	Key Strategic Issue	Although primary numbers are now expected to plateau, the increase in birth-rate & numbers of children reaching secondary age puts continued pressure on special school places.	Lack of land availability for secondary expansion prevents LA delivering in the major growth years, resulting in insufficient capacity to meet demand.	 Likelihood Impact	9  21-Dec-2016	R	Secondary school places need now addressed by new Free School in Wimbledon and expansion of at least one existing school. Plans now in place for additional special school places supported by funding in capital programme.	21 Dec 2016
						9  30-Sep-2016			
						9  04-Jul-2016			
						9  30-Mar-2016			
Children, Schools & Families	CSF06 / KSR56 CS&F funding changes, budget savings & resource management	Key Strategic Issue	Continued uncertainty regarding changes to funding regimes & external grants, & concurrent additional statutory duties & demographic pressures. Move to national funding formula for DSG expected from 2017/18 onwards, & the impact of maintained schools becoming academies through to 2022. Insufficient funding for new burdens: C&F Act; NRTPF; Leaving Care. Requirement to make significant savings over the next 3-4 years. Need to balance competing & increasing demands at a time of contracting resources & extensive change.	Impact on ability to provide statutory services, possibility of undermining the Merton Model, causing additional spend pressures in targeted services. Low staff morale, difficulties in managing the impact of the Workforce Management Strategy. Time & effort required to manage change & meet expectations of members & central government may lead to failures in the management of ongoing operational work.	 Likelihood Impact	9  31-Jan-2017	FI	Monitor Government proposals, consultation response & implications fed into budget & MTFS. Budget savings identified & analysed for impact including equality assessments, TOM & Service Planning work. All CSF Divisional Service Plans, School Improvement Strategy, NRTPF Working Group Strategy Plan, and Children and Family Act Implementation Plan. NRTPF demand management plan in place. TOMS and MTFS savings all progressing. Budgeted growth agreed for future years in MTFS.	31 Jan 2017
						20  21-Dec-2016			
						20  30-Sep-2016			
						20  04-Jul-2016			

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Control Measures in place	Date of comments
Paul Ballatt	CSF09 / KSR62 Recommissioning Early Intervention and Prevention (Partnership)	Key Strategic Issue	Likely reduction in contracting with local third sector leads to reputational & political risk.	Destabilisation of the Local Strategic Partnership & Children's Trust Board partnership arrangements.		10  21-Dec-2016	R	Ongoing engagement with sector re: reductions in commissioning budgets. Current procurement exercise for residual commissioned services for 2017-20 advertised widely to local sector.	21 Dec 2016
						10  30-Sep-2016			
						10  04-Jul-2016			
						10  30-Mar-2016			
Kim Brown	HR13 / KSR44 Change to staff terms & conditions	Key Strategic Issue	Impact of review of T&Cs & ongoing staffing reductions	Impact on staff morale, recruitment & sickness - this will also lead to more financial implications.		6  19-Dec-2016	SP	T & C's to be reviewed as part of the new workforce strategy and options to be considered in line with the TOM refresh. Support for staff and services going through change is available as part of the ongoing learning and development offer. The work currently being undertaken to support Merton becoming London's Best Council is vital to staff engagement so will have a positive impact on staff morale.	19 Dec 2016
						6  19-Sep-2016			
						8  16-Jun-2016			
						8  22-Mar-2016			
John Dimmer; Yvette Stanley	RE11 / KSR53 Failure to comply with equalities duties	Key Strategic Issue	Failure to evidence how equalities implications have been considered in developing new policy, designing services & decision making	Reputational impact for council, risk of judicial review & litigation, negative impact on service users and loss of savings.		9  16-Dec-2016	O/R/FI/ SP	Equality Analysis has been incorporated into the budget process and the equalities impact assessment of savings proposals are systematically undertaken. A revised draft of the Equalities Strategy is going to LSG w/c 23 Jan 2017, which will then go out to consultation.	16 Jan 2017
						9  15-Sep-2016			
						9  06-Jun-2016			
						9  18-Mar-2016			

Section D

Performance Management Framework

D. PERFORMANCE MANAGEMENT FRAMEWORK

Introduction

Merton launched its Performance Management Framework in 2004. Whilst the main principles of performance management remain the same, the framework undergoes annual review and updating when required, to ensure that it remains up to date and reflects changes within the organisation and outside.

We are committed to delivering customer-focused services. To achieve this, it is essential that we measure our performance, both against our own intentions, and the performance of others, and that we use that information to improve local services.

Performance management enables us to ensure that we are constantly meeting our goals, whilst simultaneously allowing us to identify best practice and address areas of concern. It provides the framework for consistently planning and managing improvements to our services to ensure continuous improvement in line with Lean principles. Sustainable improvements in services are unlikely to happen without this framework.

Everyone in the organisation has a part to play in monitoring our services and achieving our ambition.

Why measure performance?

- It highlights areas where we are doing well, and areas which need improving;
- It enables our managers to monitor performance, manage effectively, and plan for the future of the service;
- Performance data assists the decisions makers within the council and helps to inform their decisions;
- Timely and accurate performance data allows for early identification of problems and enables us to put actions in place to address / rectify the situation;
- It assists improvement by telling us where we are now and ensuring that we are doing the right things for the right reasons;
- Performance Management provides the evidence required for change and improvement, and lastly;
- What gets measured is more likely to be actioned

Why do we need a Performance Management Framework?

Central Government introduced the Single Data List in April 2011. This reduced the burden of performance monitoring and audit and inspection by central government, placing greater responsibility for this on local government. As a result, it becomes even more important that we manage and monitor our performance. We must ensure that our Performance Measures are robust, challenging and realistic, enabling us to achieve and deliver our priorities.

What is our Performance Management Framework?

Our Performance Management Framework has been created to clarify the overall approach the council takes to managing performance. The Framework should also be considered alongside the council's Risk Management and Data Quality Strategies.

Our framework will help us all to understand:

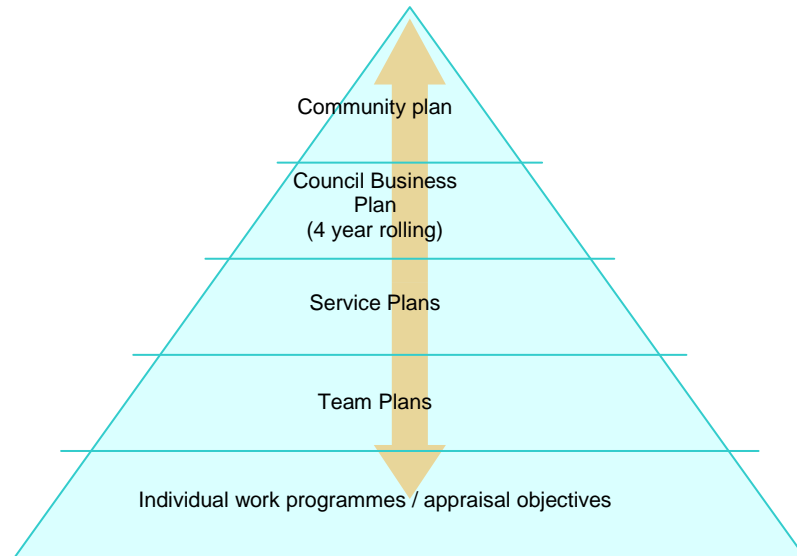
- what we are trying to achieve as an organisation
- how we are going to achieve this
- how we will monitor and report progress
- how the contribution of staff, managers, teams and departments relate to each other to help deliver the targets set for the whole organisation

The framework has three parts

1. The planning framework
2. The planning, monitoring and review cycle
3. Taking responsibility for results

The planning framework - how the plans fit together, the 'Golden Thread'

The performance management framework is represented by the performance triangle

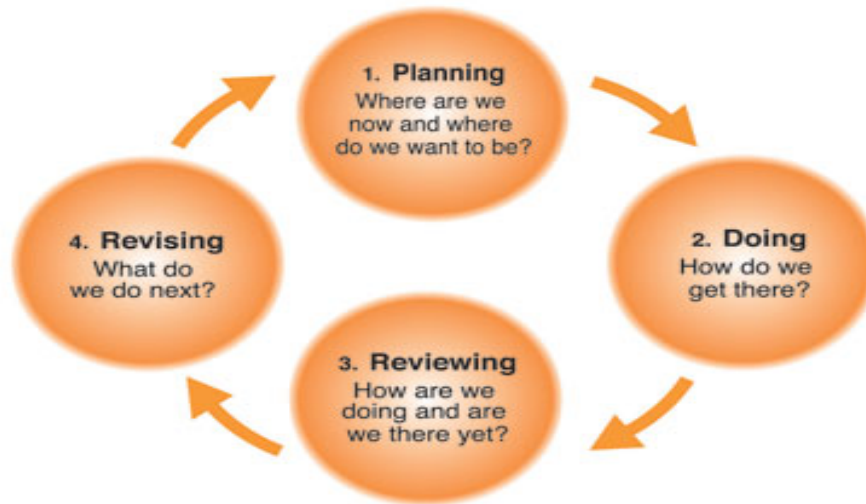


The key aspects of the Golden Thread are:

- [The Community Plan](#) has been developed by the Merton Partnership and sets the overall direction and vision for the borough until 2019.
- [Business Plan](#) sets out the council's priorities for improvement over the next four years. The plan is reviewed every year to ensure that it always reflects the most important improvement priorities.
- [Service Plans](#) are reviewed every year to ensure they outline the key issues and priorities for the department.
- [Medium Term Financial Strategy](#) (MTFS) outlines how much money we expect to receive over the next four years and in broad terms what we expect to be spending this on.
- [Workforce Development Plan](#) is focused on making the best use of the skills of staff to deliver the services residents demand and deserve
- [Individual Appraisals](#) take place twice a year and are used to agree individual work programmes and targets.

The planning, monitoring and review cycle - what happens, when and how?

The planning, monitoring and review cycle shows how we continuously review and revise our performance in order to improve our services.



The cycle has four phases and takes place on an annual basis as part of the development of the next four year rolling Business Plan and agreement of the next year's budget.

Planning - Where are we now and where do we want to be?

Where we are now is provided by our results against our performance indicators detailed in our service plans, the results of satisfaction surveys such as the Annual Residents Survey (ARS), and other inspection results. Our corporate ambitions and objectives describing where we want to be are laid out in the Community Plan and the Business Plan, and are reflected at a more local level in service plans, and targets in annual appraisals.

Doing - How do we get there?

To get to where we want to be, we need to maximise our capacity to deliver the actions laid out in the various plans, and use our performance management and appraisals systems to ensure that we remain on course.

Reviewing - How are we doing and are we there yet?

By monitoring and managing performance, consulting with our partners and service users, and benchmarking against other providers, we can assess our progress towards achieving our ambitions and learn from the good practice of others.

Revising - What do we do next?

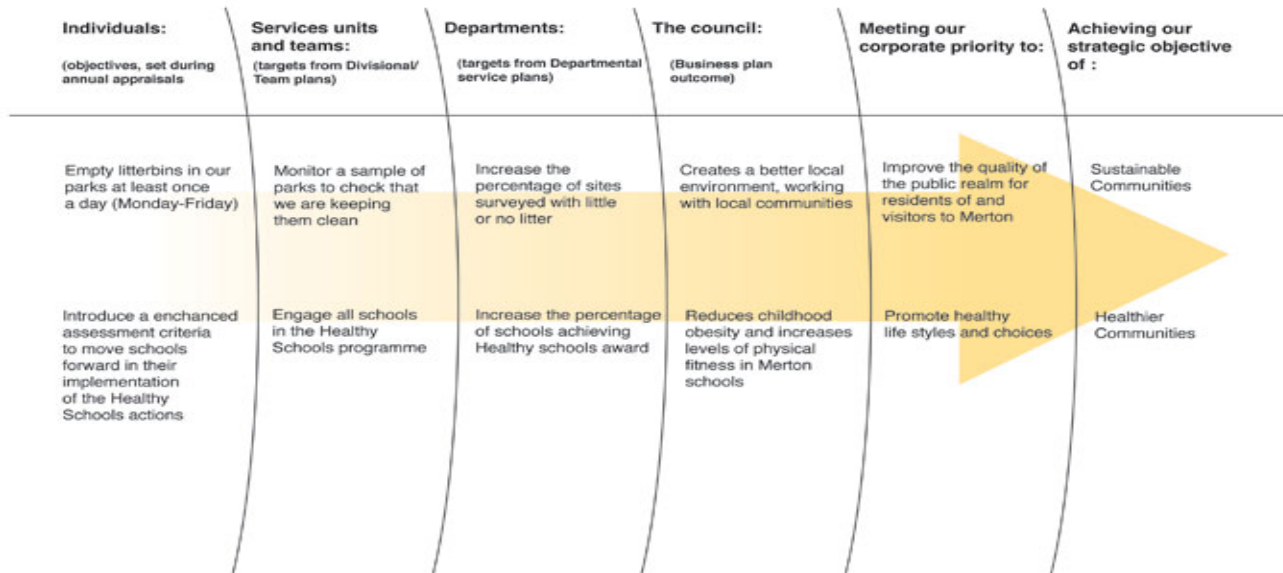
It is important that our services evolve to meet the needs of our residents. Having reviewed our performance we may find that we need to change what we are doing, or that we need to revise our ambitions and objectives so that we can continuously improve as an organisation.

To maximise the cycle's effectiveness we have an agreed timetable for the process which takes into account both performance and financial considerations. This timetable enables Councillors to agree priorities and allocate resources based on community views and needs, and accurate performance information. These priorities are translated into planned outcomes and performance targets to make sure that the right things get done.

Taking responsibility for results – how we go about doing it

Everyone has a responsibility to contribute towards improving Merton, working within and using the performance management framework. This ensures that measurable activities at individual, team and service levels translate into outcomes.

It is the responsibility of the owner of each performance measure to ensure that details of the measure are clearly defined. They must also ensure that adequate collection, recording and validation processes are in place to enable effective monitoring and reporting in line with the council's Data Quality Strategy.



Performance Management Systems and Collection Arrangements

Since June 2013, performance against service plan measures has been captured and reported via our Performance Management System (Covalent).

On the first day of each month departmental performance leads are notified that performance data must be uploaded onto the system by a specified deadline.

Performance Monitoring reports are presented to CMT on the fourth Tuesday of every month, Cabinet receives quarterly reports and Full Council an annual report. In addition, a monthly performance dashboard is published on both the internet and intranet giving staff, Members, residents and the public access to up to date performance data detailing how the council is performing against its targets.

Roles and responsibilities

The roles and responsibilities are outlined below:

Individuals	All staff have a responsibility to deliver the tasks / actions which have been agreed in their appraisal, and to understand how their work contributes to team, departmental and council goals.
Managers	All managers have responsibility for supporting their staff through the appraisal process and regular reviews. They must also show commitment

	and accountability by leading through example. Managers should ensure that their team have regular meetings to share information, review progress of their divisional and team plans, develop ideas, identify areas for the next plan and agree the way forward on a variety of team and work issues. Managers should use these meetings to raise issues around corporate priorities, tell staff about developments within the department and the council, and to cascade information about performance to staff.
Heads of service	Heads of service report to Directors and are responsible for overseeing the performance of service units within their remit. They take a key role in the development and monitoring of their service plan at their DMT. They may also take on or contribute to wider corporate projects.
Departmental Management Teams (DMT's)	DMT's monitor their department's performance information and are responsible for taking action to deal with under-performance. DMT's make sure that every manager in the department knows and understands the planning cycle and performance management framework
Directors	Each Director is responsible for the performance of their department. They must make sure that appropriate reporting arrangements are in place with their DMT's to enable them to monitor performance. Directors demonstrate commitment to the performance management framework by leading its implementation within their department. They make sure their service plans are monitored at least every two months and regularly provide progress reports to the Chief Executive and appropriate Cabinet portfolio holder(s). Directors also have collective responsibility for corporate improvement as members of Corporate Management Team (CMT)
Corporate Management Team (CMT)	CMT is made up of the Chief Executive and Directors of the four departments. Its role is to focus on the 'big issues' facing the council and develop the organisation's strategic approach and service delivery. CMT reviews performance monthly and it can ask DMT's to review areas of concern and agree management action to address under-performance.
Cabinet and Elected Members	Ultimately, councillors are responsible for setting the direction of the Council and developing priorities. They do this by developing policy, setting strategic targets, monitoring progress, and agreeing the framework for continuous improvement.
Full Council	Members receive regular reports on progress against the strategic themes, including any relevant performance information and can use these meetings as an opportunity to ask Cabinet members questions about performance issues.
Overview and Scrutiny	Overview and Scrutiny panels have regular performance monitoring task groups to examine performance data, detect trends and identify key areas of concern. They are responsible for challenging Cabinet to ensure that they are fulfilling their responsibilities. If they have areas of concern then they can ask Cabinet members and officers to attend meetings to answer questions. If they have wider concerns about the performance of a service area then they could carry out a scrutiny review into a particular area.

Help and advice

If you require any guidance or advice with regards to Performance Management or have any queries please contact a member of the [Business Planning team](#).

Corporate Indicator Set

The Corporate Indicator set is a set of key measures from each of the four departments, which are monitored on a monthly basis by the Corporate Management Team (CMT). The corporate set for 2017/18 is shown in the table below. Included in the table are the 2016/17 and 2017/18 performance targets.

Indicators shaded grey represent new additions to the corporate set.

Corporate Indicator Set for 2017/18 – Monthly

Dept	Monthly PI Codes & Description	Polarity	2016/17 Target	2017/18 Target
Corporate Services	CRP 013 / SP 431 % of positive and neutral coverage tone	High	92%	92%
Corporate Services	CRP 014 / SP 426 % Ombudsman complaints answered in time	High	90%	90%
Corporate Services	CRP 018 / SP 154 % Council Tax collected	High	97.25%	97.25%
Corporate Services	CRP 036 / SP 155 % Business Rates collected	High	97.5%	97.5%
Corporate Services	CRP 041 / SP 192 % FOI requests dealt with in time	High	90%	85%
Environment & Regeneration	CRP 044 Parking services estimated revenue	High	17,250,762	£16,184,190
Environment & Regeneration	CRP 045 / SP 118 Income (Development and Building Control)	High	2,110,000	2,110,000
Environment & Regeneration	CRP 047 / SP 068 No. of refuse collections including recycling and kitchen waste missed per 100,000	Low	50.00	50.00
Environment & Regeneration	CRP 048 % of sites surveyed on local street inspections for litter that are below standard	Low	8%	8%
Environment & Regeneration	CRP 049 / SP 059 No. of fly tips reported in streets and parks	Low	3,600	3,600
Environment & Regeneration	CRP 051 / SP 114 % Major applications processed within 13 weeks	High	55%	67%
Environment & Regeneration	CRP 052 / SP 115 % of minor planning applications determined within 8 weeks	High	60%	66%
Environment & Regeneration	CRP 053 / SP 116 % of 'other' planning applications determined within 8 weeks	High	82%	82%
Community & Housing	CRP 054 / SP039 % People with 'long term' services receiving Self-Directed Support (SDS)	High	95%	95%

Dept	Monthly PI Codes & Description	Polarity	2016/17 Target	2017/18 Target
Community & Housing	CRP 055 / SP275 The rate of delayed transfers of care from hospital (both Merton & NHS responsible)	Low	5	5
Community & Housing	CRP 056 / SP 054 No. of Carers receiving services and / or information and advice	High	996	1,000
Community & Housing	CRP 057 / SP274 % people receiving 'long term' community services	High	72%	78.8%
Community & Housing	CRP 059 / SP 008 No. of people accessing the library by borrowing an item or using a peoples network terminal at least once in the previous 12 months	High	56,000	56,000
Community & Housing	CRP 060 / SP 009 No. of visitors accessing the library service on line	High	200,000	210,000
Community & Housing	CRP 061 / SP 036 No. of households in temporary accommodation	Low	225	225
Community & Housing	CRP 062 / SP 035 No. of homelessness preventions	High	338	450
Children, Schools & Families	CRP 64SP075MP030 % of children who become subject of a Child Protection Plan for a second or subsequent time	Low	16%	16%
Children, Schools & Families	CRP 69SP078MP052 % outcome of Ofsted Inspection schools rated Good or Outstanding	High	91%	91%
Children, Schools & Families	CRP 72SP319MP034 % 16-19 year olds Not in Education, Employment or Training (NEET)	Low	4.7%	3.5%
Corporate Services	CRP 080 / SP 413 No. of working days per FTE lost to sickness absence excluding schools	Low	8	7
Children, Schools & Families	CRP 081 / SP 415 % of Looked After Children (2.5 years or more) in same placement for 2 years	High	66%	66%
Corporate Services	CRP 085 / SP 410 % of on-line transactions (HB Claims)	High	60%	60%
Corporate Services	CRP 086 / SP 411 Time taken to process new Housing Benefit claims	Low	21 days	16 days
Corporate Services	CRP 087 / SP 412 Time taken to process Housing Benefit change of circumstances	Low	11 days	9 days

Corporate Indicator Set for 2017/18 – Quarterly

Dept	Quarterly PI Codes & Description	Polarity	2016/17 Target	2017/18 Target
Corporate Services	CRP 037 / SP 352 % complaints progressed to stage 2	Low	9%	9%
Children, Schools & Families	CRP 066 / SP 290 % Looked After Children in external foster care placements	Low	42%	42%
Children, Schools & Families	CRP 068 / SP 084 % of Good or outstanding Ofsted inspections in children's centres	High	100%	100%
Corporate Services	CRP 074 / SP 221 No. of staff working from Civic Centre	High	1,400	1,400
Children, Schools & Families	CRP 077 / SP 374 No. of in-house foster carers recruited	High	15	15
Corporate Services	CRP 082 / SP 427 % FOI refusal notices which are not upheld at review stage	Low	4%	4%
Corporate Services	CRP 083 / SP 428 % Ombudsman complaints partially or fully upheld	Low	40%	40%
Children, Schools & Families	CRP 88SP404MP053 % New EHCP requests completed within 20 weeks	High	85%	55%

Corporate Indicator Set for 2017/18 – Annual

Dept	Annual PI Codes & Description	Polarity	2016/17 Target	2017/18 Target
Corporate Services	CRP 016 / SP 401 The level of CO2 emissions from the council's buildings (tonnes)	Low	8,045.36	7,739.84
Children, Schools & Families	CRP 073 / SP 109 % vacancies in reception year of primary school	Low	5.5	6
Children, Schools & Families	CRP 089 / SP 288 Secondary School Year 7 surplus places inc Academies	Low	5	5
Children, Schools & Families	(CRP Code TBC) Merton pupil average Attainment 8 score	High	52	53
Children, Schools & Families	(CRP Code TBC) Merton pupil average Progress 8 score	High	0.28	0.28

Section E

Service Planning

E. SERVICE PLANNING

Our 21 Final Service Plans, and three Final Commissioning Plans for our commissioned services, are set out in the following pages.

The three Commissioning Plans are:

- Merton Adult Education
- Waste Management and Cleansing
- Parks and Green Spaces

Service Plans were developed by service departments during the 2017/21 Business Planning process. Second Draft Service Plans were considered by Cabinet on 12 December 2016 and incorporated into the Consultation Pack for scrutiny by the Overview and Scrutiny Commission and Panels during the January 2017 cycle of meetings.

The Final Service Plans were approved by Council on 1 March 2017.

The service plan is designed to be a two page document. The first page summarises key resources, drivers, performance and budgets and the second page focusses on the outcomes and benefits of major projects.

Departmental managers were issued with guidance to clarify their understanding of the process and to ensure quality and consistency of submitted plans, and each department reviewed the appropriateness of their service plans during the process. An overview of this guidance is provided below:

Front Page

- Service description: Concise description of the service's key activities and how they might change over the next four years
- Anticipated demand: Details of the demands on the service
- Anticipated non-financial resources: Details of the key resources used to deliver the service
- Corporate strategies: The key strategies to which the service contributes
- Performance indicators: The key monthly, quarterly, or annual performance indicators for the service including their targets
- Budget information: Full details of previous, current and future years' budget, including future anticipated budgetary changes

Back page

Details of major projects and/or procurement being undertaken during 2017/18, including

- Project timeframe
- Project description
- Major expected benefits of the project (consistent with the benefit categories used by the Merton Improvement Board)
- Risk assessment relating to the project's completion

Index of Departmental Service and Commissioning Plans

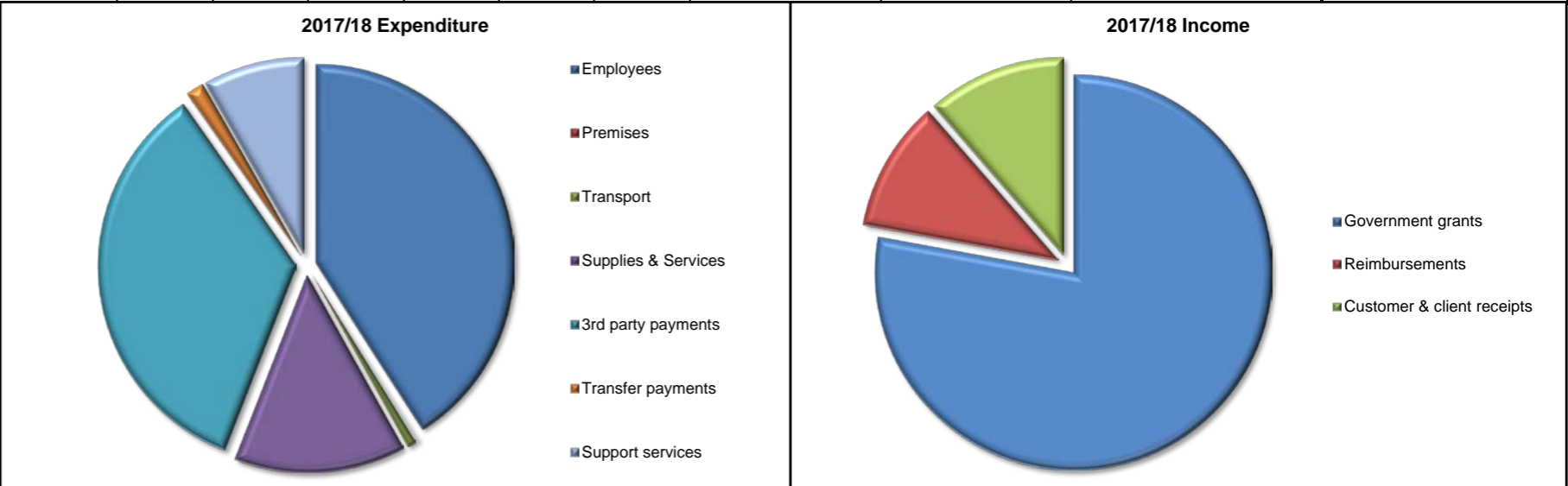
Children, Schools and Families	Community and Housing	Corporate Services	Environment and Regeneration	
Children's Social Care	Adult Social Care	Business Improvement	Development & Building Control	
Education	Housing Needs & Enabling	Corporate Governance	Future Merton & Traffic and Highways	
	Libraries	Customer Services	Leisure & Cultural Development	
	Merton Adult Education*	Human Resources	Parking and CCTV Services	
	Public Health	Infrastructure & Transactions		Parks & Green Spaces* <i>(Phase C - Lot 2)</i>
			Resources	Property
		Shared Legal Services	Regulatory Service Partnership	
			Safer Merton	
			Transport	
				Waste Management and Cleansing* <i>(Phase C - Lot 1)</i>

**Commissioning Plan*

Children Schools & Families

Children's Social Care & Youth Inclusion		Planning Assumptions						The Corporate strategies your service contributes to			
Cllr Katy Neep: Cabinet Member for Children's Services		Anticipated demand		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21		
Enter a brief description of your main activities and objectives below		Population growth - looked after children & Care leavers				15-30					
		Population growth - Child Protection Plans				30-60					
		Increase in 0-19 population				3,210					
		UASC - increased numbers and impact on resources				30-32					
Children's Social Care (CSC) delivers a range of government prescribed & legislated functions to children at risk of harm, children in care, care leavers & young offenders, as well as wider services for families. CSC works within an integrated context co-ordinating multi agency support to those families at all levels of Merton's Child & Young Person (CYP) Well-being Model. The service works with approximately 1,300 children at any one time who have the greatest needs in the borough across a range of outcomes: safety, well-being, health, education & life chances. Merton's CYP Well-being Model sets out Merton's approach to supporting families which seeks to provide services at the time they are needed to prevent further need arising & escalation up the model. This is the most efficient use of resources & CSC undertakes a range of family support activity to prevent children entering either child protection or care systems at every stage of childhood. This necessitates a strong commitment to robust assessment & thresholds, which require a quality assurance function to ensure on-going success of the model. Merton has lower numbers of children subject to child protection plans in the care system than the majority of London Boroughs, as well as lower numbers of first time entrants, and seeks to continue this approach, therefore ensuring that we minimise the use of costly high end interventions with our families & promote family strengths to enable them to care for their own children. Youth Inclusion provides a targeted service to support vulnerable young people & their parents to prevent offending & re-offending. It also supports the transforming families programme, helping targeted families to get back into work, & improve the outcomes for their children by preventing reoffending or going into care. It also leads on participation for CSF. Access to resources for looked after children/external placement provision Recruitment of in house foster carers.		Anticipated non financial resources		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21		
		Staff (FTE)			209	210	204	198	198		
Performance indicator		Actual Performance (A) Performance Target (T) Proposed Target (P)					Polarity	Reporting cycle	Indicator type	Main impact if indicator not met	
		2015/16(A)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)					2020/21(P)
		% single assessments completed within agreed timescales	92%	85	90	91		High	Monthly	Business critical	Safeguarding issues
		Care application average duration (national target 26 weeks)	30	35	27	26		Low	Quarterly	Quality	Safeguarding issues
		% CYP on Child Protection Plan for 2nd or subsequent time	24%	16	16	16		Low	Monthly	Quality	Safeguarding issues
		% NEET aged 16-17	3.60%	4.7	3.5	3.0		Low	Monthly	Outcome	Social exclusion
		Number YJS first time entrants	61	70	50	50		Low	Monthly	Outcome	Social exclusion
		% LAC (2.5 years or more) in same placement for 2 years	n/a	66	66	69		High	Monthly	Outcome	Safeguarding issues
		% LAC experiencing 3 or more placements moves	n/a	12	12	11		Low	Monthly	Outcome	Social exclusion
		% fostered LAC in external agency FC placements	37.2%	42	42	40		High	Quarterly	Business critical	Increased costs
		Number of in house foster carers recruited	13	15	15	15		High	Quarterly	Quality	Increased costs
		Care Leavers who are ETE	n/a	66	68	70		High	Quarterly	Outcome	Social Exclusion

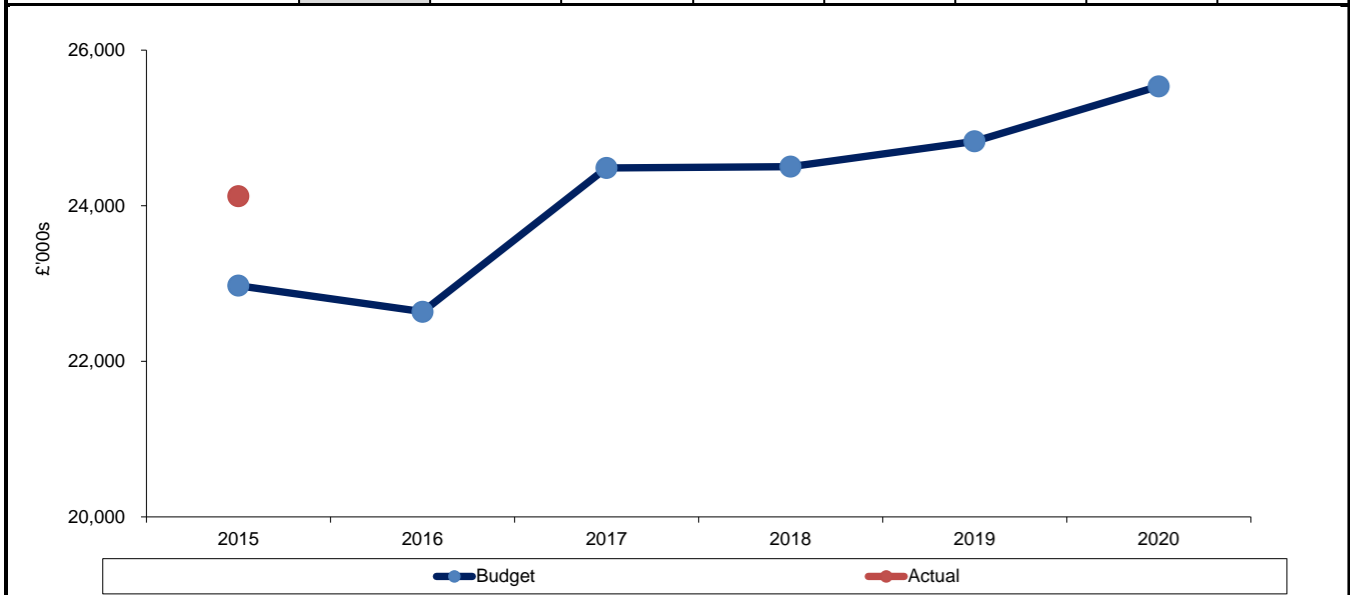
DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	24,735	26,428	23,800	2,466	25,546	25,563	25,890	26,595
Employees	10,775	10,921	9,878	520	10,469	10,371	10,083	10,175
Premises	47	48	43	37	59	60	60	60
Transport	163	204	164	(2)	184	186	188	190
Supplies & Services	3,830	4,033	3,509	245	3,577	3,624	3,920	3,966
3rd party payments	7,839	8,769	7,751	1,663	8,781	8,842	9,152	9,713
Transfer payments	359	437	369	4	374	380	385	391
Support services	1,723	2,016	2,085	0	2,101	2,101	2,101	2,101
Depreciation	0	0	0	0	0	0	0	0
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	1,763	2,305	1,163	(132)	1,061	1,061	1,061	1,061
Government grants	1,134	1,114	806	(49)	826	826	826	826
Reimbursements	508	646	236	(151)	114	114	114	114
Customer & client receipts	121	544	121	68	121	121	121	121
Reserves								
Capital Funded								
Council Funded Net Budget	22,972	24,123	22,637	2,334	24,485	24,502	24,829	25,535



Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
	0	0	0	0	0	0	0	0

2017/18

(Deletion of 1 AD, 1 Head of Service and half an admin post: £224,000 to be split across CSC/YI and Education).



2018/19

(Review of CSF staffing structure beneath management level: £189,000 to be split across CSC/YI and Education).
(Data review & centralisation: £40,000 to be split across CSC/YI and Education).

2019/20

(Review of CSF staffing structure beneath management level: £201,000 to be split across CSC/YI and Education).
(Review of CSF management staffing structure: £150,000 to be split across CSC/YI and Education).
(Reduced cost/offer through the national centralised adoption initiative: £75,000).

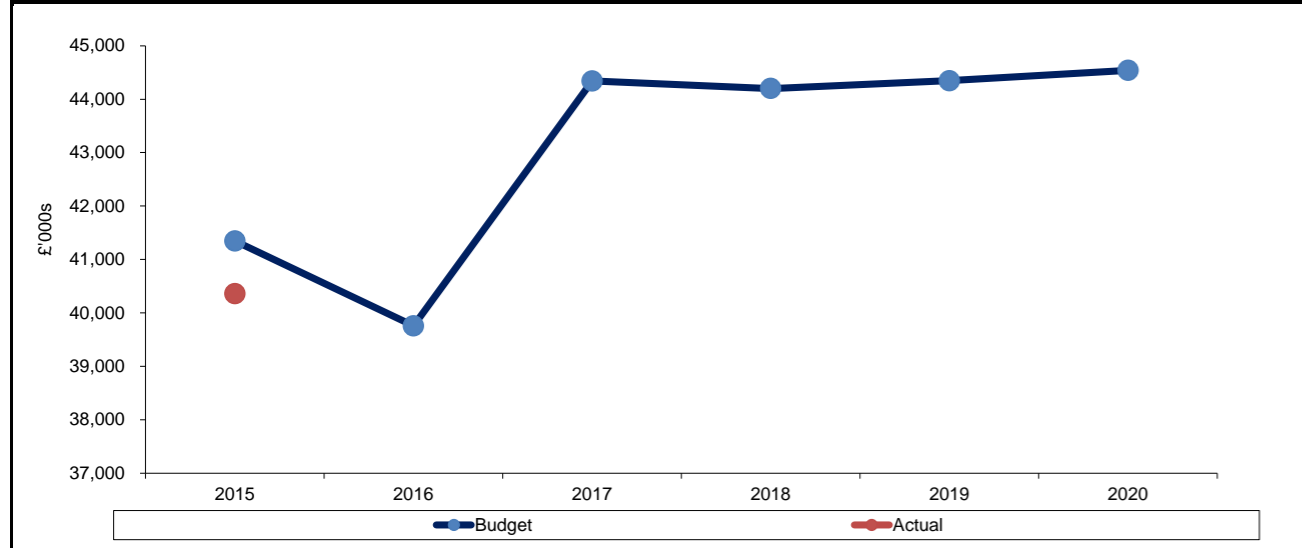
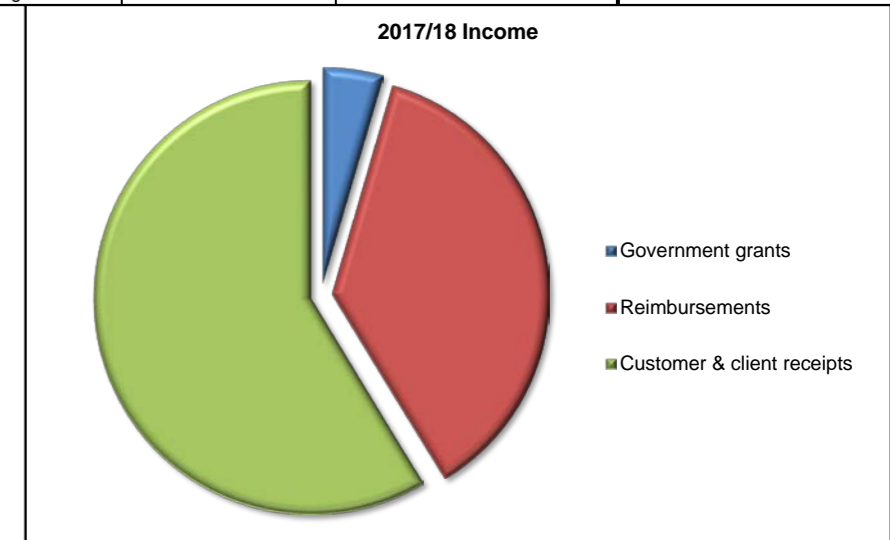
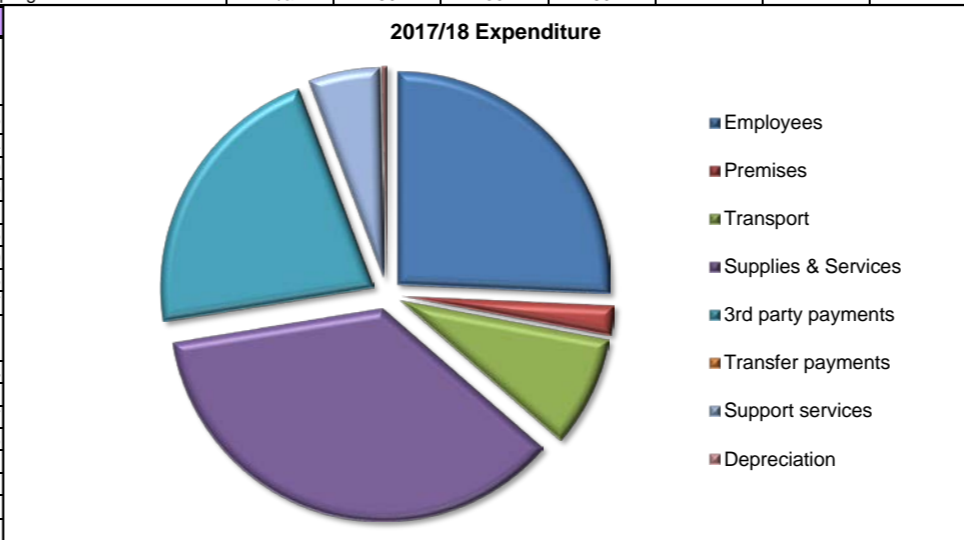
2020/21

Children's Social Care & Youth Inclusion

PROJECT DESCRIPTION		MAJOR PROJECT BENEFITS			Risk				
					Likelihood	Impact	Score		
Project 1		Project Title:	MOSAIC (CYPWB & TOM) Phase 1 and 2. Cross-cutting project to provide system for both CSF & C&H including financial aspects; the new system has full casework management capability to deal with statutory requirements including C&F Act in relation to CYP with SEND, management information & reporting for both case management and inspection purposes. Implementation phase will include extensive work to improve associated processes. Also interim project is delivering improvements re data quality & reporting in CF. Involves parts of Education Division dealing with casework. System also used by R&I & ART within CSP .	Improved efficiency (savings)			3	3	9
Start date	2013-14	Project Details:							
End date	2016-19								
Project 2		Project Title:	Regionalisation of Adoption Regionalisation of Adoption. The government requires Local Authorities will establish regional arrangements for some elements of adoption services. Merton is part of the developing Pan London Approach approved by Cabinet (Sept 2016).	Improved effectiveness			3	2	6
Start date	2016-17	Project Details:							
End date	2018-19								
Project 3		Project Title:	Continuous Improvement and Inspection Readiness To improve data quality, case records & management, filing & retention, & reporting to provide improved and easily accessible information for inspection purposes. To continually improve the day to day management across our services, delivery of improvement plans and embedding our revised QA framework. Continue to utilise all data sources to inform best practice sources include; JTAI's,YJ,EY's,SEND, QA framework and our SIF.	Improved effectiveness			4	3	12
Start date	2013-14	Project Details:							
End date	2017-18								
Project 4		Project Title:	Youth Justice Responding to Charlie Taylor review and potential reconfiguring of Youth Justice. Development of policy framework in response to regulation and likely funding changes.	Improved efficiency (savings)			3	2	6
Start date	2014-15	Project Details:							
End date	2017-18								
Project 5		Project Title:	Well Being Model - CSC & CYPWB/TOM A review of the well being model is underway, engagement with partners and a task and finish group is established, the review will include; looking at structures in CSC, our Early Help model and points of access. we will deliver the CSC and EH Tom programme through a range of projects and programmes including: recruitment and retention strategy; restructuring of central teams; Flexible working ; Care proceedings as outlined in the relevant TOM; rationalising access points; raising thresholds; increased targeting and practice.	Improved effectiveness			4	3	12
Start date	2013-14	Project Details:							
End date	2019-20								
Project 6		Project Title:	Workforce development We will continue to work towards our ambition to be London's Best Council, as part of this aspiration all our managers are engaged in a differentiated leadership programme. Strong focus remains on our recruitment and retention strategy and to support this we have developed a 'Practice Model' which is now established. We have continued the development and delivery of Signs of Safety/Signs of Well Being and this is being rolled out across the department. We are supporting/complimenting this with a programme to deliver both Systemic Practice and Motivational Interviewing across the department. We have a clear time line for this programme with appropriate milestones to ensure we have a strong, highly skilled workforce. Our workforce strategy alongside our overarching practice model has been developed to support our transformation plan.	Improved staff skills and development			4	3	12
Start date	2015-16	Project Details:							
End date	2019-20								
			220						

Education	Planning Assumptions						The Corporate strategies your service contributes to				
	Anticipated demand	2015/16	2016/17	2017/18	2018/19	2019/20		2020/21			
Cllr Katy Neep: Cabinet Member for Children's Services	Forecast increase in population 0-4				780		Children and Young People's Plan				
Cllr Caroline Cooper-Marbiah: Cabinet Member for Education	Forecast increase in population 5-19				2400		SEN and Disabilities Strategy				
Enter a brief description of your main activities and objectives below	Raise in Participation age 16-18				160		School Expansion Strategy				
Merton School Improvement (MSI) will improve outcomes for all pupils in Merton Schools by: <ul style="list-style-type: none"> monitoring, analysing & evaluating pupil & school performance developing skills in planning, teaching, assessment, leadership & management working with schools to reduce inequality & improve achievement for vulnerable groups strengthening partnership working and school to school support Special Education Needs & Disabilities Integrated Service (SENDIS) will improve outcomes for CYP with SEND by: <ul style="list-style-type: none"> building early help capacity in schools & settings, families & the community focus on safeguarding, early intervention & prevention as well as direct support for families implementing the requirements of the Children and Families Act ensuring that families are central and receive a joined up service Specialist placement provision for pupils with SEN. Early Years Services will improve outcomes for all children aged 0-5 by: <ul style="list-style-type: none"> managing the childcare market to ensure the supply of good quality funded early education provision for children aged 2, 3 and 4 in accordance with statutory duties delivering Children's Centre services through a locality model with a focus on early help & targeted services for vulnerable families using the CASA to inform robust planning and case work for identified families working with the early years sector to improve quality, reduce inequality and improve outcomes for vulnerable children and their families Developing the work force to deliver holistically to vulnerable families and young children introducing a more robust performance management framework Education Inclusion will improve outcomes for Young People by: <ul style="list-style-type: none"> providing universal & targeted in house & commissioned services for YP & schools providing support to prevent bullying, substance misuse & teenage pregnancy, to improve attendance & to encourage emotional & social development developing alternative education offerings to enable YP to stay in education, training & employment leading on the council's partnership with the police & CAMHS for education improving attendance and reduce PA in Merton schools My Futures Service School Org <ul style="list-style-type: none"> Pupil place planning, & schools admissions School expansion & capital programme management. 	Forecast increase in Children & Y/P with EHCP				200-400						
	Increased demand for primary school (total across all schools)	1fte									
	Increased demand for secondary school (total across all schools)		1-3fte		4-6 fte (cumulative)	10-14 fte (cumulative)					
	Increased demand for special school places (total across all schools)					100 more SEN places by 18-19					
	Anticipated non financial resources	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
	Staff (FTE subject to change as a result of restructures)		297	292	288	282	282				
	Performance indicator	Actual performance (A) Performance Target (T) Proposed Target (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
		2015/16(A)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)	2020/21(P)				
	Merton pupil average Attainment 8 score	n/a	52	53	54			High	Annual	Outcome	Reputational risk
	Merton pupil Average Progress 8 score	n/a	0.28	0.28	0.28			High	Annual	Outcome	Reputational risk
% outcome of Ofsted school inspections good or outstanding	89	89	91	92			High	Monthly	Outcome	Inspection outcomes	
% pupils achieving expected standard in reading, writing and maths at KS2	82	57	58	59			High	Annual	Outcome	Reputational risk	
% secondary school attendance	95.2	95.1	95.2	95.3			High	Annual	Outcome	Increased costs	
% primary school attendance	96	96.1	96.1	96.2			High	Annual	Outcome	Breach statutory duty	
% of new EHCP requests completed within 20 weeks	67	85	55	55			High	Quarterly	Outcome	Safeguarding issues	
% Good or Outstanding children's centres per Ofsted	100	100	100	100			High	Quarterly	Outcome	Inspection outcomes	
% reception year surplus places	6.2	5.5	6	8			Low	Annual	Business critical	Parental choice	
%secondary school Yr7 surplus places Inc. Academies	5.5	5	5	5			Low	Annual	Business critical	Parental choice	
% major capital projects green/amber to time	89.28%	90	90	90			High	Quarterly	Business critical	Increased costs	
% spend on approved capital programme	n/a	80	80	80			High	Annual	Business critical	Increased costs	

DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	47,569	47,004	44,977	484	49,496	49,504	49,650	49,845
Employees	12,473	12,023	12,465	(299)	12,715	12,656	12,710	12,814
Premises	1,436	1,281	1,450	(191)	1,121	1,124	1,127	1,129
Transport	4,144	4,415	4,132	194	4,168	4,229	4,289	4,349
Supplies & Services	16,731	16,257	14,402	(374)	17,840	17,854	17,868	17,882
3rd party payments	9,926	9,924	9,835	1,155	10,798	10,787	10,801	10,816
Transfer payments	19	34	19	0	19	20	20	20
Support services	2,664	2,895	2,498	0	2,668	2,668	2,668	2,668
Depreciation	175	175	176	0	167	167	167	167
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	6,224	6,644	5,220	(394)	5,154	5,304	5,304	5,304
Government grants	365	221	150	(9)	232	232	232	232
Reimbursements	2,343	2,741	2,397	(462)	1,897	1,897	1,897	1,897
Customer & client receipts	3,516	3,682	2,673	77	3,025	3,175	3,175	3,175
Interest								
Reserves								
Capital Funded								
Council Funded Net Budget	41,345	40,359	39,758	90	44,342	44,200	44,346	44,542
Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Primary Expansion		10,548	3,799	0	30	0	0	0
Secondary Expansion		183	7,798	0	8,919	6,156	4,481	0
Devolved Formula Capital		362	368	0	0	0	0	0
Schools Capital Maintenance		723	986	0	670	650	650	650
SEN Expansion		2,244	317	0	3,196	5,310	1,000	0
Other		288	129	(104)	104	0	105	0
	0	14,348	13,396	(104)	12,919	12,116	6,236	650



2017/18

Substantial reduction in EY budgets whilst retaining existing Children's Centres targeted work in areas of higher deprivation: £546,000
Reduced service offer from school improvement: £75,000
Increased income from schools/ reduced LA service offer: £200,000
Property and contracts: £65,000
(Deletion of 1AD, 1 HOS and half and admin post £224,000) split across CSC/YI and Education).

2018/19

Increased income from schools/ reduced LA service offer: £200,000
Commissioning rationalisation: £60,000
(Review of CSF staffing structure beneath management level £189,000) split across CSC/YI and Education).
Data review & centralisation £40,000) split across CSC/YI and Education).

2019/20

(Review of CSF staffing structure beneath management level £200,000 (split across CSC/YI and Education).

2020/21

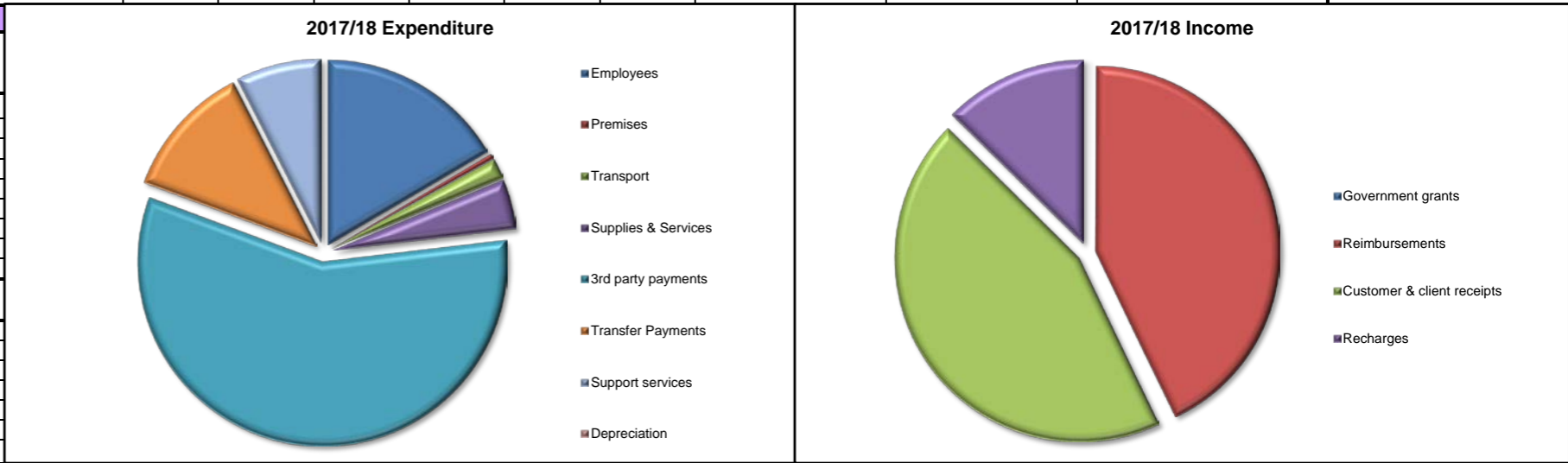
Education

PROJECT DESCRIPTION		MAJOR PROJECTS BENEFITS			Risk				
					Likelihood	Impact	Score		
Project 1		Project Title:	Improving pupil outcomes at KS2 & KS4 (Edn TOM) & School Improvement through partnership (Edn TOM) Rigorous support and challenge for schools in RI or vulnerable to RI including implementation of Support and Challenge Groups. Training and briefings on Ofsted, assessment, curriculum and improving teaching. Maintenance of outstanding teacher courses for primary and secondary teachers. Ongoing support for all schools on the basis of the new School Improvement Strategy from Merton Education Partners. The development of strengthened school to school support through the School Improvement Steering Group, ongoing support for the Merton Education Partnership and brokerage of school to school support through Merton Leaders of Education, primary expert teachers and liaison with Teaching Schools. Partnership with schools on redefining LA functions as part of Education TOM.	Improved effectiveness			2	3	6
Start date	2013-14	Project Details:							
End date	2018-19								
Project 2		Project Title:	Transforming Early Years (EY's TOM) Securing supply of good quality sufficient number of funded education places for 2, 3 and 4 year olds.; On-going development of the Locality Model to reorganise Children's Centre provision to maximise outcomes within available funding. Service realignment and standardisation across back office functions. Develop further alternative / shared / mixed use for the centres to include an accommodation review and ICT infrastructure review. To increase income and develop a charging framework across the service, includes customer contact and self serve options for fee paying customers.	Improved efficiency (savings)			3	2	6
Start date	2013-14	Project Details:							
End date	2019-20								
Project 3		Project Title:	Implementation of requirements of Children & Families Act (Edn TOM & CYPWB) & Education TOM/CYPWB Model & Personal Budgets (Education TOM/C+F Act) Implementation of legislative requirements including assessment framework, Ed, Health & Care Plan, development of the local offer, preparation for adulthood pathways, secure web portal, personal budgets for those families that want them. Related to SCIS Programme. Addressing new statutory duty for age 19-25. Develop plan and manage process within available funding streams. Develop and deliver the Education TOM & CYPWB Model across CSF Services, Including implementation of MOSAIC phases 1 & 2. Progress further rollout of Personal Budgets for families of children subject to education, health and care plans (ex SEN Statements). Work with SENDIS service to maintain focus of encouraging Personal Budgets for SEN travel assistance and support implementation of next phase of PBs for Short Breaks services.	Improved customer experience			4	3	12
Start date	2013-14	Project Details:							
End date	2019-20								
Project 4		Project Title:	Development of Adolescent offer including My Futures (NEET's) & linked provision Development of Melbury College and commissioning of AltEd provision. Including addressing new statutory duty for age 19-25. Develop plan and manage process within available funding streams.	Improved customer experience			3	2	6
Start date	2013-14	Project Details:							
End date	2018-19								
Project 5		Project Title:	Youth transformation phases 3 & 4 (Edn TOM) Implementation of new funding models for Phipps Bridge & Pollards Hill. Expanding community partnerships to achieve a more self funding community model in each locality. The plan for each area will evolve from these partnerships.	Improved efficiency (savings)			4	3	12
Start date	2013-14	Project Details:							
End date	2017-18								
Project 6		Project Title:	Implementation of Secondary & Special School (SEN) Places Strategy (EducationTOM) Continue liaison with Education Funding Agency and Harris Federation to deliver a new secondary (Free) school in the Wimbledon area. Implement expansion of 2/3 secondary schools in east of the borough to achieve overall additional places needed. Undertake statutory processes and procure/plan/deliver construction contracts. Develop overall strategy for provision of sufficient and suitable SEN places in Merton; undertake capital bidding and procure/plan/deliver construction contracts.	Infrastructure renewal			4	2	8
Start date	2015-16	Project Details:							
End date	2018-2019								

Community & Housing

Adult Social Care	Planning Assumptions						The Corporate strategies your service contributes to				
	Anticipated demand		2015/16	2016/17	2017/18	2018/19		2019/20	2020/21		
	No. of people requiring services		3331	3307	3278	3252		3191	3170	Health & Wellbeing Strategy	
People aged 85-89		407	375	358	335	315	293				
People aged 95+		221	195	190	185	180	175				
No. of people aged 65+ with dementia		385	395	407	419	431	448				
Anticipated non financial resources		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
Staff (FTE)		383.53	335.26	324.50	313.50	313.50	313.50				
Performance indicator		Actual Performance (A) Performance Target (T) Proposed Target (T)					Polarity	Reporting cycle	Indicator type	Main impact if indicator not met	
		2015/16(A)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)					2020/21(P)
No of carers receiving a service		967	996	1000	1010	1020	1040	High	Monthly	Business critical	Breach statutory duty
% Older people still at home following Reablement		81.5%	73.2	78.8	78.8	78.8	78.8	High	Annual	Outcome	Increased costs
% People receiving 'long term' Community Services		80%	72	72	72	72	72	High	Monthly	Business critical	Increased costs
% People with 'long term' services receiving Self-Directed Support		98%	95	95	95	95	95	High	Monthly	Unit cost	Government intervention
The rate of Delayed Transfers of care from hospital (both NHS and Merton)		8.4	5	7	7	7	7	Low	Monthly	Business critical	Increased costs

DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	78,569	81,959	73,925	8,409	80,475	78,278	76,328	77,569
Employees	14,600	14,742	12,948	1,022	13,320	12,082	12,194	12,305
Premises	370	297	363	40	361	366	371	376
Transport	1,303	1,397	1,406	5	1,442	1,463	1,484	1,505
Supplies & Services	4,206	2,590	3,976	(963)	3,491	2,196	2,255	2,314
3rd party payments	41,655	45,456	38,927	8,303	46,297	46,157	43,560	44,155
Transfer Payments	9,551	9,490	9,763	2	9,514	9,964	10,414	10,864
Support services	6,808	7,912	6,466	-	5,972	5,972	5,972	5,972
Depreciation	76	76	76	-	78	78	78	78
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	22,782	24,124	22,908	(148)	21,477	21,477	21,477	21,477
Government grants	1,059	1,317	882	(315)	17	17	17	17
Reimbursements	8,275	10,144	8,613	(1,100)	9,191	9,191	9,191	9,191
Customer & client receipts	10,327	9,058	10,453	1,266	9,563	9,563	9,563	9,563
Recharges	3,121	3,606	2,960	-	2,706	2,706	2,706	2,706
Reserves				-				
Capital Funded								
Council Funded Net Budget	55,787	57,835	51,017	8,262	58,998	56,801	54,851	56,092



Summary of major budget etc. changes ~ 2017/18

2017/18

Growth in Placement budget - £ 9.3m
 Total Savings - £2.248m (CH1,CH2,,CH3,CH35,CH36,CH37,CH38,CH52&CH53 & CH57)

2018/19

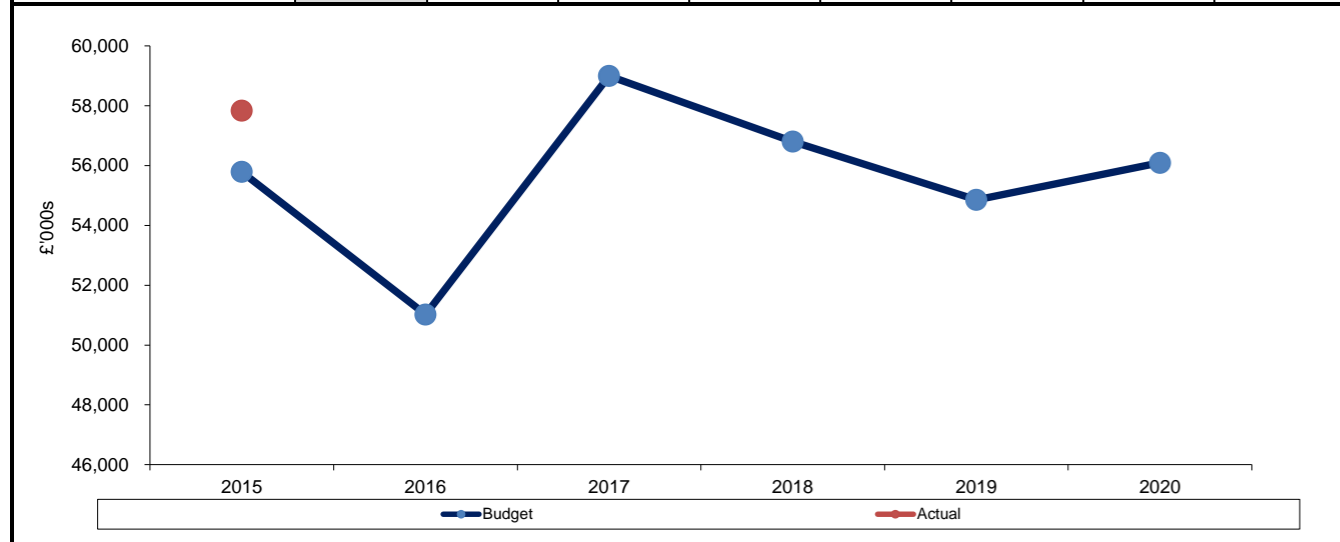
Growth for Concessionary fares increase - £0.450m
 Growth in Placement budget - £0.252m.
 Total Savings - £2.988m (CH20,CH36,CH39,CH54&CH55 & CH57 - a further £918k to be identified)

2019/20

Growth for Concessionary fares increase - £0.450m
 Reduction of growth in placement budget - £2.8m due to increased improved Better Care Fund

2020/21

Growth for Concessionary fares increase - £0.450m



DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD							
Adult Social Care							
PROJECT DESCRIPTION			MAJOR PROJECTS BENEFITS		Risk		
			Likelihood	Impact	Score		
Project 1		Project Title:	Home Care re-commissioning		Improved effectiveness		
Start date	01/04/2017	Project Details:	Implementation of new Home Care model post tender. The contract will have two tiers. Tier 1 will be for 3 prime providers who will be our core partners. Tier 2 will be small local and specialist providers who will provide back-up supply or meet niche requirements.		3	3	9
End date	31/03/2018						
Project 2		Project Title:	Supporting People re-commissioning		Improved efficiency (savings)		
Start date	01/04/2017	Project Details:	Re-commissioning of SP contracts due to expire in November 2017 with the aim of supporting the council's homelessness prevention duties and financial plans.		4	2	8
End date	01/11/2017						
Project 3		Project Title:	Assessment & Care Management Processes		Improved effectiveness		
Start date	01/04/2017	Project Details:	Continue the review, redesign and delivery of a plan to ensure that all assessment and care management processes including those related to safeguarding, the Mental Capacity Act and DOLS are efficient, effective, consistently promote independence and adequately resourced.		3	3	9
End date	31/12/2017						
Project 4		Project Title:	SCIS		Improved effectiveness		
Start date	01/04/2017	Project Details:	Ensure that the new Core Logic Mosaic social care information system (SCIS) is fit for purpose for the foreseeable future. Achieve this by ensuring that processes, data quality and outcomes are kept under constant review.		3	2	6
End date	31/03/2018						
Project 5		Project Title:	Transitions		Improved customer experience		
Start date	01/04/2017	Project Details:	Undertake and implement a review of the transitions pathway to ensure that the transition to adulthood is planned in a timely manner with the service user and their family, that upcoming transitions are reflected in the commissioning and financial plans.		3	2	6
End date	30/09/2017						
Project 6		Project Title:	Early intervention		Improved customer experience		
Start date	01/04/2017	Project Details:	Develop a refreshed early intervention strategy that builds on the existing hub service models		2	2	4
End date	30/09/2017						
Project 7		Project Title:	Business Development		Improved effectiveness		
Start date	01/04/2017	Project Details:	Develop and implement business plans to expand the provision of alternatives to traditional care, such as telecare, shared lives, supported living and short term interventions.		2	2	4
End date	31/03/2018						
Project 8		Project Title:	Information, access & advice		Improved efficiency (savings)		
Start date	01/04/2017	Project Details:	Develop the offer through Merton Link and the voluntary sector to provide earlier advice, self service and referral to non-statutory interventions.		3	2	6
End date	31/03/2018						
Project 9		Project Title:	Integration		Improved effectiveness		
Start date	01/04/2017	Project Details:	Priorities for 2017/18 will be - co-location with CLCH and MCCG - embedding joint working with CLCH developing joint commissioning approach with MCCG		3	2	6
End date	30/06/2017						
Project 10		Project Title:	Bed based care		Improved effectiveness		
Start date	01/04/2017	Project Details:	Develop a commissioning strategy for bed based care, working with the sector, health and neighbouring authorities to develop a sustainable offer and range of solutions.		4	3	12
End date	31/03/2018						

Housing Needs and Enabling Services
Cllr Martin Whelton: Cabinet Member for Regeneration, Environment & Housing
Enter a brief description of your main activities and objectives below
 To fulfil statutory housing functions to prevent homelessness and avoid the use of temporary accommodation.
 To plan services in response to changes in national policies and in the housing market, and to develop innovative projects or models of delivery that maximise the use of resources and deliver services that minimise costs to the council.

The purpose of this service is to

- Prevent homelessness in accordance with statutory housing law
- Provide homes to people in housing need
- Plan for the future delivery of housing via general conformity with the London Housing Strategy
- Formulate and deliver statutory housing strategies for the borough
- Maintain the housing register and choice based lettings process and nominate households to vacant housing association homes
- Maximise supply of affordable homes with registered providers and private landlords
- Provide care and housing support to vulnerable adults
- Relationship management between the council and stock transfer housing associations
- Carry out a statutory duty to enforce Environmental Health (Housing) legislation
- Provide grant assistance for improvements and adaptations

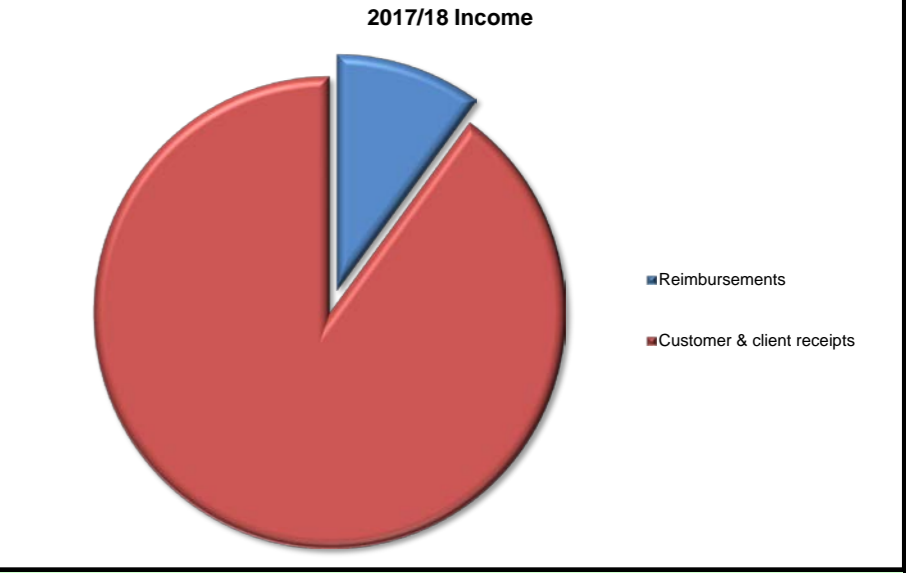
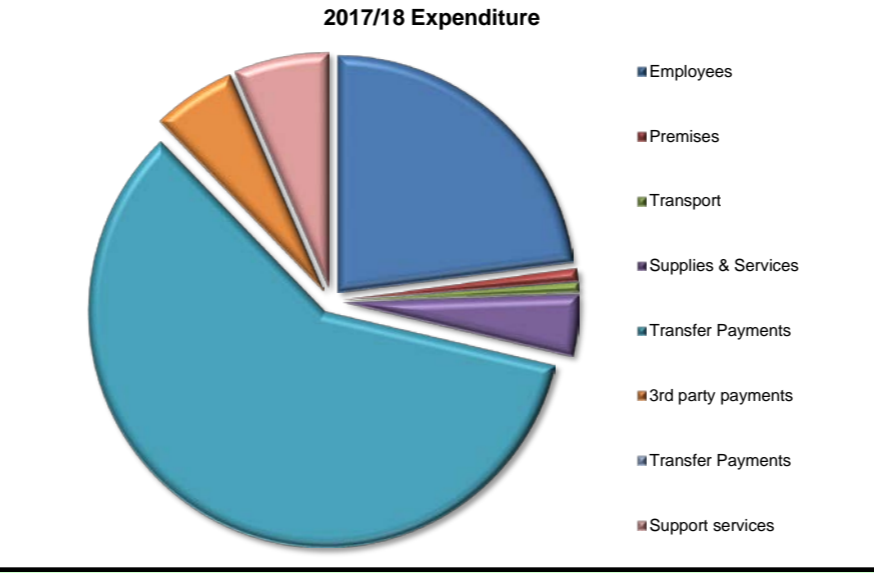
Anticipated demand	Planning Assumptions					
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Housing advice, options, private tenants & landlords advice	11000	11000	11000	11000	11000	11000
Housing register applicants	8150	8100	9600	10250	10900	11550
Housing options casework	1000	1000	1000	1000	1000	1000
Demand for temporary accommodation	380	420	435	445	455	470
Anticipated non financial resources	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Housing Needs Staff (FTE)	24.5	21.79	20.30	19.30	19.30	19.30
Environmental Health (Housing)	6.03	5.03	5.03	4.03	4.03	4.03
TOTALS	30.53	26.82	25.33	23.33	23.33	23.33

The Corporate strategies your service contributes to
 Homeless Placements Policy (Interim)
 Homelessness Strategy
 Housing Strategy

Performance indicator	Actual Performance (A) Performance Target (T) Proposed Target (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
	2015/16(A)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)	2020/21(P)				
No. of homelessness preventions	561	450	450	450	450	450	High	Monthly	Business critical	Increased costs
No. of households in temporary accommodation	158	225	230	235	250	250	Low	Monthly	Business critical	Increased costs
Highest no. of families in B&B	4	10	10	10	10	10	Low	Monthly	Business critical	Increased costs
Highest no. of adults in B&B	4.75	10	10	10	10	10	Low	Monthly	Business critical	Increased costs
Affordable homes delivered	81	30	70	60	40	50	High	Annual	Outcome	Reputational risk
Social housing lets	353	375	360	350	340	345	High	Quarterly	Outcome	Increased waiting times
Rent deposit - new tenancies	49	50	40	40	40	40	High	Annual	Outcome	Increased waiting times
No. of enforcement/improvement notices	107	55	70	70	60	60	High	Quarterly	Outcome	Reduced enforcement
Number of Disabled Facilities Grants approved	34	60	60	60	60	60	High	Quarterly	Outcome	Customer hardship

DEPARTMENTAL BUDGET AND RESOURCES

Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	3,490	4,658	4,207	1,312	4,422	4,412	4,463	4,514
Employees	1,226	1,156	1,119	(48)	1,014	976	1,000	1,024
Premises	43	42	39	0	39	40	40	41
Transport	28	26	28	(3)	29	30	31	31
Supplies & Services	242	604	219	(21)	186	190	194	198
Transfer Payments	1,396	2,278	2,262	542	2,614	2,598	2,616	2,634
3rd party payments	304	288	249	842	253	291	295	299
Transfer Payments								
Support services	251	265	292	0	287	287	287	287
Depreciation								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	1,337	3,028	2,198	(854)	2,198	2,198	2,198	2,198
Government grants	1,185	2,543	2,000	0	2,000	2,000	2,000	2,000
Reimbursements	5	191	20	(606)	20	20	20	20
Customer & client receipts	147	294	178	(249)	178	178	178	178
Recharges	0	0	0	0	0	0	0	0
Reserves	0	0	0	0	0	0	0	0
Capital Funded	0	0	0	0	0	0	0	0
Council Funded Net Budget	2,154	1,630	2,009	458	2,224	2,214	2,265	2,316



Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Disabled Facilities Grant		447	1,043	(543)	755	629	280	280
8 Wilton Road		60		0				
Western Road		0	760	0				
Total	0	507	1,803	(543)	755	629	280	280

2017/18

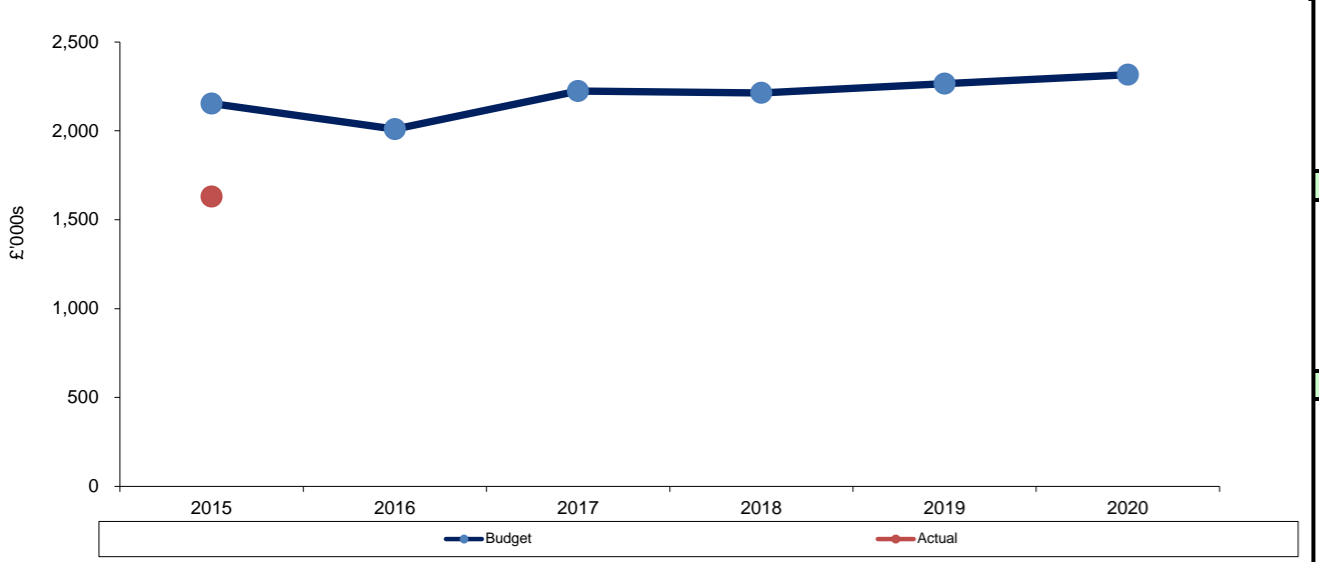
Savings £30k Rationalisation of admin budget (CH9)
 Savings -£36k - Deletion of one staffing post ((CH10)
 Savings -£100k Further Staff reductions (Any areas of HNES & EHH) (CH43)
 Savings £50k - Staff reduction in Housing Services (CH57) -- Savings to be transferred to Adult Social Care

2018/19

Savings -£62k Further Staff reductions (Any areas of HNES & EHH) (CH43)
 Savings - £118k Staff reduction - savings to be transferred to Adult Social Care

2019/20

2020/21

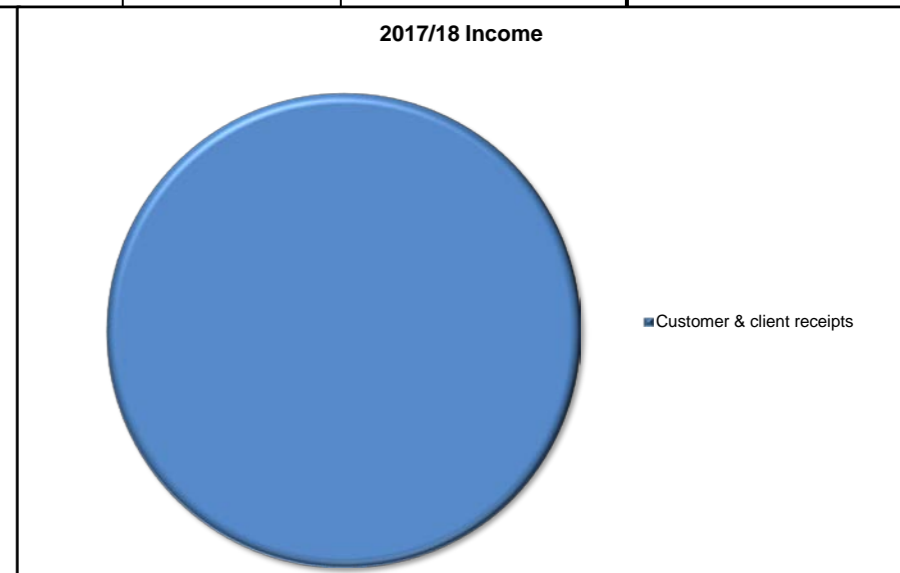
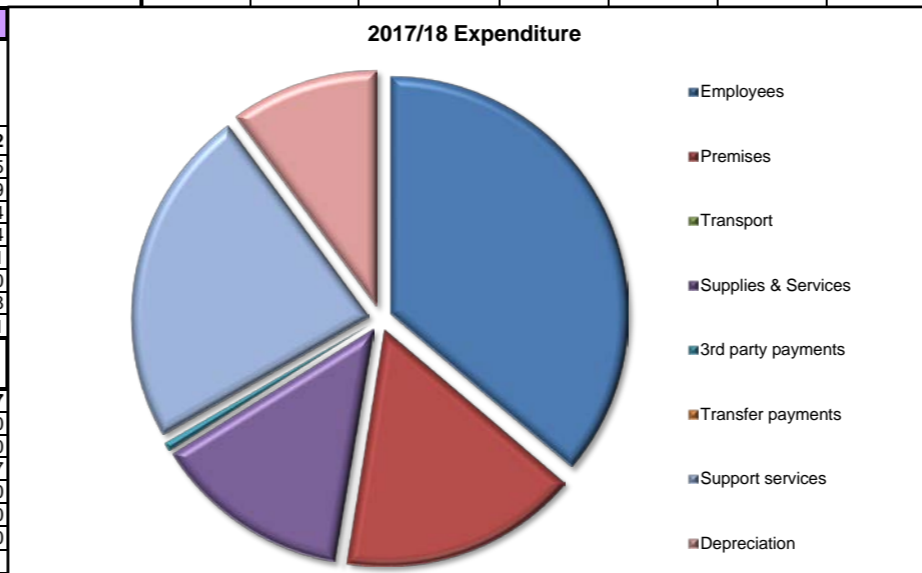


Housing Needs and Enabling Services

PROJECT DESCRIPTION		MAJOR PROJECTS BENEFITS			Risk				
					Likelihood	Impact	Score		
Project 1		Project Title:	Deliver on-line self-assessment tools	Improved effectiveness					
Start date	2016-17	Project Details:	Implement on-line Housing Register pre-application assessment tool.			3	1	3	
End date	2017-18								
Project 2		Project Title:	Homeless Placement Policy	Risk reduction and compliance					
Start date	2016-17	Project Details:	Implement and monitor the Homeless Placement policy			2	2	4	
End date	2017-18								
Project 3		Project Title:	CHMP Regeneration (CLARION)	Improved reputation					
Start date	2014-15	Project Details:	Input to CHMP regeneration with Future Merton.			1	2	2	
End date	2018-19								
Project 4		Project Title:	Service re-structure	Improved efficiency (savings)					
Start date	2016-17	Project Details:	Develop plans in 2016/17 to re-structure the service in 2017/18 and 2018/19 in light of the need to continue to provide a service with a reduced workforce.			2	3	6	
End date	2018-19								
Project 5		Project Title:	Shared Lives Development	Improved effectiveness					
Start date	2015-16	Project Details:	Explore ways to potentially develop the Shared Lives range of services, considering the business case for any service developments and liaise with the appropriate referring agencies to provide any additional funding where necessary			3	1	3	
End date	2017-18								
Project 6		Project Title:	Technology Review	Improved effectiveness					
Start date	2016-17	Project Details:	Work with IT / E&R on re-procurement / replacement of M3PP.			2	1	2	
End date	2017-18								
Project 7		Project Title:	Selective Licencing	Improved effectiveness					
Start date	2017-18	Project Details:	Produce a business case to consider selective licencing and/or additional licencing in parts of the borough and progress any actions arising where necessary.(Government is currently consulting on whether or not mandatory licencing of HMOs should be extended to 2 story dwellings. Accordingly it is sensible to await the outcome of governments consultation before embarking upon this project.)			2	1	2	
End date	2018-19								
Project 8		Project Title:	EDRMS Workflow	Improved effectiveness					
Start date	2016-17	Project Details:	Work with Corporate to implement EDRMS in Housing and then update workflow processes accordingly			2	2	4	
End date	2017-18								

Libraries	Planning Assumptions						The Corporate strategies your service contributes to				
Cllr Nick Draper: Cabinet Member for Community & Culture	Anticipated demand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
<p>Enter a brief description of your main activities and objectives below</p> <p>The purpose of the service is to provide a 'comprehensive and efficient' library service, addressing the 'needs of adults and children' according to the Public Libraries and Museums Act 1964.</p> <p>Local authorities have a statutory duty to make provision for a library service but may decide on how this is delivered.</p> <p>Certain aspects of the service must be provided for free: Free lending of books Free access to information Free library membership</p> <p>The Library Service aims to provide a modern, high quality and cost effective service that is responsive to the needs of customers. Our vision is to remain the most efficient library service in London whilst continuing to achieve some of the highest customer satisfaction levels.</p>	Active users	55,000	56,000	56,000	56,000	56,000	56,000	Customer Contact Strategy			
	Stock issues	1,000,000	950,000	950,000	900,000	900,000	900,000				
	Registered members	135,000	135,000	135,000	135,000	135,000	135,000				
	Visitor figures	1,200,000	1,200,000	1,210,000	1,210,000	1,210,000	1,210,000				
	Anticipated non financial resources	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
	Staff (FTE)	45.71	43.71	33.30	33.30	33.30	33.30				
	Accommodation (Libraries)	7	7	7	7	7	7				
	Equipment (PC's)	144	144	144	144	144	144				
	Performance indicator	Actual Performance (A) performance target (T) Proposed Target (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
		2015/16(T)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)	2020/21(P)				
Number of visitors accessing the library service online	232472	200,000	210,000	220,000	230,000	230,000	High	Monthly	Quality	Reduced uptake of service	
Active users - peoples network terminal	65269	56,000	56,000	56,000	56,000	56,000	High	Monthly	Outcome	Reduced uptake of service	
% self service usage for stock transactions	96	96	97	97	97	98	High	Monthly	Business critical	Increased costs	
Active volunteers in libraries	337	210	220	230	230	230	High	Monthly	Business critical	Reduced service delivery	
Maintain Income	361,000	£316,000	£346,000	£346,000	£346,000	£346,000	High	Monthly	Unit cost	Increased costs	
Partnership numbers	62	30	30	30	30	30	High	Monthly	Quality	Reduced service delivery	
% customer satisfaction (ARS)	n/a	78	78	78	78	78	High	Annual	Perception	Reduced customer service	

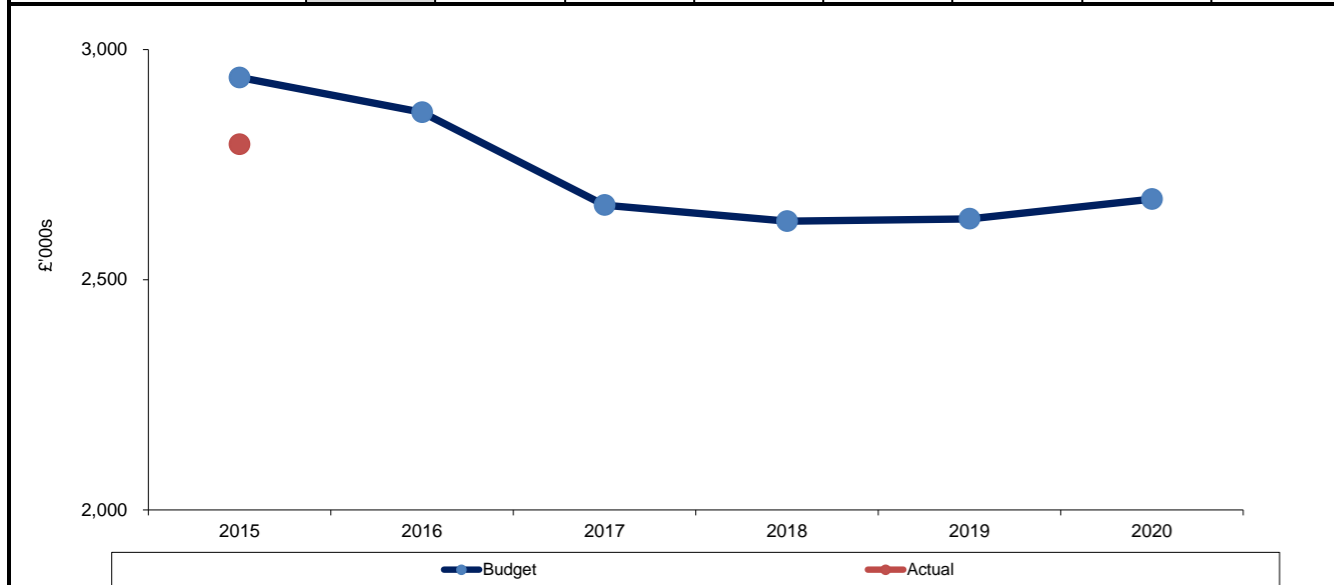
DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	3,296	3,190	3,221	(141)	2,971	2,966	3,009	3,052
Employees	1,350	1,265	1,348	(64)	1,076	1,057	1,086	1,115
Premises	399	406	403	(36)	485	493	501	509
Transport	4	5	4	(1)	4	4	4	4
Supplies & Services	508	454	449	(40)	399	404	409	414
3rd party payments	37	30	27	0	18	19	20	21
Transfer payments			0	0	0	0	0	0
Support services	696	727	688	0	688	688	688	688
Depreciation	303	303	303	0	301	301	301	301
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	357	396	357	(8)	309	339	377	377
Government grants	0	0	0	0	0	0	0	0
Reimbursements	41	34	41	0	0	0	0	0
Customer & client receipts	316	361	316	(8)	309	339	377	377
Recharges	0	0	0	0	0	0	0	0
Reserves	0	0	0	0	0	0	0	0
Capital Funded	0	0	0	0	0	0	0	0
Council Funded Net Budget	2,939	2,794	2,864	(148)	2,662	2,627	2,632	2,675



Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Colliers Wood Library Re-Fit					200			
Library Self Service		255	95	0				350
West Barnes Library Re-fit					200			
Library Management System					100			
	0	255	95	0	500	0	0	350

Summary of major budget etc. changes 2017/18

Savings - Introduce self-serve libraries at off peak times - £90k
Savings - Staffing - £38k
Savings - Additional staff savings - £62k
Savings - Reduction in ICT contracts - £40k



2018/19

Savings - Letting of space for coffee shop franchise in libraries - £30k

2019/20

2020/21

Libraries

PROJECT DESCRIPTION		MAJOR PROJECTS BENEFITS			Risk		
					Likelihood	Impact	Score
Project 1		Project Title:	Partnership development		Improved customer experience		
Start date	2015-16	Project Details	Continue to develop partnership approach to delivering services in libraries. Increase health partnerships along with developing projects such as Merton Arts Space and the integration of adult education services.		2	1	2
End date	2017-18						
Project 2		Project Title:	Heritage Strategy		Improved effectiveness		
Start date	2015-16	Project Details	Promote the Heritage Strategy and increase community participation in heritage activities. Continue to draw in external funding and improve income streams.		3	1	3
End date	2019-20						
Project 3		Project Title:	Stock efficiency program		Improved efficiency (savings)		
Start date	2015-16	Project Details	Continue to deliver efficiencies in the way that stock is managed. Deliver media fund savings and consolidate team structure. Maximise usage of e-resources.		3	1	3
End date	2017-18						
Project 4		Project Title:	Children & Young People's projects		Improved customer experience		
Start date	2013-14	Project Details	Continue to deliver the Schools and Libraries Membership scheme for primary school children and promote reading through a variety of projects. Rollout the Schools and Libraries Membership scheme to high schools.		3	1	3
End date	2017-18						
Project 5		Project Title:	Customer consultation, marketing and promotion		Improved customer experience		
Start date	2016-17	Project Details	Undertake a new customer survey to gain user views and consult on any significant changes to service delivery. Continue to develop e-marketing services and undertake promotional activities such as Library Connect.		2	1	2
End date	2020-21						
Project 6		Project Title:	Frontline Transformation		Improved efficiency (savings)		
Start date	2016-17	Project Details	Implement agreed savings through the consolidation of staffing and the implementation of self-service libraries at off peak times in branch libraries.		3	2	6
End date	2017-18						
Project 7		Project Title:	Assisted digital support		Improved customer experience		
Start date	2013-14	Project Details	Increase volunteer numbers and skills in supporting customers with more complex IT needs. Support national initiatives to improve literacy and support the Customer Contact project.		2	1	2
End date	2017-18						
Project 8		Project Title:	Security services contract		Improved efficiency (savings)		
Start date	2015-16	Project Details	On-going monitoring of performance. Develop security guard services to play a more active role in service transformation and to support with new lone working arrangements.		3	2	6
End date	2018-19						
Project 9		Project Title:	Library redevelopments		Improved customer experience		
Start date	2015-16	Project Details	Open the new Colliers Wood Library and maximise the use of space in existing libraries.		3	2	6
End date	2018-19						
Project 10		Project Title:	London Libraries Consortium		Improved efficiency (savings)		
Start date	2015-16	Project Details	Implement actions in the LLC Strategy and procure a new library management system.		3	2	6
Projects	2018-19						

Commissioned Service	Description of main activities and objectives The London Borough of Merton is committed to providing high quality and sustainable adult learning in order to improve the social, economic, health and wellbeing of our residents. The service is delivered through a commissioning model, contracting services to the best providers in the field and by developing sophisticated evidence based approaches to what we deliver. The service will continue to provide popular courses whilst expanding provision for families and enhancing our range of maths, English and employability courses.
Merton Adult Education	
Cllr Nick Draper Cabinet Member for Community & Culture	
Service Providers: South Thames College Groundwork London	

Planning Assumptions							The Corporate strategies the service contributes to
Anticipated demand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Total number of learners	3129	3285	3285	3285	3285	3285	Culture and Sport Framework
Number of accredited learners	1397	1467	1467	1467	1467	1467	Employment and Skills Action Plan
Total number of enrolments	4256	3964	3964	3964	3964	3964	Medium term Financial Strategy
							Special Educational Needs and Disabilities Strategy
Anticipated non financial resources	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Staff (Commissioning Team)	0	3.66	3.66	3.66	3.66	3.66	
Staff (LDD Curriculum manager)	0	1	1	1	1	1	
South Thames College			Sufficient resources to provide service				
Groundwork London			Sufficient resources to provide service				

Performance indicator	Performance Targets (T) & Provisional Performance Targets (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
	2015/16(T)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)	2020/21(P)				
Number of enrolments per annum			3964	3964	3964	3964	High	Quarterly	Outcome	Reduced uptake of service
Number of new learners per annum (not registered as learners in previous year)			50%	45%	40%	40%	High	Quarterly	Outcome	Reduced uptake of service
Number of completers (% retention rate per annum)			93%	94%	95%	95%	High	Annual	Outcome	Reduced service delivery
% overall success rate of accredited courses per annum			85%	86%	88%	90%	High	Annual	Outcome	Reduced uptake of service
% of end of course evaluations where teaching and learning is rated as good or above			95%	95%	95%	95%	High	Annual	Perception	Reduced service delivery
% of enrolments from deprived wards			27%	30%	32%	35%	High	Quarterly	Quality	Reduced uptake of service
Average cost per learner			£247	£247	£247	£247	Low	Annual	Unit cost	Reduced uptake of service

Financial Information					Additional Expenditure Information				
Revenue	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21					
Expenditure	1,410	1,413	1,419	1,425					
Contractor's Fee	891	891	891	891					
Employees (Commissioning Team)	184	186	191	196					
Employees (LDD Curriculum Manager)	46	47	48	49					
Other Costs	289	289	289	289					
Revenue	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21					
Income	1,381	1,381	1,381	1,381					
Adult Education Block Grant	1,347	1,347	1,347	1,347					
Adult Apprenticeships Grant	27	27	27	27					
Other Income	7	7	7	7					
Capital Expenditure	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21					

**DETAILS OF MAJOR PROJECTS
Merton Adult Education**

PROJECT DESCRIPTION		MAJOR PROJECTS BENEFITS		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	Improve Ofsted status	Improved effectiveness		
Start date	2016/17	Project Details:	Implement agreed actions in Post Ofsted Improvement Action Plan (PIAP) ready for re-inspection with the view to achieving a 'Good' status	3	2	6
End date	2018/19					
Project 2		Project Title:	Embed employability, maths and English strands in courses where applicable	Economic outcomes		
Start date	2016/17	Project Details:	Embed key threads around employability, maths and English into courses delivered by new providers.	2	1	2
End date	2018/19					
Project 3		Project Title:	Launch new apprenticeship scheme	Economic outcomes		
Start date	2016/17	Project Details:	Procure an organisation to increase apprenticeship numbers in the borough.	2	1	2
End date	2017/18					
Project 4		Project Title:	Expand provision in deprived areas of the borough and / or amongst deprived communities	Improved effectiveness		
Start date	2016/17	Project Details:	Deliver a range of community and family learning initiatives in the borough to increase take up and proactively market services to residents with the greatest needs.	3	1	3
End date	2018/19					
Project 5		Project Title:	Embed new evidence base and overhaul course provision	Improved customer experience		
Start date	2017/18	Project Details:	Make more effective usage of learner and community data to inform the future commissioning of adult learning courses whilst retaining a healthy breadth of provision.	2	1	2
End date	2018/19					
Project 6		Project Title:	Embed new commissioning arrangements across all services	Improved effectiveness		
Start date	2016/17	Project Details:	Undertake regular contract reviews and identify improvement plans to embed and improve the quality of the new adult learning services	3	2	6
End date	2019/20					

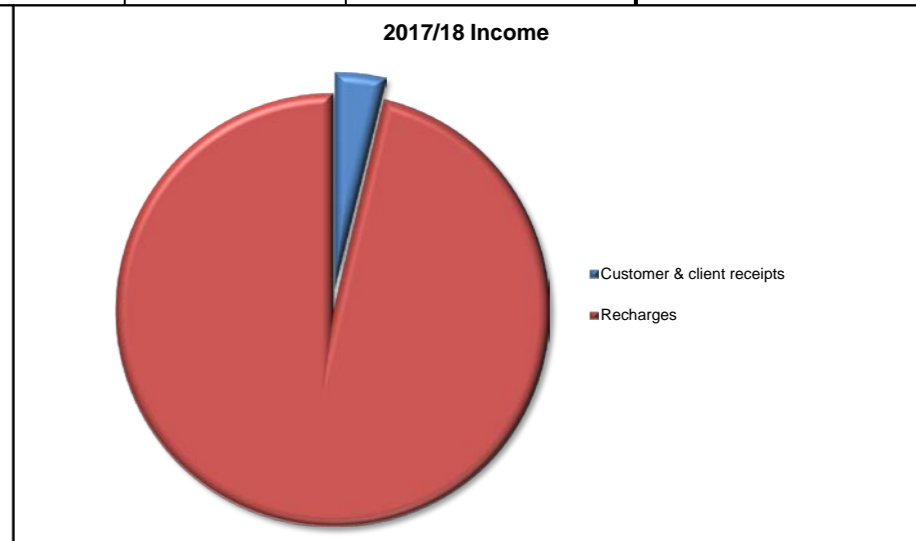
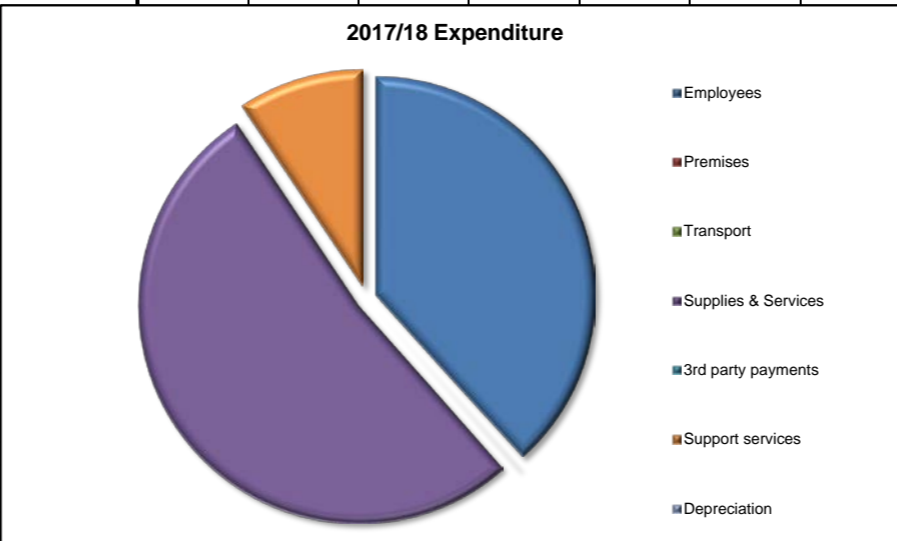
Public Health

PROJECT DESCRIPTION		MAJOR PROJECTS BENEFITS			Risk		
					Likelihood	Impact	Score
Project 1		Project Title:	East Merton Model of Health and Wellbeing		Improved effectiveness		
Start date	2016/17	Project Details:	Public Health, Merton CCG and the East Merton GP Locality are working in partnership to develop and deliver the East Merton Model of Health and Wellbeing and Wilson health and community campus as blueprint for borough-wide health and care transformation. This is a major programme aimed at co-creating a model for East Merton, incorporating design of health and community campus, community engagement, better use of wider public sector estates and development of social investment funding models . PH Lead: Anjan Ghosh		3	3	9
End date	2020-21						
Project 2		Project Title:	Embed Health and Wellbeing in all policies (TOM URN: PH2)		Improved effectiveness		
Start date	2016-17	Project Details:	Embed health and wellbeing in all policies programme as a relevant outcome across the whole council business (and partners) incl establish health as marker for good government and as investment rather than expenditure work in partnership with HR to deliver Healthy Workplace Programme; engage in growth and regeneration agenda, including optimising health improvement through the planning process. PH lead: Clarissa Larsen		2	2	4
End date	2020-21						
Project 3		Project Title:	Integrated sexual health services (TOM URN: PH6)		Improved effectiveness		
Start date	2016-17	Project Details:	Commission on a sub-regional level fully integrated sexual health services, joining up community pharmacy and GP practice level services with Level 2 CaSH services and Level 3 GUM services in a seamless provision. PH Lead: Anjan Ghosh		3	3	9
End date	2018-19						
Project 4		Project Title:	Redesign of Adult substance misuse treatment services (drugs and alcohol) (TOM URN: PH6)		Improved effectiveness		
Start date	2015-2016	Project Details:	Commission a redesigned adult substance misuse service based on a preventative and recovery orientated model, that is aligned with mental health services for Merton working in conjunction with CCG. Develop a comprehensive substance misuse prevention framework that encompasses community safety, licensing and regulation. PH Lead: Amanda Killoran		3	3	9
End date	2017-18						
Project 5		Project Title:	Redesign of Prevention and Health improvement Services (TOM URN: PH6)		Improved effectiveness		
Start date	2014-15	Project Details:	Commission a redesigned integrated lifestyle and NHS Health checks programme as part of taking forward the Merton Prevention Framework. The healthy lifestyle will comprise four related components: outreach and community resilience, a universal digital gateway and offer, stop smoking, and front line training. This is combined with a redesigned NHS Health Checks programme comprising primary and community based elements, underpinned by risk stratification. PH Lead: Amanda Killoran		2	2	4
End date	2017-18						
Project 6		Project Title:	Development of integrated Children's Services (TOM URN: PH7)		Improved effectiveness		
Start date	2016-17	Project Details:	Lead transformation of the Community health services towards a Healthy Child 0-19 years service, embedding health visiting and school nursing locality teams; develop a shared vision and development programme for closer integration Early Years services including 0-19 Healthy Child and Children's Centres, to provide seamless care pathways for children and young people. Develop a CYP joint commissioning function between PH, CSF and MCCG. PH Lead: Julia Groom		2	3	6
End date	2018-19						
Project 7		Project Title:	Childhood Obesity Action Plan (TOM URN: PH4)		Improved effectiveness		
Start date	2016-17	Project Details:	Deliver a whole systems childhood obesity action plan to reduce childhood obesity and health inequalities. This will address the wider social and environmental influences, and include leadership, the food environment, physical environment, early years and schools as well as community and staff engagement. PH Lead: Julia Groom		2	2	4
End date	2018-19						
Project 8		Project Title:	Development of social prescribing (TOM URN: PH5)		Improved effectiveness		
Start date	2016/17	Project Details:	Develop and evaluate a service model for social prescribing in Merton that improves health and wellbeing of patients through providing access to non-medical support that increase self help, self management and social engagement and healthy behaviours, and prevent ill health. Social prescribing is part of the EMMHWP and a major component in the CCG's Primary Care Strategy and the development of the model of multi-speciality community provider, strengthening relationships between primary care and the voluntary and community sector and services. PH Lead: Amanda Killoran		2	2	4
End date	2020/21						
Project 9		Project Title:	Joint Strategic Needs Assessment Plus/Intelligence Hub (TOM URN: PH11)		Improved efficiency (savings)		
Start date	2016-17	Project Details:	Develop a programmatic approach to public health intelligence covering: the JSNA analysis and support to strategy and commissioning decisions through a range of accessible outputs /products; Performance measurement and monitoring in support of continuous improvement of strategies and services in achieving outcomes; and Information management including sharing /linkages of data across the council/CCG. PH Lead: Amanda Killoran		2	2	4
End date	2020-21						
Project 10		Project Title:	Dementia Friendly Merton (TOM URN: PH3)		Improved effectiveness		
Start date	2016-17	Project Details:	Relaunch the Dementia Action Alliance (DAA) in Merton, as the principal vehicle for the development of Dementia Friendly Merton. This partnership will have strategic steer from the Dementia Strategy Steering Group. Governance structures and terms of reference will be developed and formalised and an action plan will be developed to roll out the DAA and ensure the sustainability of the programme, exploring the feasibility of having a designated coordinator or an alternative mechanism. PH Lead: Anjan Ghosh		2	2	4
End date	2020-21						

Corporate Services

Business Improvement	Planning Assumptions							The Corporate strategies your service contributes to			
Cllr Mark Allison: Deputy Leader & Cabinet Member for Finance	Anticipated demand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Customer Contact Strategy			
Enter a brief description of your main activities and objectives below - Operate as a Centre of Excellence for Project and Programme Management (PPM), raising the capacity of the organisation to consistently plan and deliver projects/programmes successfully. - Support DMTs to embed a culture of continuous business improvement within the organisation through the provision of tools, techniques, advice and support – including but not limited to lean. - Manage and deliver adhoc Projects and Programmes of work at the direction of CMT and Merton Improvement Board. - Through the Programme Management Office (PMO), ensure that the corporate improvement portfolio is directed and monitored through DMTs, MIB and CMT so that resources, dependencies, risks and issues are managed effectively and benefits – aligned to organisational objectives (especially LBC 2020) are realised. - Ensure change is effectively managed across the organisation and strong change management principles and methodologies are embedded within improvement projects and programmes. - Work with businesses and I&T to establish – under the direction of CMT – the strategy for IT, an associated implementation plan and manage its delivery. - Lead and coordinate the Technical Design Authority (TDA), ensuring the organisation takes a coordinated and planned approach to systems implementation that complies with and drives agreed corporate strategy, standards and supportability. - Proactively advise businesses of opportunities to exploit emerging technologies and to leverage existing systems investments for improved business efficiency and service. - Provide support to the business for operational and maintenance related tasks for applications including upgrades, housekeeping, periodic scheduled tasks and batch processing, thus sustaining business continuity: availability, performance, and capability of the systems.	Core service request (days)	4023	3555	3355	3355	3355	1355	IT Strategy and Implementation Plan			
	Non Core service requests (days)	1620	1450	1450	1350	1350	1350	Information Management Strategy			
	Support for continuous/business improvement (days)	880	880	880	880	880	880				
	Project/Programmes	21 FTE	19 FTE	11 FTE	0 FTE	0 FTE	0 FTE				
	Anticipated non financial resources	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
	Staff -Management & Programme Office (FTE)	6.46	6	4.5	3	3	3				
	Staff - Business Systems Team (FTE)	25	23	21	21	21	21				
	Staff - Programmes and projects (fixed term)	21	20	11	6	6	6				
	Performance indicator	Actual Performance (A) Performance Target (P) Proposed Target (T)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
		2015/16(A)	2016/17(T)	2017/18(P)	2018/19(P)	2020/21(P)	2019/20(P)				
Systems availability	99.3%	98%	99%	99%	99%	99%	High	Monthly	Business critical	Reduced service delivery	
% positive and neutral coverage tone	94.75%	92%	92%	92%	92%	92%	High	Monthly	Perception	Reputational risk	

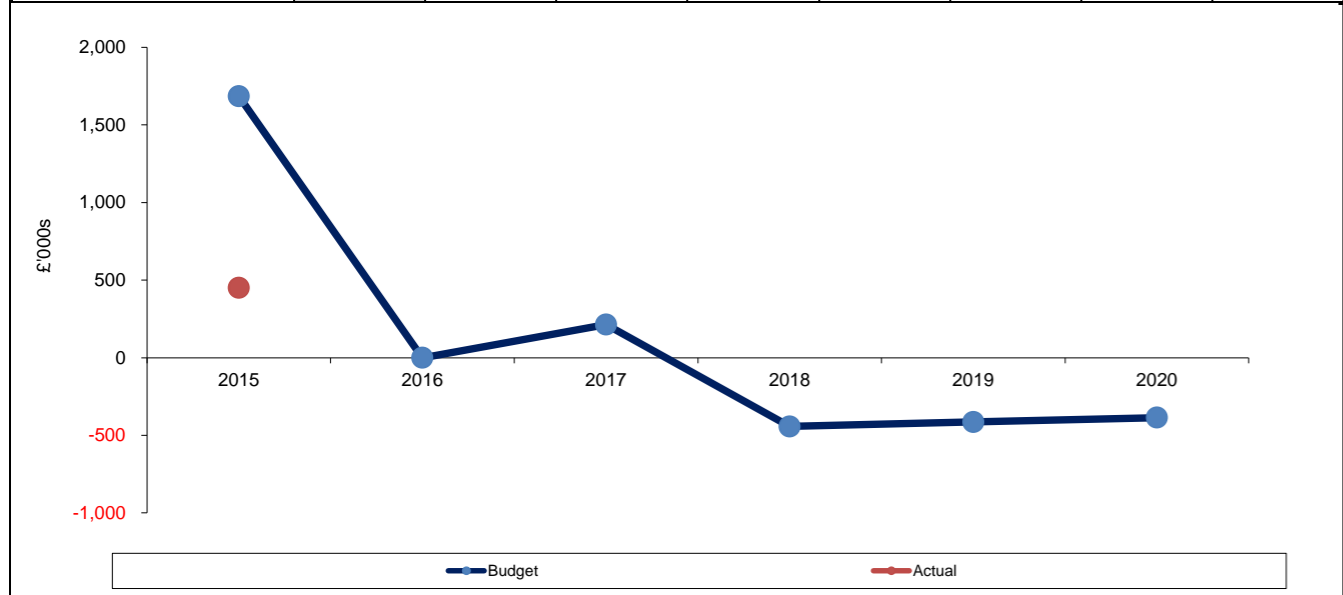
DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	4,689	5,021	3,712	165	3,244	2,587	2,616	2,644
Employees	2,933	3,069	2,363	539	1,244	1,242	1,255	1,269
Premises		1	0	6	0	0	0	0
Transport	3	1	3	(3)	3	3	3	3
Supplies & Services	1,345	1,440	1,011	(377)	1,693	1,039	1,054	1,069
3rd party payments			0	-	0	0	0	0
Support services	408	508	335	-	303	303	303	303
Depreciation								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	3,004	4,571	3,713	(356)	3,030	3,030	3,030	3,030
Government grants								
Reimbursements								
Customer & client receipts	164	424	114	(356)	114	114	114	114
Recharges	2,840	4,146	3,599	0	2,916	2,916	2,916	2,916
Reserves								
Capital Funded								
Council Funded Net Budget	1,685	450	(0)	(191)	214	(443)	(414)	(386)



Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Document management system			740					
Plan Web/Capita Housing					100	42		
Customer contact programme		99	686					
Protective Marking		0	81					
Replace Social Care System		191	563		426	350		
Electronic Asset Management			21		250	75		
Public Protection & Map Info Systems					40	510		
Revenues & Benefits						400		
Total	0	290	2,090	0	816	1,377	0	0

Summary of major budget etc. changes 2017/18

Reorganisation of systems development and support arrangements CS63 £74k.
 CSD42 Restructure functions, delete 1 AD and other elements of management 170k
 CS2015-08 Staffing support savings 13k



2018/19

CS2015-01 Rationalisation of IT systems, removal of support for some systems 3k
 CS2015-02 Expiration of salary protection 16k

2019/20

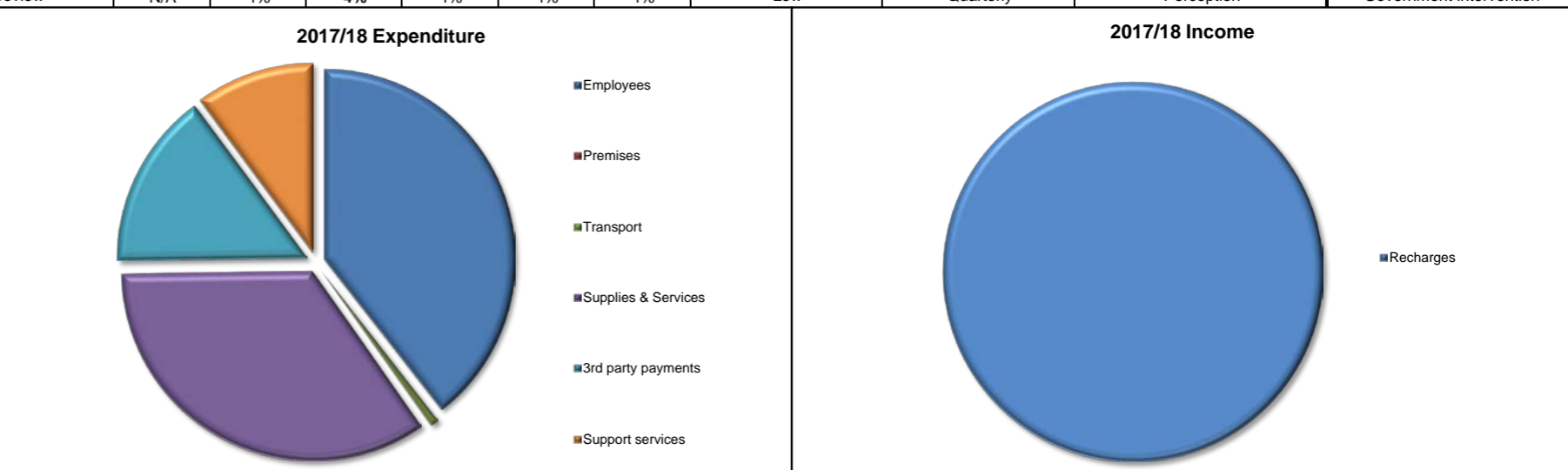
2020/21

Business Improvement

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	Customer Contact programme	Improved customer experience		4
Start date	2013-14	Project Details:	Lead and deliver CC programme; to deliver improvements (technology and service redesign) set out in CC Strategy.	The programme is part of the move to a 21st Century organisation, with technology that supports a more comprehensive and cohesive service to customers and recognises the new, modern ways in which they wish to access services. Through channel shift and a reduction in avoidable contact/failure demand we expect the programme to support and enable the achievement of savings and efficiencies within individual services.	2	
End date	2017-18					
Project 2		Project Title:	Electronic document and records management system	Improved efficiency (savings)		6
Start date	2013-14	Project Details:	Procure and implement a replacement EDRMS to support and enable flexible/remote working and Customer Contact.	EDRMS will enable flexible and remote working, more efficient and cost effective storage and retrieval of documentation.	3	
End date	2017-18					
Project 3		Project Title:	Social Care Information System	Improved efficiency (savings)		3
Start date	2014-15	Project Details:	Procure and implement a Social Care Information system to support adults social and children and families integrated care.	A fit for purpose system that supports efficient business practices and care management now and into the future	1	
End date	2017-18					
Project 4		Project Title:	SCIS Phase 2	Improved efficiency (savings)		6
Start date	2017-18	Project Details:	Expand the new SCIS solution into other business areas and develop integration with EDRMS and Customer Contact solutions.	A fit for purpose system that supports efficient business practices and care management now and into the future	2	
End date	2018-19					
Project 5		Project Title:	EAMS	Improved efficiency (savings)		2
Start date	2017-18	Project Details:	Reprocure and implement the council's Asset Management solution and ensure end-to-end channel shift is achieved.	A fit for purpose system that supports channel shift and end-to-end process improvement	1	
End date	2017-18					
Project 6		Project Title:	MADI	Improved effectiveness		2
Start date	2015-16	Project Details:	Cleansing and geocoding the council's geospatial data and establishing arrangements for the ongoing maintenance of data.	Customers can access and interact with geospatial data to achieve online reporting.	1	
End date	2017-18					

Corporate Governance	Planning Assumptions							The Corporate strategies your service contributes to		
Cllr Mark Allison: Deputy Leader & Cabinet Member for Finance	Anticipated demand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21			
Enter a brief description of your main activities and objectives below	Residents	204,405	205,722	207,410	208,607	209,771	210,902	Information Governance Policy		
Corporate Governance is made up of 5 core services:	Officers	↓	↓	↓				Equality Strategy		
Information Governance - manages complaints, MP & Member enquiries, Freedom of Information requests, ensuring organisational compliance with Data Protection Act and the Transparency agenda, including maintaining the Publication Scheme. Also provides the Local Land Charges function.	Councillors	60	60	60				Risk Management Strategy		
Democracy Services - maintains independent scrutiny function, support to Councillors and Mayor & ensures council has robust decision making arrangements.	Elections				1		1	Procurement Strategy		
Electoral Services - maintains registers of electors whilst managing the move to individual electoral registration, administers elections & referendums and undertakes boundary & electoral reviews.	Anticipated non financial resources	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21			
Internal Audit and Investigations - Merton has joined the audit and fraud partnership with its neighbouring authorities. Internal Audit covered by SWLAP (South West London Audit Partnership) and Investigations covered by SWLFP (South West London Fraud Partnership) covering Merton, Kingston, Richmond, Sutton and Wandsworth). The service provide independent, objective appraisal of risk management, governance & internal control processes and fraud risks including planned & unplanned audits. Investigates allegations of poor control and conflicts of interest. Co-ordinates the Annual Governance Statement. Reviews and updates anti fraud policies. Reports poor practice/weak controls to members. Investigation external and internal fraud.	Staff (FTE)	39.05	30.7 (excl. Invest&audit)	28.9	28.9	28.9	28.9			
There is also the shared Legal service with the London Borough of Richmond, Wandsworth, Sutton and Kingston; this service has its own Service Plan.	Staff - Election	800	800	800						
	Staff - Canvas	150	150	150						
Performance indicator	Actual Performance (A) Performance Target (T) Proposed Targets (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
	2015/16(A)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)	2020/21(P)				
Audit actions implemented by agreed date	78.7%	90%	90%	90%	90%	90%	High	Quarterly	Business critical	Increased fraud
Audits completed against plan	89.83%	90%	90%	90%	90%	90%	High	Quarterly	Business critical	Increased fraud
Complaints - dealt with in time	83.11%	90%	85%	85%	85%	85%	High	Monthly	Perception	Reduced customer service
Complaints progressed to stage 2	7.95%	9%	9%	9%	9%	9%	High	Quarterly	Perception	Reduced customer service
FOI requests - dealt with in time	84.33%	90%	85%	85%	85%	85%	High	Monthly	Perception	Reduced customer service
Number of supplementary agendas issued	23	22	20	18	16	14	Low	Quarterly	Perception	Government intervention
Ombudsman complaints answered in time	75%	90%	90%	90%	90%	90%	High	Monthly	Quality	Rework
Ombudsman complaints partially or fully upheld	N/A	40%	40%	40%	40%	40%	Low	Quarterly	Perception	Government intervention
% of FOI refusal notices not upheld at review	N/A	4%	4%	4%	4%	4%	Low	Quarterly	Perception	Government intervention

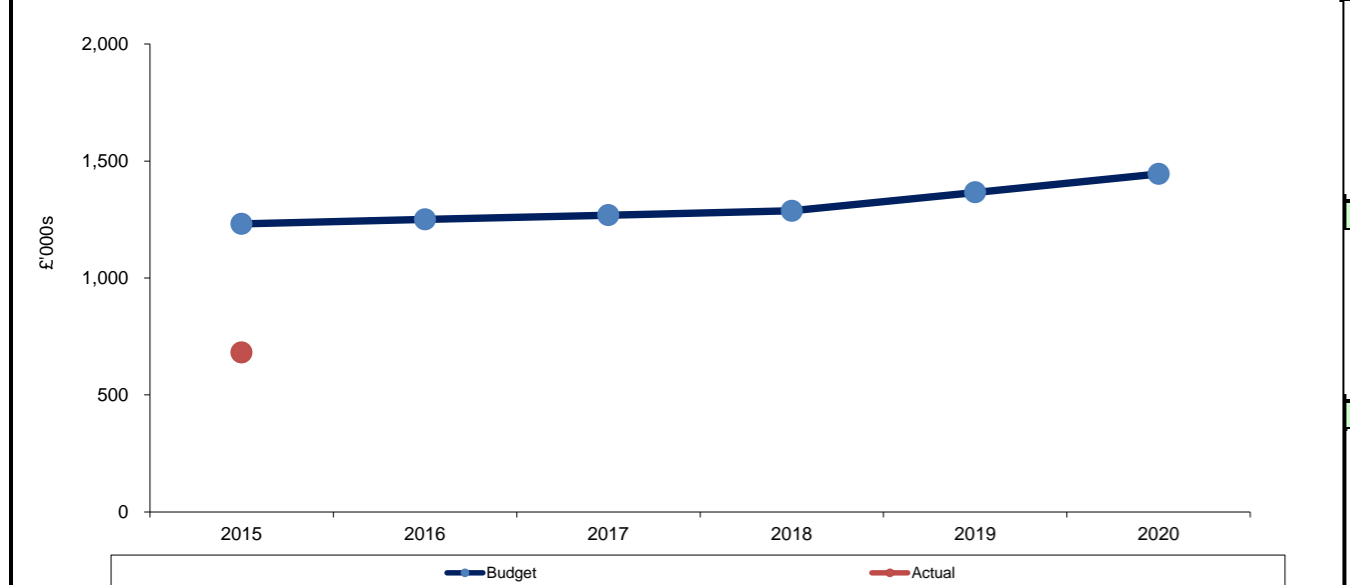
DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	3,828	3,569	3,224	180	3,044	3,063	3,142	3,220
Employees	1,912	1,782	1,320	159	1,202	1,156	1,170	1,184
Premises	7	15	1	11	1	1	1	1
Transport	21	14	19	12	21	21	22	22
Supplies & Services	1,325	1,184	1,084	16	1,052	1,109	1,166	1,223
3rd party payments	239	239	493	-18	460	468	475	483
Support services	324	335	307		308	308	308	308
Depreciation								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	2,597	2,887	1,973	(445)	1,776	1,776	1,776	1,776
Government grants	260	286		34.53				
Reimbursements	163	284	0	141				
Customer & client receipts	288	401		(621)	(8)	(8)	(8)	(8)
Recharges	1,886	1,917	1,973		1,784	1,784	1,784	1,784
Reserves								
Capital Funded								
Council Funded Net Budget	1,231	682	1,251	(265)	1,269	1,287	1,366	1,445



Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
	0	0	0	0	0	0	0	0

Summary of major budget etc. changes 2017/18

- CSD43 Share FOI and information governance policy £40k
- CSD45 Share audit and investigation service 20k
- CS2015-13 Shared Investigation Service 40k
- CS2015-14 Shared audit service 33k



2018/19

- CSD43 Share FOI and Information Governance policy 10k
- CS2015-06 Delete auditor post and fees 50k

2019/20

- CS2016 -03 Reduction in supplies and services £50k

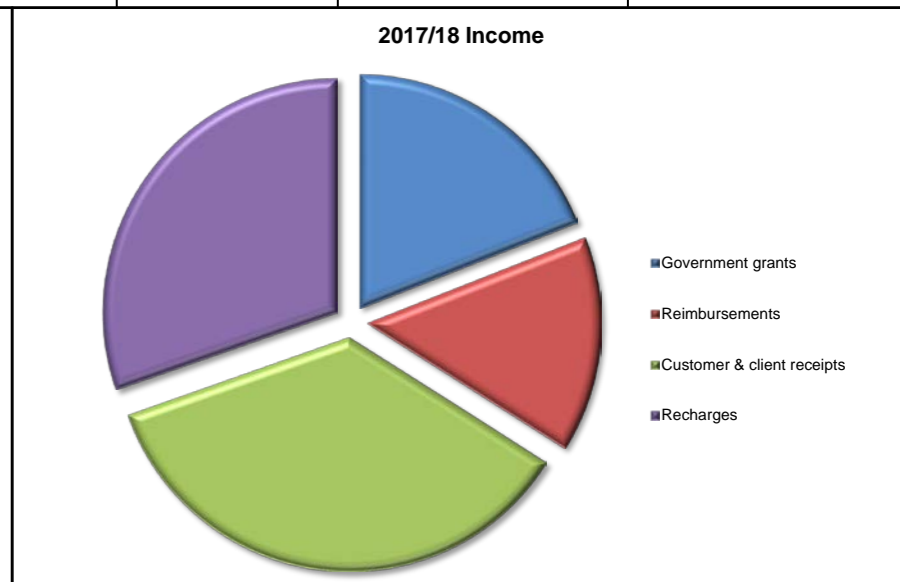
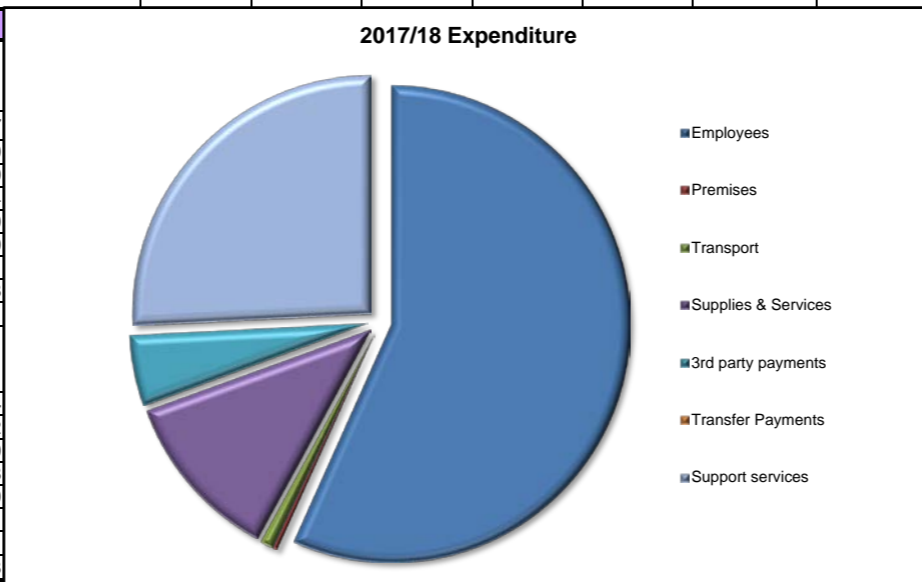
2020/21

Corporate Governance

PROJECT DESCRIPTION		MAJOR PROJECTS BENEFITS		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	2013/17 Implement individual electoral registration	Risk reduction and compliance		
Start date	2013-14	Project Details:	Introduce new system of Individual Electoral Registration by implementing new processes to register residents, whilst undertaking data matching and public awareness strategies to seek to maximise the accuracy and completeness of the register of electors.	3	3	9
End date	2017-18					
Project 2		Project Title:	2013/17 Administer statutory elections, referendums and ballots.	Risk reduction and compliance		
Start date	2013-14	Project Details:	Administer GLA elections in 2016, and European Referendum before the end of 2017, plus Wimbledon BID ballot in 2016, together with any other referendums and ballots that may be required.	3	3	9
End date	2017-18					
Project 3		Project Title:	Committee report workflow	Improved effectiveness		
Start date	2014-15	Project Details:	To improve workflow through implementation of features within new software system. Will enable report authors to submit electronically, receive deadline reminders and get legal and finance comments as well as sign off by Directors and Cabinet Members. 2015/16 rolled out to Cabinet and Council. 2016/17 rollout to other committees.	2	1	2
End date	2017-18					
Project 4		Project Title:	Scrutiny Improvement Programme	Improved customer experience		
Start date	2014-15	Project Details:	To continue to improve effectiveness and impact of the scrutiny function and to engage new councillors in scrutiny activities. Programme comprises objectives and actions agreed by the Overvieww and Scrutiny Commission each year when it receives the Annual Member Survey.	2	1	2
End date	2017-18					
Project 5		Project Title:	Creation of centralised Local Land Charges Register	Improved customer experience		
Start date	2014-15	Project Details:	Review of LLC service delivery; dependent on national directive	3	1	3
End date	2017-18					

Customer Services	Planning Assumptions						The Corporate strategies your service contributes to				
Cllr Mark Allison: Deputy Leader & Cabinet Member for Finance	Anticipated demand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
Enter a brief description of your main activities and objectives below There are 5 core services: Local Taxation - responsible for Council Tax & Business Rates collection and Debt Recovery. Housing Benefit - responsible for administering housing and council tax benefit schemes & identification and prevention of fraud; Merton Link - first point of contact for most council customers & visitors, through either face to face or via telephone - also provide Translation Services & Concessionary Travel Schemes; Registrars - responsible for registration of births & deaths, marriages & civil partnerships, citizenship ceremonies & nationality services; Bailiffs - collection of outstanding warrants in a shared service between Sutton & Merton for all areas especially council tax and parking fines. Front line service for Universal Credit - local authorities will be responsible for delivering front line services for universal credit for those claimants that cannot claim and access on-line. It is anticipated that this new service will be delivered towards the end of this service plan period but details are vague due to the uncertainty of the roll-out of the scheme and the continual deferral from central government. It is also unclear how the roll out of Universal Credit will impact on the Housing Benefit caseload and workload	Benefit/Council Tax support claimants	16,000	15,400	14,500	14,000	14,000	13,000	Channel migration			
	Telephone callers	600,000	500,000	450,000	400,000	375,000	350,000	Customer Contact Strategy			
	Face to face customers	90,000	85,000	80,000	70,000	65,000	60,000	Medium term Financial Strategy			
	Council tax properties	83,000	83,500	84,000	85,000	86,000	86,500				
	Anticipated non financial resources	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
	Staff (FTE)	148.3	143	142	141	139	139				
	Performance indicator	Actual performance (A) Performance Target (T) Proposed Target (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
		2015/16(A)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)	2020/21(P)				
% of Merton Bailiff files paid in full (exc parking & misc debt)	54.58%	58%	58%	58%	58%	58%	High	Monthly	Outcome	Loss of income	
Business Rates collected	97.71%	97.50%	97.50%	97.50%	97.50%	97.50%	High	Monthly	Business critical	Loss of income	
Council Tax Collected	97.49%	97.25%	97.25%	97.25%	97.25%	97.25%	High	Monthly	Business critical	Loss of income	
First contact resolution	76.61%	70%	75%	75%	75%	75%	High	Monthly	Perception	Reduced customer service	
Event income (Marriages, Civil Partnerships etc.)	437,000	415,000	425,000	440,000	450,000	460,000	High	Monthly	Business critical	Loss of income	
% of on-line transactions (HB Claims)	58%	60%	62%	63%	64%	65%	High	Monthly	Business critical	Reduced customer service	
Time taken to process Housing Benefit COC	9 days	11 days	10 days	9 days	8 days	8 days	Low	Monthly	Business critical	Customer hardship	
Time taken to process new Housing Benefit claims	21 days	21 days	16 days	15 days	14 days	14 days	Low	Monthly	Business critical	Customer hardship	

DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	9,111	8,462	9,196	84	9,084	9,111	9,061	9,137
Employees	5,140	5,158	5,173	(33)	5,152	5,203	5,159	5,210
Premises	30	21	29	0	29	30	30	30
Transport	69	70	70	(4)	80	81	82	84
Supplies & Services	1,571	1,315	1,089	217	1,048	1,016	1,033	1,050
3rd party payments	434	312	425	(97)	431	438	414	420
Transfer Payments	81	35						
Support services	1,785	1,551	2,410		2,343	2,343	2,343	2,343
Depreciation			0		0			
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	6,676	6,690	6,714	(101)	6,479	6,479	6,494	6,494
Government grants	1,449	1,398	1,232	16	1,232	1,232	1,232	1,232
Reimbursements	930	1,227	970	(145)	970	970	970	970
Customer & client receipts	2,333	2,152	2,228	28	2,308	2,308	2,323	2,323
Recharges	1,964	1,913	2,283		1,969	1,969	1,969	1,969
Reserves								
Capital Funded								
Council Funded Net Budget	2,435	1,772	2,482	(17)	2,604	2,632	2,567	2,643

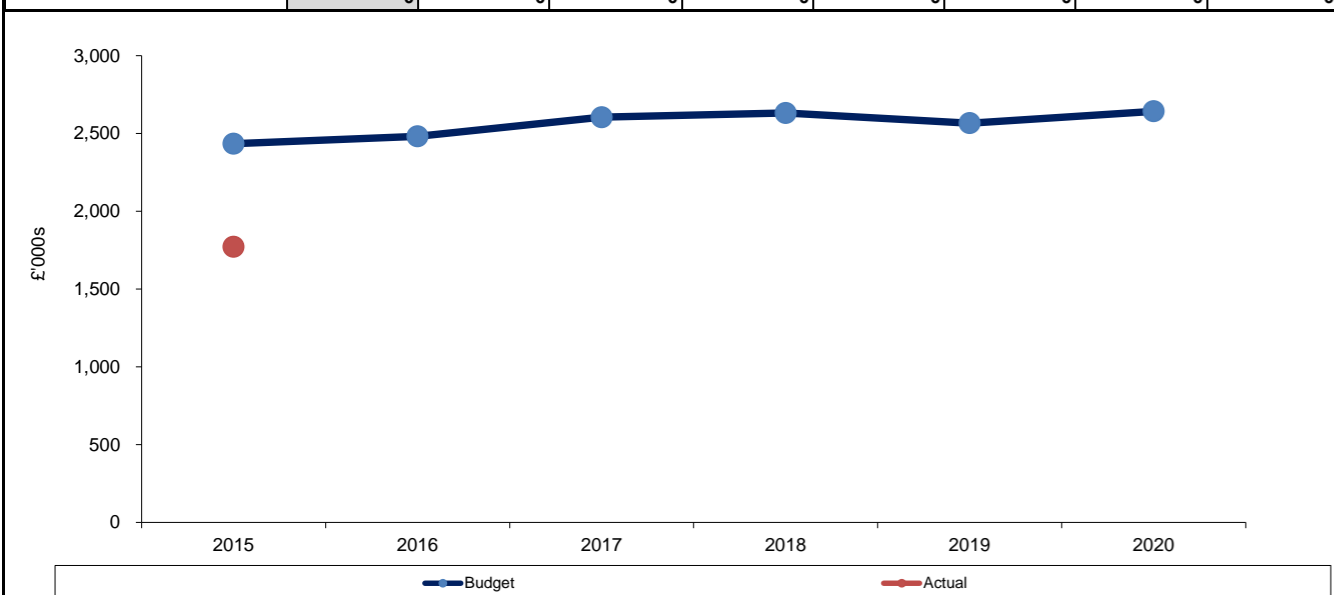


Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
	0	0	0	0	0	0	0	0

Summary of major budget etc. changes

2017/18

CS60 Deletion of Assistant Director post £109k
 CSD17 Reduce marketing budget, increase self service and reduce designer costs 73k
 CS2015-04 Increase in registrars' income 25k



2018/19

CSD19 My Merton savings 49k

2019/20

CS2016-02 Restructure of Housing Benefits section due to roll out of Universal Credit £66k
 CS2016-04 Increase income through Registrars service £15k
 CS2016 -05 Increase income through translations £15k
 CS2016 -06 Merton Link - efficiency savings £30k
 CS2016 -07 Cash Collection Reduction £30k

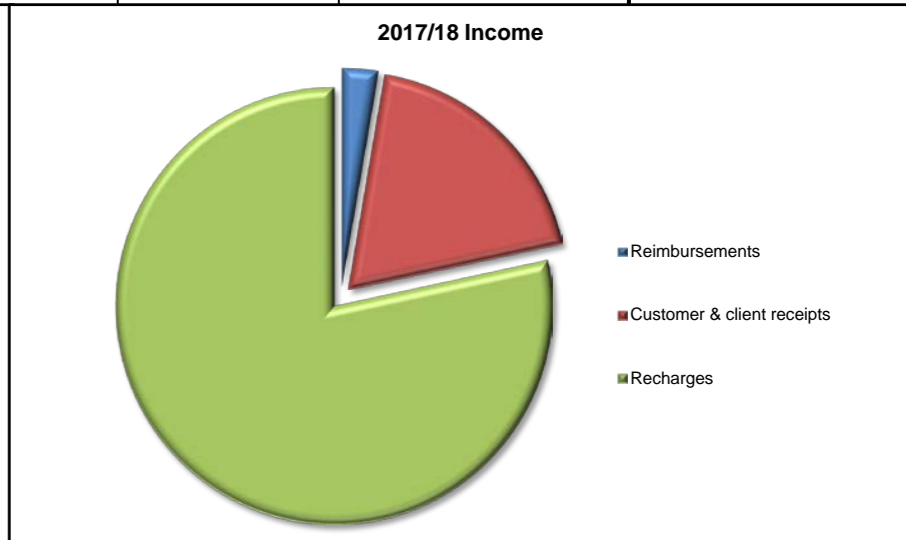
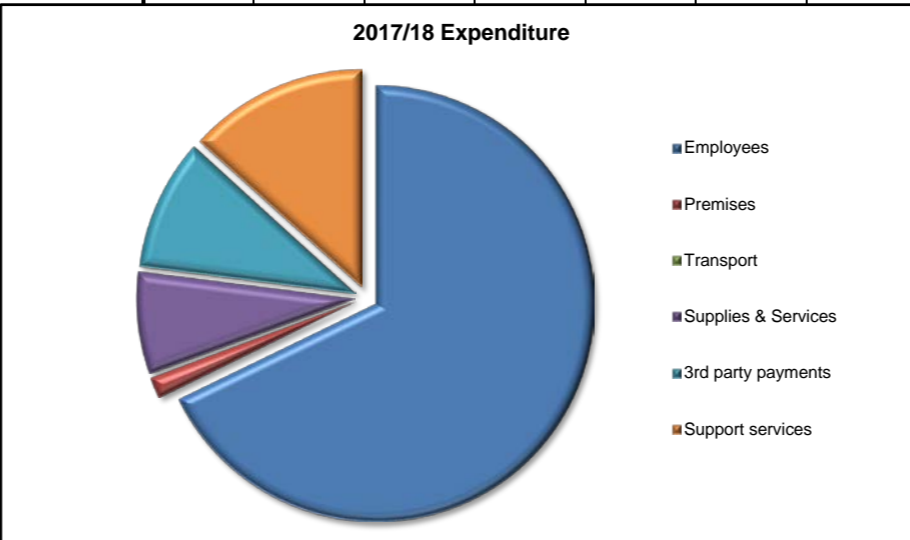
2020/21

Customer Services

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	Universal Credit Implementation	Economic outcomes		2
Start date	2015-16	Project Details:	Implement the role out of UC in Merton and provide a support framework to assist claimants claim UC and receive budgeting advice. Process has been delayed by Central Government	2	1	
End date	2019-20					
Project 2		Project Title:	Implement an Outside Wedding Venue	Economic outcomes		4
Start date	2013-14	Project Details:	Planning permission approved for outside wedding venue at Morden Park House. Funding to be agreed.	2	2	
End date	2017-18					
Project 3		Project Title:	Council Tax support scheme	Economic outcomes		2
Start date	2017-18	Project Details:	During 17/18 options for a revised scheme will be reviewed for Council decision and possible implementation for 18/19. Moving forward we will review our discretionary relief and exemptions for implementation in 2018/19.	2	1	
End date	2017-18					
Project 4		Project Title:	Review Debt Collection Processes	Improved effectiveness		2
Start date	2015-16	Project Details:	With the implementation of the new Financial management computer systems a review of the existing debt collection processes will be undertaken as part of the system implementation.	2	1	
End date	2017-18					
Project 5		Project Title:	Redesign of Merton Link	Improved customer experience		2
Start date	2015-16	Project Details:	Implement the re-design of Merton Link area to improve the customer experience and increase self service	2	1	
End date	2017-18					

Human Resources		Planning Assumptions						The Corporate strategies your service contributes to					
Cllr Mark Allison: Deputy Leader & Cabinet Member for Finance		Anticipated demand		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Workforce Strategy	Economic Development Strategy		
Enter a brief description of your main activities and objectives below 1) Support effective people management across the organisation through development of a workforce strategy/TOM people layer 2) Implement and maintain efficient HR transactions for recruitment, induction, employee data, payroll, performance management, appraisal, learning and development 3) Provide HR business partner support across the Council 4) Produce HR metrics, analyse people-related problems and take appropriate actions 5) Produce HR strategies, policy frameworks and systems to support effective people management 6) Support and develop capacity building in Members		Employees in Merton for HR, payroll, advice, L&D, EAP etc.		4,400	4,400	4,200	4,000						
		New recruits to be appointed		160	160	150	140						
		New Apprentices to be appointed			33	33	33						
		Anticipated non financial resources		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
		Staff (FTE)			35	35	27	27	27				
		Performance indicator		Actual Performance (A) Performance Target (T) Proposed Target (P)					Polarity	Reporting cycle	Indicator type	Main impact if indicator not met	
				2015/16(A)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)					2020/21(P)
		Time to hire (days)		94	90	90	90			Low	Monthly	Outcome	Increased costs
		No. of working days lost to sickness, excluding schools		9.37	8	7.5	7.5	7	7	Low	Monthly	Outcome	Increased costs
		% Appraisals completed		98%	98%	98%	98%			High	Annual	Outcome	Poor decision making
% Members L&D satisfaction		93%	83%	83%	83%			High	Quarterly	Outcome	Poor decision making		
No. of Apprentices (Govt Apprenticeship Levy Scheme)		n/a	n/a	35	46			High	Quarterly	Outcome	Increased costs		
% Staff Satisfaction (Staff Survey)		74% (14/15)	76%	n/a	76%			High	Biennial	Outcome	Reputational risk		

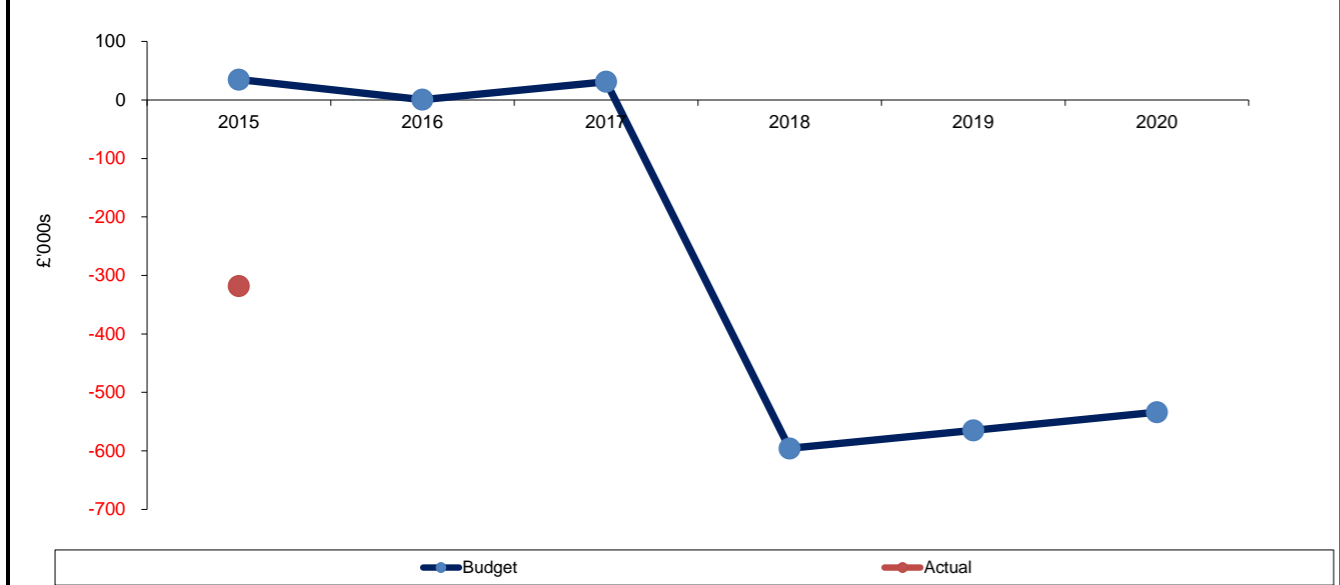
DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	3,199	3,252	3,285	(138)	2,984	2,509	2,540	2,571
Employees	2,380	2,315	2,372	(170)	2,027	1,594	1,616	1,639
Premises	15	42	15	(1)	47	48	48	49
Transport	5	4	0	(2)	(3)	(3)	(3)	(3)
Supplies & Services	234	206	207	(20)	226	179	182	185
3rd party payments	263	324	224	54	290	294	298	303
Support services	303	361	467		398	398	398	398
Depreciation								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	3,164	3,570	3,284	(4)	2,953	3,105	3,105	3,105
Government grants	13	13						
Reimbursements	20	83	20	14	79	79	79	79
Customer & client receipts	569	555	569	(18)	560	712	712	712
Recharges	2,562	2,919	2,695		2,315	2,315	2,315	2,315
Reserves								
Capital Funded								
Council Funded Net Budget	35	(318)	1	(143)	31	(596)	(565)	(534)



Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
	0	0	0	0	0	0	0	0

Summary of major budget etc. changes 2017/18

CSD34 L&D Admin Support 18k
CSD35 L&D Budget 134k



2018/19

CS75 Review of COT staffing 58k
CSD30 Schools COT support (delivery of schools buy-back service) £152k
CS48 Further rationalisation of HR services 130k
CS51 HR Transactions including COT 90k
CS49 HR Business Partners - Further consolidation of HR advisory work 140k
CSD17 COT Review 38k

2019/20

2020/21

Human Resources

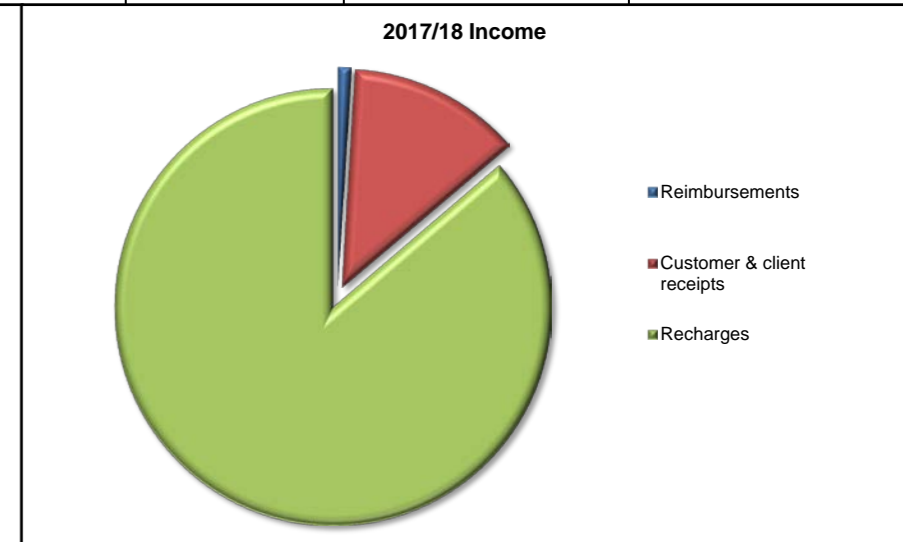
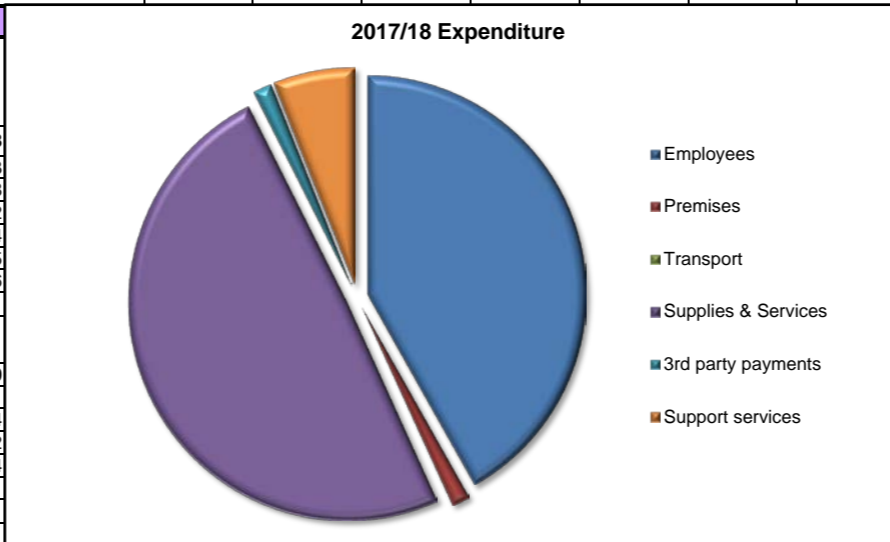
PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	Workforce Strategy	Improved staff skills and development		9
Start date	2014-15	Project Details:	Deliver the 5 key strands of the Council's workforce strategy to support the wider TOM programme for organisational change	3	3	
End date	2017-18					
Project 2		Project Title:	Establishment and workforce	Improved staff skills and development		12
Start date	2015-16	Project Details:	Embed systems to maintain, monitor and control an accurate establishment and vacancy position across the Council for both permanent and interim staff	3	4	
End date	2017-18					
Project 3		Project Title:	Review HR policies	Improved effectiveness		9
Start date	2015-16	Project Details:	Embed a new suite of simplified and business-focussed HR policies, supported by appropriate management development	3	3	
End date	2017-18					
Project 4		Project Title:	Review and retender key HR contracts	Improved effectiveness		9
Start date	2016-17	Project Details:	Commission Occupational Health, Agency contract, Eteach and Kingston/Sutton SLA and Schools SLA	3	3	
End date	2017-18					

Infrastructure and Transactions

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	Implementation of IT Strategy & Plan	Improved efficiency (savings)		6
Start date	2016-17	Project Details:	Implementation of corporate IT Strategy & Plan which has been developed on the basis of information derived from departmental Target Operating Models.	3	2	
End date	2018-19					
Project 2		Project Title:	Digital Archiving of existing paper records	Improved efficiency (savings)		2
Start date	2014-15	Project Details:	Scanning of paper records into a digital format which will be prioritised in order to support the roll out of the Flexible Working Programme. This project also links directly to the Customer Contact programme which includes the implementation of a new Electronic Documents and Records Management System (EDRMS).	1	2	
End date	2017-18					
Project 3		Project Title:	Upgrading of IT Disaster Recovery Arrangements	Risk reduction and compliance		12
Start date	2013-14	Project Details:	Complete works to improve disaster recovery arrangements for the Councils main IT systems and minimise any potential loss of service in the event of a major incident or IT equipment failure.	4	3	
End date	2017-18					
Project 4		Project Title:	Implementation of CASPAR system	Improved efficiency (savings)		4
Start date	2016-17	Project Title:	The new client money and case management program for Client Financial Affairs will capture all information relating to both appointeeship and deputyship clients and will link to CFA's new online banking system.	2	2	
End date	2017-18					
Project 5		Project Title:	Review Options for Procurement Service Delivery Model	Improved effectiveness		6
Start date	2016-17	Project Details:	Undertake a review of the various delivery model options for the provision of procurement across the Council and make a recommendation to CMT on the suggested way forward.	3	2	
End date	2017-18					
Project 6		Project Title:	Energy "Invest to Save" Initiatives	Improved efficiency (savings)		6
Start date	2017-18	Project Details:	Completion of a range of projects across the councils entire portfolio of properties which will reduce energy consumption and associated CO2 emissions and that are designed to have a maximum financial pay back of between 7 and 10 years.	3	2	
End date	2018-19					
Project 7		Project Title:	Undertake 'Make/Buy/Share' reviews of key service provision	Improved efficiency (savings)		6
Start date	2017-18	Project Details:	Review of current operational service delivery models to ensure that the Council is utilising the most cost effective and efficient means of providing services to both internal and external customers.	3	2	
End date	2018-19					
Project 8		Project Title:	Review Departmental Business Continuity/Disaster Recovery plans	Risk reduction and compliance		4
Start date	2016-17	Project Details:	Undertake a review and refresh of the Councils Business Continuity and Disaster Recovery plans and arrangements in order to ensure that they are robust and fit for purpose.	2	2	
End date	2017-18					
Project 9		Project Title:	Online Safety Inspection system	Risk reduction and compliance		4
Start date	2016-17	Project Details:	Development of an 'Online' data capture system for recording and uploading information from safety inspections directly into a back office system to reduce the double handling of data.	2	2	
End date	2017-18					

Resources	Planning Assumptions						The Corporate strategies your service contributes to			
Cllr Mark Allison: Deputy Leader & Cabinet Member for Finance	Anticipated demand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21			
Enter a brief description of your main activities and objectives below	Revenue/Capital Budget Managers	147/23	147/23	147/23	147/23	147/23	147/23	Medium term Financial Strategy		
Resources is made up of four major areas of activity: Accountancy - manage financial health of the council through advice & support to officers and Members, production of council's financial accounts, revenue & budget setting, profiling and reporting & monitoring. Over the next four years we will transform by improving use of technology /reviewing processes /how information is stored in our financial systems. Business planning - manage Financial Strategy & Capital Strategy/Monitoring, Financial Systems Liaison & Development, Business & Service Planning, Performance Management (PM) & Risk Management. The team facilitate multi-year planning, target resources, manage risk & integrate financial, business & performance information. Over the next four years we will improve robustness of our systems & projections, challenge services to improve their performance management to facilitate transformation, data quality and risk management Policy and strategy - coordinate corporate strategy & policy; ensure effective & high-quality policy development across the council; promote a positive relationship with the voluntary and community sector; ensure the council meets its responsibilities under equalities & community cohesion policy; lead on effective partnership working by managing the local strategic partnership, including leading on the Stronger Communities agenda and delivery of the Sustainable Community Strategy; and provide a secretariat function for CMT and LSG. Treasury and pensions - to manage the Council's treasury (including the day to day cashflow, banking and cash), pension and insurance funds and oversee the contract for pensions administration.	Voluntary Sector Organisations Supported	150+	150+	150+	150+	150+	150+	Capital Strategy		
	Budget, Service, Performance & Risk Setting Reports	8	8	8	8	8	8	Central Government		
	Budget, Service, Performance & Risk Monitoring Reports	8	8	8	8	8	8	Equality Strategy		
	Budget, Service, Performance & Risk Closing Reports	2	2	2	2	2	2	Procurement Strategy		
	Anticipated non financial resources	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21			
	Staff (FTE)	63.3	54.6	51.6	44.6	44.6	44.6	Risk Management Strategy		
	Staff (Trainees)	4	4	2	2	2	2	Treasury Management Strategy		
	Staff (Apprentices)	2	0	0	0	0	0	Voluntary Sector Strategy		
								Corporate Asset Management Plan		
Performance indicator	Actual Performance (A) Performance Target (T) Proposed Target (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
	2015/16(A)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)	2021/21(P)				
Accuracy of P8 Revenue Forecast (compared to outturn)	98.9%	90%	90%	90%	90%	90%	High	Annual	Outcome	Poor decision making
Accuracy of P8 Capital Forecast	79.6%	90%	90%	90%	90%	90%	High	Annual	Outcome	Poor decision making
Number of Adjustments to Draft Accounts	0	0	0	0	0	0	Low	Annual	Business critical	Government intervention
Action plans in place for 'red' risks	93.75%	90%	90%	90%	90%	90%	High	Quarterly	Outcome	Poor decision making
% of Loans Paid on Time	89.39%	92%	92%	93%	94%	94%	High	Quarterly	Business critical	Reputational risk
% of Claims Settled within 6 Months	64.92%	65%	65%	65%	65%	65%	High	Quarterly	Outcome	Increased costs
% of Claims Responded to within 5 Working Days	92%	93%	94%	95%	96%	96%	High	Quarterly	Outcome	Reduced customer service

DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	8,449	8,653	8,361	188	7,715	7,476	7,572	7,668
Employees	3,838	3,949	3,645	61	3,229	2,946	2,980	3,013
Premises	101	102	100	8	103	105	106	108
Transport	4	7	2	2	2	2	2	2
Supplies & Services	4,003	4,078	3,906	115	3,807	3,847	3,905	3,964
3rd party payments	171	157	171	2	108	110	113	115
Support services	333	360	537		466	466	466	466
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	6,864	7,285	6,030	(141)	5,674	5,690	5,690	5,690
Government grants	10							
Reimbursements	54	115	54	(47)	54	54	54	54
Customer & client receipts	765	1,077	726	(94)	726	742	742	742
Recharges	6,036	6,092	5,250		4,894	4,894	4,894	4,894
Council Funded Net Budget	1,585	1,368	2,331	47	2,041	1,786	1,882	1,978
Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Financial System re-engineering		397	506					
Civica Icon		18	107					125
Acquisitions Budget		464	1,533	(1,372)				
Capital Bidding Fund			1,839	(1,839)				
Full EDRMS solution SCIS/FIS			41					
	0	880	4,026	(3,211)	0	0	0	125



Summary of major budget etc changes

2017/18
Savings: Savings of £78k previously deferred will be delivered from the deletion of two posts (CS46). A review of recharges to the Pension fund will make savings of 47k (CS6). Increased income of 16k (CSD20) and a reduction in running costs 3k (CSD23). One Business Partner to be deleted 78k (CSD26). Reduction of LGCS budget to match contribution 81k (CSD46)
 CS2015-07 Reduction in running costs budgets £28k.

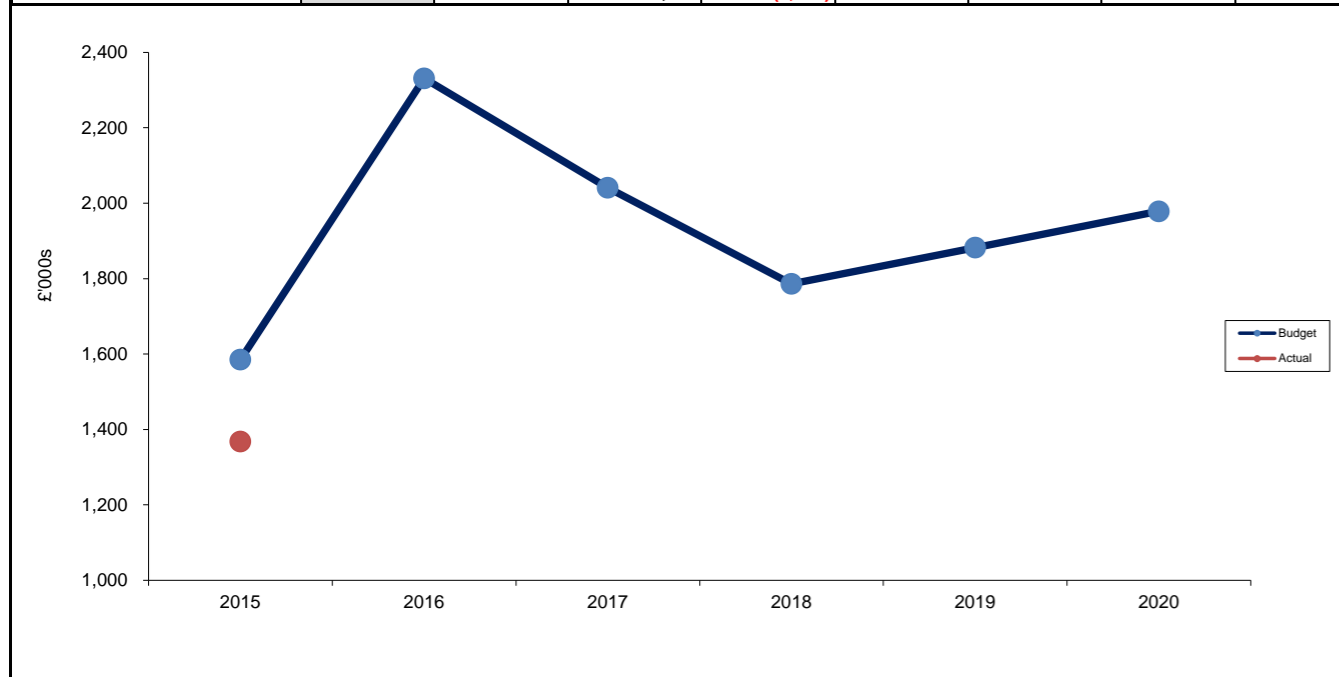
2018/19

Savings: Savings of 100k will be made from further restructuring of the service (CSD27), and a further 16k of increased income (CSD20). Further review of staffing budgets across the division saving 216k (CS2015-05). Reduction of 19k in Corporate Grants budget (CS2015-11)

2019/20

CS2016-01 A reduction in the contribution to the self insurance fund in line with the actuarial valuation £100k.

2020/21

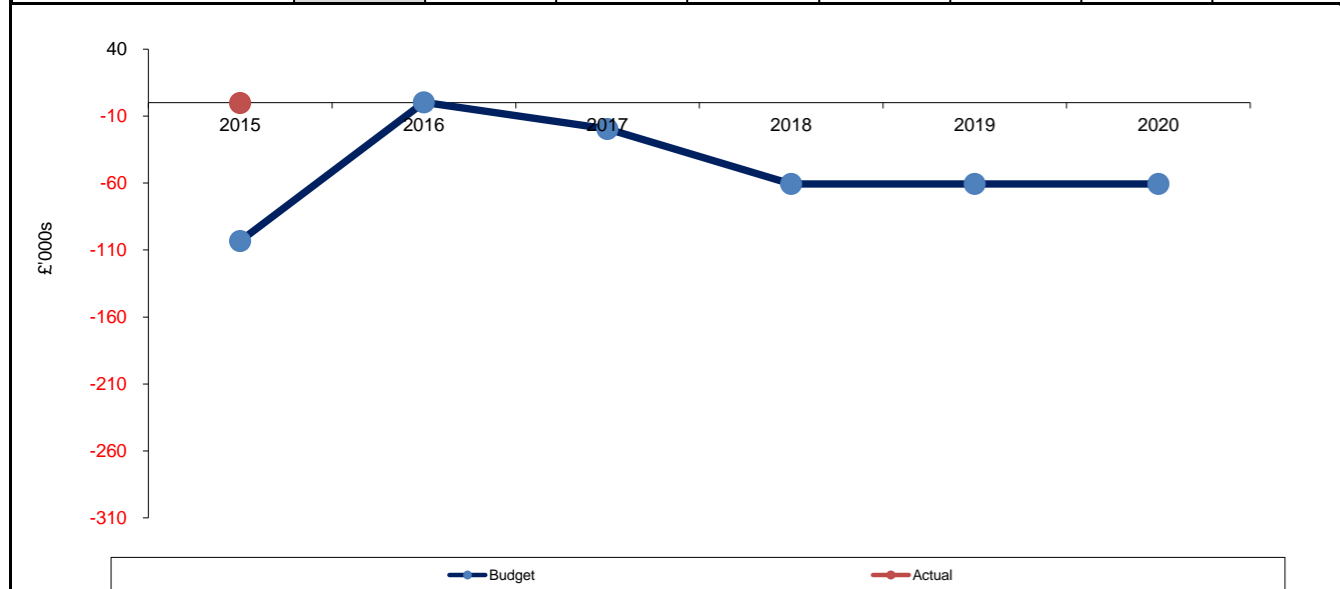
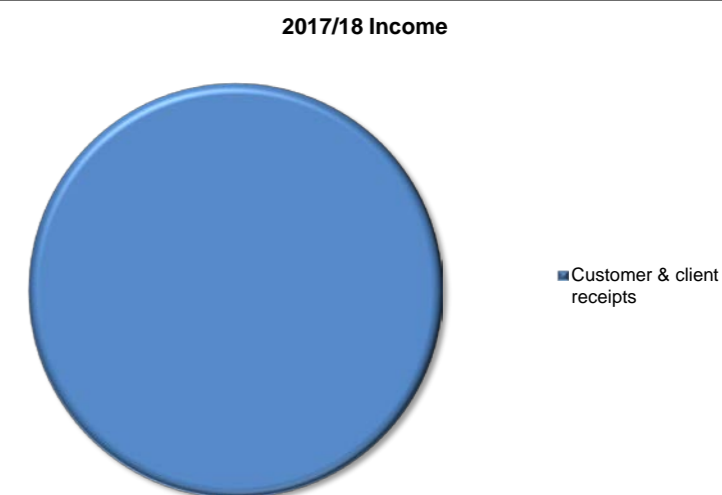
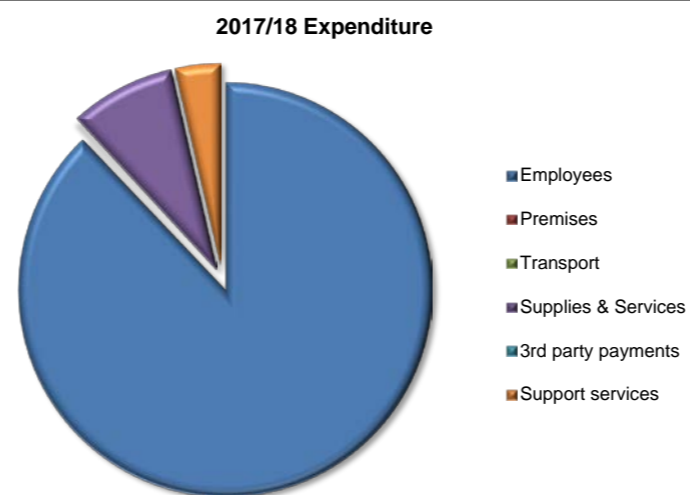


Resources

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk			
				Likelihood	Impact	Score	
Project 1		Project Title:	Evaluation of future funding levels	Risk reduction and compliance			
Start date	2015-16	Project Details:	Analysis of all relevant information relating to local government finance. This will include details provided in annual Local Government Finance Settlements, Annual Budgets, Spending Reviews and other financial information published by the Government. This information is incorporated into the Council's MTFS and updated as part of annual Budget Setting Procedures. Modelling of the retained NNDR system will be undertaken along with sensitivity analysis.	Requires considerable horizon spotting activity a performance indicator would be developed comparing the estimated grant levels compared to those actually received.	2	2	4
End date	2019-20						
Project 2		Project Title:	Financial systems re-engineering programme	Improved effectiveness			
Start date	2013-14	Project Details:	Procurement of a single integrated financial system to replace the suite of products that are currently used to provide GL, AP, P2P & AR functions. This will involve a new chart of accounts and new ways of working, driving efficiencies throughout the organisation. The potential for joint working with neighbour boroughs is currently being investigated. The system went live on 06/02/17 - project length allows for post implementation review	Two performance indicators are likely to be developed around the time taken to produce reporting information compared to now and the system downtime compared to now	2	3	6
End date	2017-18						
Project 3		Project Title:	Develop and implement whole life costing for capital projects	Improved effectiveness			
Start date	2016-17	Project Details:	This project will be undertaken in four stages 1) Develop a template to capture appropriate information 2) Pilot the template on two selected schemes 3) Amend the template 4) Apply the temple to selected schemes		3	2	6
End date	2017-18						
Project 4		Project Title:	Improve joint finance and business planning	Improved effectiveness			
Start date	2016-17	Project Details:	The project requires the quarterly update of service plans scheduled to start with September 2017 information.		2	2	4
End date	2017-18						
Project 5		Project Title:	Evaluation of different models of funding the capital programme	Improved effectiveness			
Start date	2014-15	Project Details:	In recent years there has been no need to borrow externally to fund capital expenditure, it is anticipated that some external funding will be needed towards the end of the current planning period and therefore a detailed consideration of all reasonable options needs to be done, including leasing, renting and borrowing or any other suitable methods of funding capital expenditure.	A model has been developed but it needs refining to facilitate option appraisal, produce clear outcomes that can easily be understood and increase the funding streams. The performance of this work will be judged directly by the AD Resources and Director of Corporate Services.	2	2	4
End date	2017-18						
Project 7		Project Title:	Capital - Benefits Realisation	Improved effectiveness			
Start date	2016-17	Project Details:	In 2012 there was a comprehensive review of the management of the capital programme. This led to the production of an action plan. It would be appropriate to undertake a follow-up review now. Outstanding work on Benefits Realisation to be completed		2	2	4
End date	2017-18						
Project 8		Project Title:	Recharge Review	Improved efficiency (savings)			
Start date	2015-16	Project Details:	Annual reviews of recharges have been undertaken. These have tended to be tactical. In 2016/18 a full scale strategic review will be undertaken. The project will need to dovetail with work undertaken to develop and implement the new financial system.		3	2	6
End date	2017-18						
Project 9		Project Title:	Infrastructure Assets Accounting	Improved effectiveness			
Start date	2016-17	Project Details:	Legislative requirement for asset accounting of highways and associated assets which will have a huge impact on our balance sheet. Financial officers will need to work closely with technical staff within Environment and Regeneration to gather the required information for account closure and presentation.	The computer systems used to record information will be reviewed by Internal Audit and assessed for the adequacy asap.	1	2	2
End date	2017-18						
Project 10		Project Title:	Pilot Early closure of Accounts	Improved effectiveness			
Start date	2015-16	Project Details:	For the financial year 2017/18 the Authority will have to close its accounts approximately six weeks earlier. This will require very careful planning and will require a different approach to be adopted. The authority is piloting earlier account closure over the next two financial years in preparation for 2017/18	Current performance indicators will be adjusted for this.	1	3	3
End date	2018-19						

Shared Legal Services	Planning Assumptions						The Corporate strategies your service contributes to				
Cllr Mark Allison: Deputy Leader & Cabinet Member for Finance	Anticipated demand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Contribute to all Corporate Strategies			
Enter a brief description of your main activities and objectives below From 1 April 2017 this will be a shared legal service with the London Boroughs of Richmond, Wandsworth, Sutton and the Royal Borough of Kingston upon Thames. The service will deliver legal advice, support and representation to all services across all five councils, including to arms length delivery vehicles (Achieving for Children and currently Sutton Housing Partnership) and council owned companies. The service also provides advice in relation to the constitution and decision making in all councils and advice to members in relation to their roles.	Chargeable hours for Merton	19500	19500	19,125	19,125						
	Chargeable hours for Richmond	13895	13895	13,828	13,828						
	Chargeable hours for Sutton	19819	19819	22,835	22,835						
	Chargeable hours for Kingston	11382	11382	11,329	11,329						
	Chargeable hours for Wandsworth			22,487	22,487						
	Chargeable hours for Achieving for Children	11583	11583	11,222	11,222						
	Chargeable hours for Sutton Housing Partnership	2528	2528	2,516	2,516						
	Anticipated non financial resources	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
	Staff (FTE)	87.5	92.3	108.3	108.3	108.3	108.3				
	Apprentices	1	0	2	2	2					
	Performance indicator	Actual performance (A) Performance Target (T) Proposed Target (P)					Polarity	Reporting cycle	Indicator type	Main impact if indicator not met	
		2015/16(A)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)	2020/21(P)				
	Chargeable hours	79,965	81,125	103,722	103,722	103,722	103,722	High	Monthly	Business critical	Loss of income
	Income for SLLP		n/a	£100,000	£100,000	£100,000	£100,000	High	Quarterly	Outcome	Loss of income
	1st draft S106 agreement sent to client dept within 10 days		n/a	90%	90%	90%	90%	High	Quarterly	Perception	Reputational risk
Prosecutions - number of successful outcomes		n/a	80%	80%	80%	80%	High	Quarterly	Perception	Reputational risk	
Provide FOI/EIR reviews within 20 working days		n/a	80%	80%	80%	80%	High	Quarterly	Perception	Breach statutory duty	

DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	4,794	6,694	5,084	134	6,740	6,699	6,699	6,699
Employees	4,168	4,463	4,461	112	5,924	5,924	5,924	5,924
Premises	5	2	5	0	5	5	5	5
Transport	13	21	14	10	14	14	14	14
Supplies & Services	422	2,022	418	11	556	515	515	515
3rd party payments		1		0		0		
Support services	185	185	185		240	240	240	240
Depreciation								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	4,897	6,695	5,084	(135)	6,759	6,759	6,759	6,759
Government grants				0				
Reimbursements				0				
Customer & client receipts	4,897	6,695	5,084	(135)	6,759	6,759	6,759	6,759
Recharges	0	0	0		0	0	0	0
Capital Funded								
Council Funded Net Budget	(103)	(0)	0	(2)	(20)	(61)	(61)	(61)



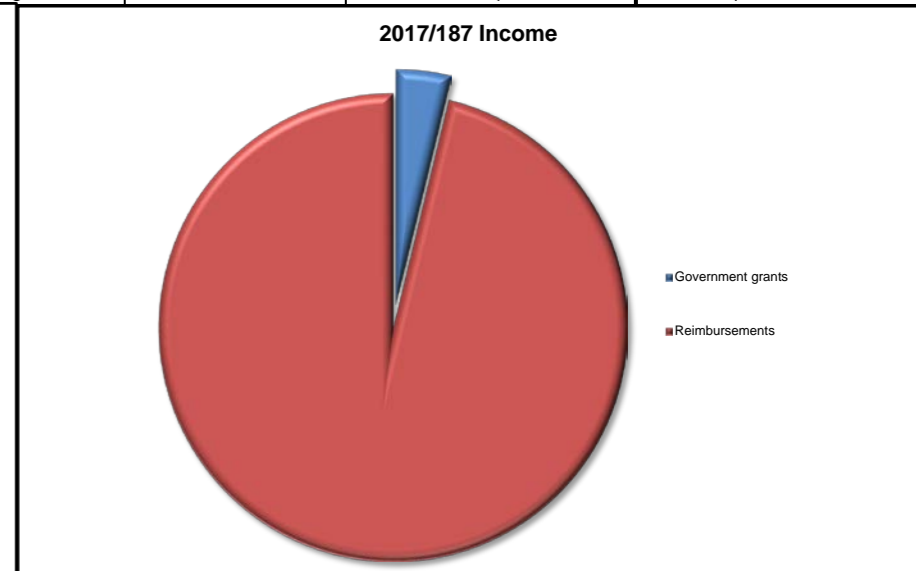
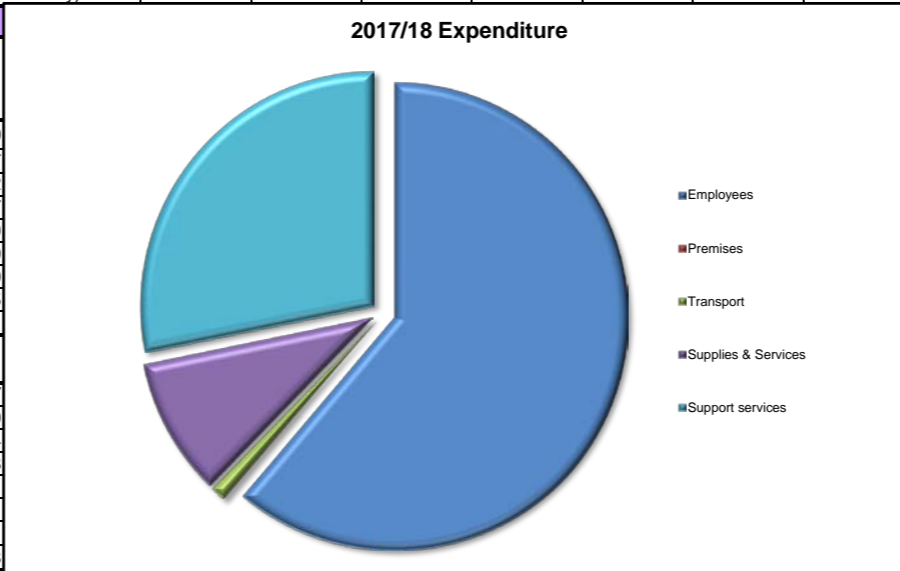
Shared Legal Services

PROJECT DESCRIPTION		MAJOR PROJECTS BENEFITS		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	Shared service	Improved customer experience		8
Start date	2017-18	Project Details:	To embed the expanded shared service with Wandsworth , to identify and exploit the efficiencies of the new service in order to improve the customer experience and to identify further savings	4	2	
End date	2018-19					
Project 2		Project Title:	Smarter Working	Improved effectiveness		2
Start date	2017-18	Project Details:	To ensure the service is maximising the use of IT systems and software in order to enable mobile working across five authorities, reduce costs and increase the effectiveness and efficiency of the officers in the service	2	1	
End date	2018-19					
Project 3		Project Title:	Future Model	Improved sustainability		4
Start date	2017-18	Project Details:	Subject to Governance Board approval to obtain a licence from the Solicitors Regulatory Authority to be an Alternative Business Structure	2	2	
End date	2017-18					

Environment & Regeneration

Development and Building Control		Planning Assumptions						The Corporate strategies your service contributes to				
Cllr Martin Whelton: Cabinet Member for Regeneration, Environment & Housing		Anticipated demand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
Enter a brief description of your main activities and objectives below		Enforcement cases	586	520	510	500	490	480	Economic Development Strategy			
Building Control Building Control competes with Approved Inspectors.(AIS). We provide a Building Control Service in competition with AIS to deliver high quality Building Control advice and regulation. We also regulate safety of structures and also sports grounds. Development control Promote sustainable regeneration by assessing and determining planning applications against the adopted policies for the built environment contained within the council's Core Strategy. Continue to implement the Mayoral, Community Infrastructure Levy (CIL) charging regime. Objectives - continue to concentrate on the commercialisation of the Building Control (BC) service and maintain or improve the market share -investigate formal sharing of BC with Kingston and Sutton - review the pre-application charging regime for Development Control (DC) and to investigate whether additional income generation is possible especially through Planning Performance Agreements. - implement mobile/flexible working to improve efficiency -as part of sustainable communities to enable a comprehensive development management process to encourage regeneration. -establish a formal collaboration regime with Sutton and Kingston boroughs. - re-procure the M3 database - move away from expensive and transient temporary staff towards a more established and reliable staffing base		Planning applications (economy dependant)	2600	2700	2800	2800	2850	2900	Medium term Financial Strategy			
		BC applications (economy dependant)	1501	1550	1600	1650	1700	1750	Merton Regeneration Strategy			
		Tree applications	594	600	600	600	600	600				
		Pre applications	110	115	120	125	130	140				
		Planning performance agreements	7	20	25	30	30	30				
		Prior approvals (permitted development)	600	620	640	640	640	650				
		Anticipated non financial resources		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21			
		Staff (FTE)		36	38	34	29	29	29			
		Performance indicator	Actual Performance (A) Performance Target (T) Proposed Target (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
			2015/16(A)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)	2021/21(P)				
% Major applications processed within 13 weeks	55.5	55	67	70	70	70	High	Monthly	Quality	Reduced customer service		
% Minor applications processed within 8 weeks	58	60	66	67	68	69	High	Monthly	Quality	Reduced customer service		
% Other applications processed within 8 weeks	82.57	82	85	85	85	85	High	Monthly	Quality	Reduced customer service		
Volume of Planning applications Total	2462	4400	4450	4500	4560	4600	High	Monthly	Quality	Reduced customer service		
% appeals lost	27.25	35	35	35	35	35	Low	Quarterly	Perception	Reputational risk		
Income (Development and Building Control)	£1.8m	£2.11m	£2.11m	£2.11	£2.11	£2.11	High	Monthly	Business critical	Loss of income		
% Market share retained by LA (BC)	51.15	60	54	56	58	60	High	Monthly	Perception	Loss of income		
Number of enforcement cases closed	895	300	450	450	450	450	High	Monthly	Quality	Reduced service delivery		
Backlog of enforcement cases	655	900	650	650	700	750	Low	Monthly	Output	Reduced service delivery		
% satisfied with Planning (annual resident survey)	n/a	30	31	32	30	30	High	Annual	Perception	Reputational risk		

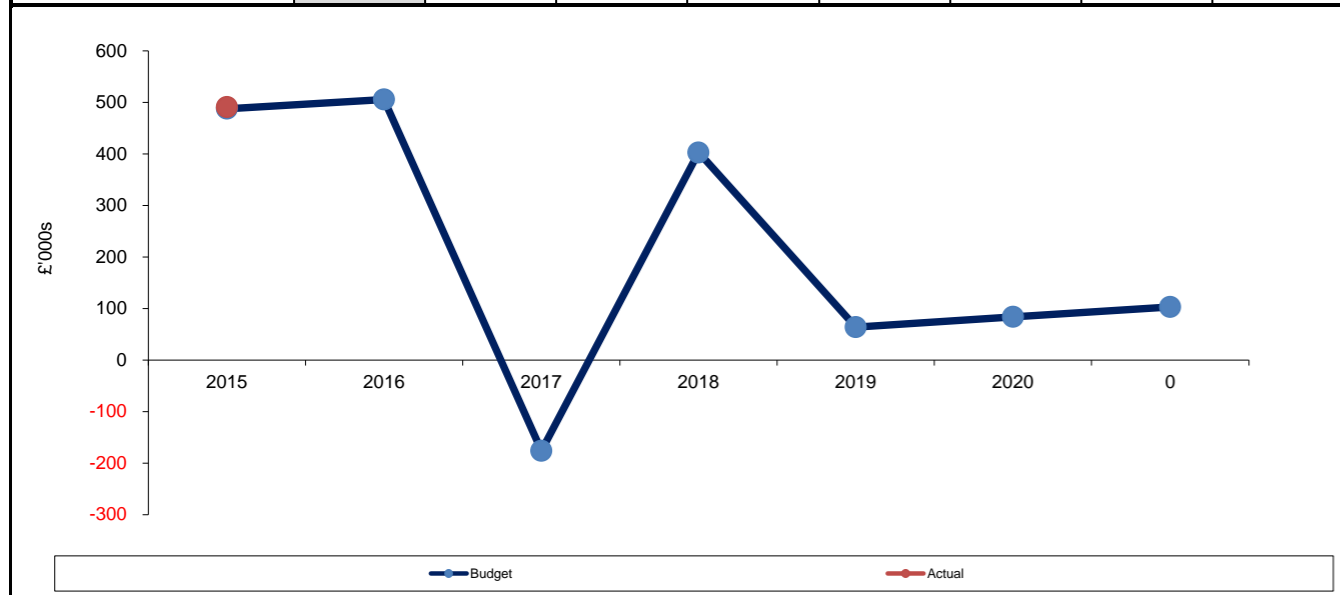
DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	2,477	2,483	2,515	53	2,605	2,351	2,371	2,390
Employees	1,714	1,772	1,708	140	1,594	1,336	1,351	1,367
Premises	2	0	2	(2)	2	2	2	2
Transport	28	17	25	(9)	26	26	27	27
Supplies & Services	243	217	245	(77)	248	252	256	259
3rd party payments	0	0	0	1	0	0	0	0
Transfer payments	0	0	0	0	0	0	0	0
Support services	490	477	535	0	735	735	735	735
Depreciation								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	1,989	1,992	2,009	(229)	2,202	2,287	2,287	2,287
Government grants	0	0	0	0	0	0	0	0
Reimbursements	96	113	81	(76)	84	84	84	84
Customer & client receipts	1,893	1,879	1,928	(153)	2,118	2,203	2,203	2,203
Recharges								
Reserves								
Capital Funded								
Council Funded Net Budget	488	491	506	(176)	403	64	84	103



Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
	0	0	0	0	0	0	0	0

Summary of major budget etc. changes 2017/18

D&BC2 = (£55k) D&BC3 = (£50k)
 D&BC4 = (£50k) D&BC5 = (£45k)
 D&BC6 = (£35k) ENV20 = (£35k)
 HPDG reserve adjustment = (£86k)



2018/19

D&BC8 = (£50k) D&BC9 = (£274k)
 ENV20 = (£35k)

2019/20

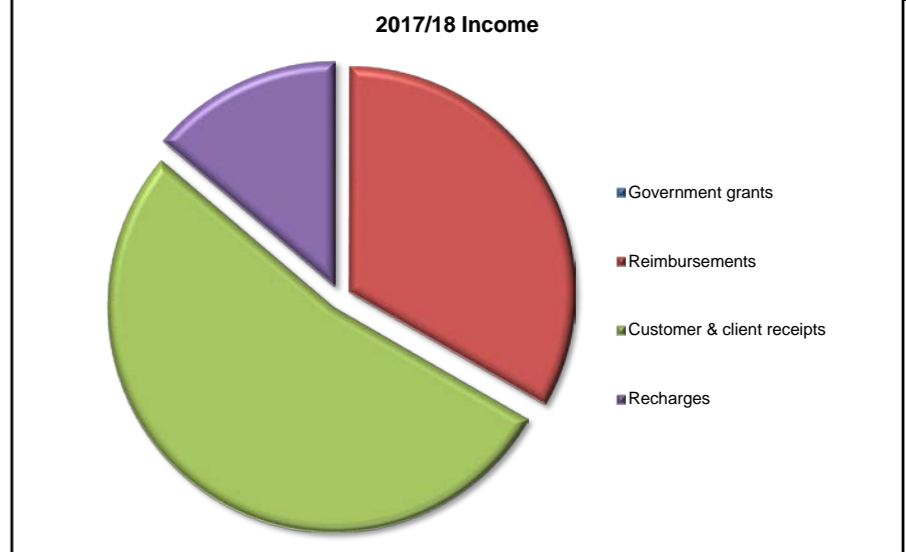
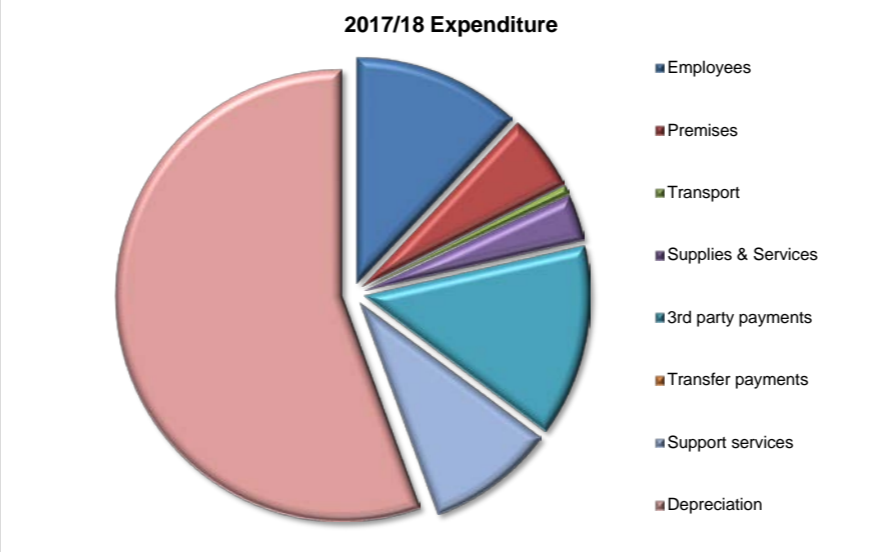
2020/21

Development and Building Control

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	Commercialisation of Building Control	Improved efficiency (savings)		12
Start date	2013-14	Project Details:	This is to ensure Building Control is more commercially aware in a more competitive market.	Additional income generation	6	
End date	2017-18					
Project 2		Project Title:	Mobile/Home working	Improved efficiency (savings)		4
Start date	2014-15	Project Details:	This is introducing mobile and home working to the teams.	To allow reduced office space an efficient working practices	2	
End date	2017-18					
Project 3		Project Title:	Improving the development management processes	Improved effectiveness		4
Start date	2014-3	Project Details:	As part of sustainable communities to provide an end to end development management process to deliver regeneration objectives.	Improve regeneration opportunities	2	
End date	2017-18					
Project 4		Project Title:	developing eforms and M3 capability and e-payments	Improved customer experience		4
Start date	2014-5	Project Details:	Enforcement eforms, BC eforms and DC e-payments	Channel shift	4	
End date	2017-18					
Project 5		Project Title:	Section review	Improved efficiency (savings)		6
Start date	2014-15	Project Details:	Section review looking at the structure and interaction with other services	Efficiencies and savings	3	
End date	2017-18					
Project 6		Project Title:	Shared services review with other LA's (part of TOM)	Improved efficiency (savings)		4
Start date	2014/15	Project Details:	Looking at opportunities for sharing householder and /or admin back office services with adjoining authorities	Efficiencies and savings	2	
End date	2017-18					
Project 7		Project Title:	Lean review of pre-application process (part of TOM)	Improved effectiveness		6
Start date	2016-17	Project Details:	To ensure the process is efficient and robust from a customer perspective and to investigate any further income opportunities.	income generation opportunities	6	
End date	2017-18					
Project 8		Project Title:	Re-procurement of M3 or equivalent IT system	Improved effectiveness		3
Start date	2014/15	Project Details:	Either M3 engage cloud based system or equivalent. Potentially shared with nearby authorities	savings through contract negotiation.	3	
End date	2017-18					
Project 9		Project Title:	Further develop Planning Performance agreements potential	Economic outcomes		2
Start date	2014/15	Project Details:	Ensure cost neutral or better staffing levels to ensure this can be delivered	Regeneration certainty	1	
End date	2017-18					

Future Merton & Traffic and Highways		Planning Assumptions						The Corporate strategies your service contributes to					
Cllr Martin Whelton: Cabinet Member for Regeneration, Environment & Housing		Anticipated demand		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
Enter a brief description of your main activities and objectives below		Population		204,405	205,722	207,410	208,607	209,771	210,902	Community Plan			
		Anticipated non financial resources		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
Future Merton is the council's lead on growth and strategic development for the long-term sustainability of the borough. Everything we do is about making Merton a great place and enhancing the quality of life of our residents.		Staff (FTE)		58	51	48	48	48	48	Local Plan			
											Merton Regeneration Strategy		
The team plans and monitors the delivery of new housing in Merton and supports the creation of new businesses and jobs. We manage the council's Highway & Street Lighting contracts and ensure the borough's network of roads, footways, cycleways and street lighting are well maintained and safe.										Climate Change Strategy			
											Economic Development Strategy		
The team also manage major town centre and estate regeneration projects and lead on the coordination of infrastructure projects such as Crossrail 2. We are responsible for delivering locally, objectives in the Mayor's London Plan and Mayor's Transport Strategy.										Employment and Skills Action Plan			
											Health & Wellbeing Strategy		
Future Merton contributes to the Merton Partnership via the activities of the Sustainable Communities & Transport Partnership (SCTP), Economic Wellbeing Group, Housing Group and Climate Change Steering Group. The team also services the Borough Plan Advisory Committee (BPAC) and Design Review Panel (DRP)										Local TfL Implementation Strategy			
											Air Quality Action Plan		
Key service areas include: Regeneration, Economic Development, Traffic & Highways, Planning Policy, Transport Planning, Road Safety Education, Flood Mitigation, Urban Design, management of the Community Infrastructure Levy and the management of Vestry Hall.		Performance indicator		Actual Performance (A) Performance Target (T) Proposed Target (P)			Polarity	Reporting cycle	Indicator type	Main impact if indicator not met			
		2015/16(A)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)					2020/21(P)		
Service transformations identified in the TOM involve streamlined processes for project delivery, increased mobile working, increasing online consultations and interactive digitisation and mapping of highway and traffic management records.		New homes built		459	411	411	411	411	411	High	Annual	Outcome	Loss of Government grant
		New businesses created		171	300	300	TBC	TBC	TBC	TBC	High	Annual	Outcome
		New jobs created		454	600	450	TBC	TBC	TBC	High	Annual	Outcome	Social exclusion
		Street light repairs (days)		3	3	3	3	3	3	Low	Quarterly	Quality	Reduced customer service
		Road emergency call outs		100	100	100	100	100	100	High	Monthly	Business critical	Reduced customer service
		Footway & Carriageway condition		100	92	95	95	95	95	High	Annual	Quality	Increased costs
		Streetwork inspections		42	36	36	37	37	38	High	Quarterly	Quality	Increased costs
		Streetwork permitting (% issued)		99.57	98	98	98	98	98	High	Monthly	Output	Loss of income

DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	16,001	15,465	15,271	199	19,805	19,942	19,872	19,953
Employees	2,638	2,762	2,504	38	2,378	2,559	2,433	2,457
Premises	980	997	961	38	1,085	1,098	1,111	1,125
Transport	112	105	112	(9)	135	137	139	141
Supplies & Services	1,082	1,014	675	6	651	659	666	674
3rd party payments	3,040	2,903	2,575	126	2,725	2,658	2,692	2,725
Transfer payments	0	0	0	0	0	0	0	0
Support services	1,707	1,242	1,901	0	1,819	1,819	1,819	1,819
Depreciation	6,442	6,442	6,543	0	11,012	11,012	11,012	11,012
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	3,265	2,882	3,262	(260)	3,602	3,602	3,602	3,602
Government grants	67	67	0	(50)	1	1	1	1
Reimbursements	1,017	1,137	970	(177)	1,199	1,199	1,199	1,199
Customer & client receipts	1,684	1,678	1,795	(33)	1,905	1,905	1,905	1,905
Recharges	497	0	497	0	497	497	497	497
Council Funded Net Budget	12,736	12,583	12,009	(61)	16,203	16,340	16,270	16,351



Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Highways Works		1,898	1,979	0	1,919	1,922	1,627	1,627
Transport For London		2,339	2,433	0	1,845			
Footways Planned Works		1,000	1,000	0	1,000	1,000	1,000	1,000
Town Centre Investment		2,984	2,808	(1)	700			
Morden TfL					220	2,000		
Transportation Enhancements						1,000	3,000	1,000
Other		487	1,558	0	796	569	350	350
	0	8,708	9,778	(1)	6,480	6,491	5,977	3,977

Summary of major budget etc changes

2017/18

ER23 = (£214k) E&R41 = (£80k)
ENV24 = (£10k) E&R32 = (£5k)
E&R34 = (£30k) E&R35 = (£25k)
E&R37 = (£50k) ENV15 = (£148k)
ENV16 = (£65k) ENV17 = (£30k)
ERG1 (growth) = £757k
EDS reserve adjustment = (£75k)
EDS2 reserve adjustment = (£362k)

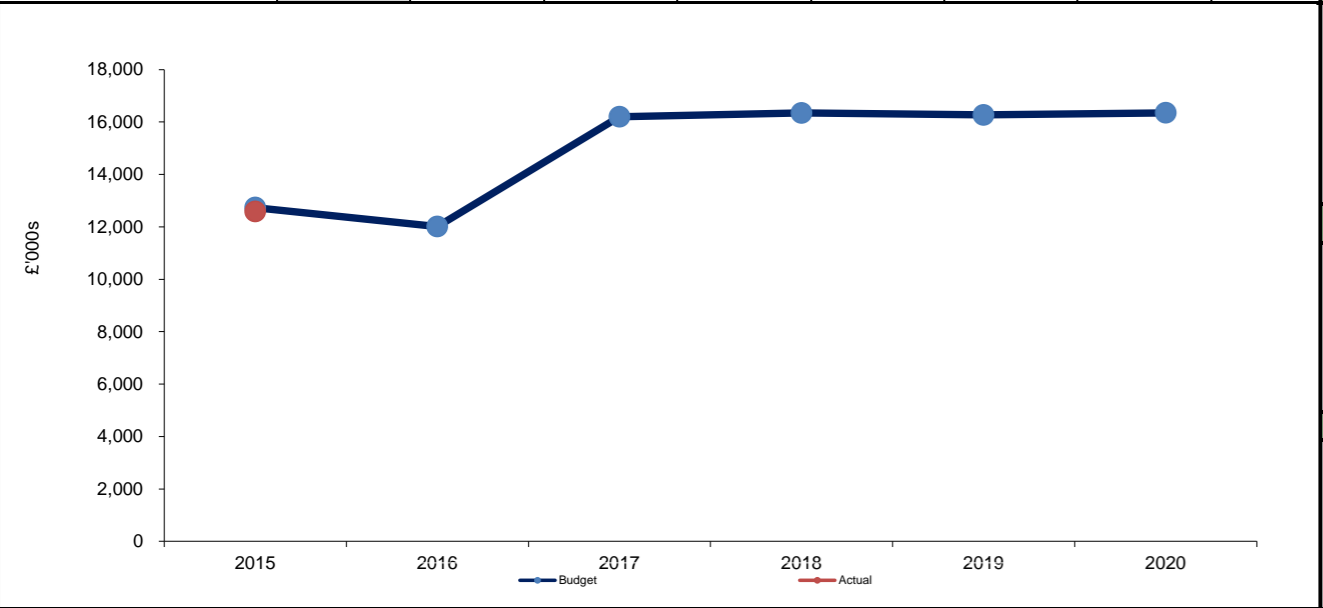
2018/19

ENV16 = (£65k)
ENV17 = (£35k)
ERG1 (Growth) = £157k

2019/20

ERG1 (Growth) = (£150k)

2020/21



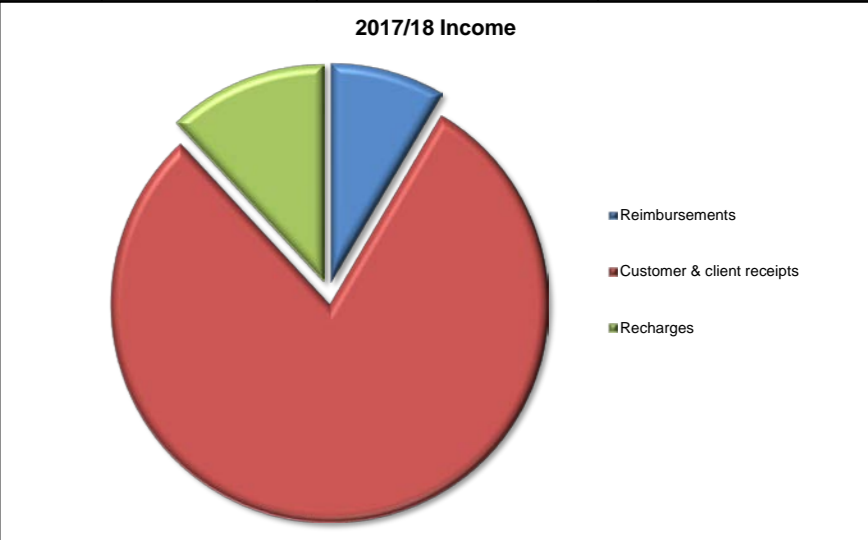
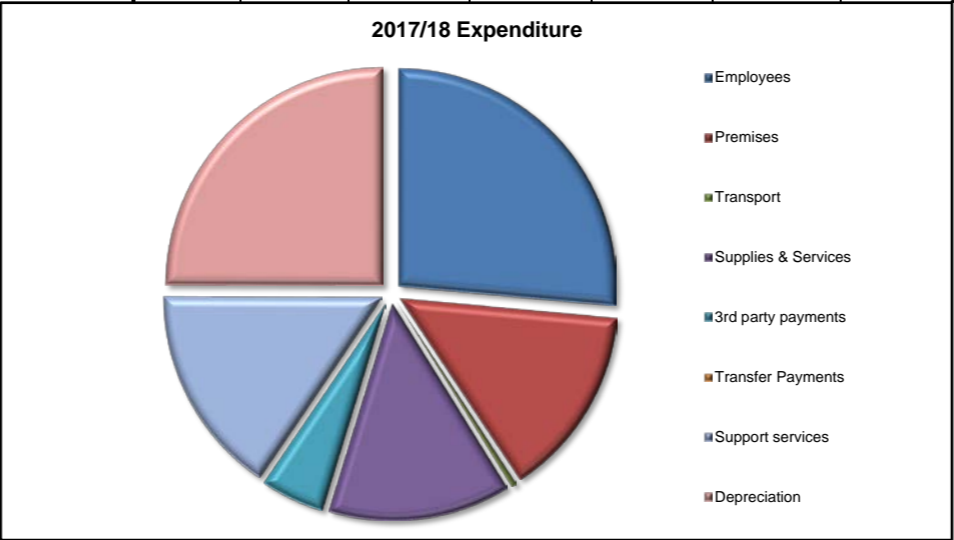
ERG1 (Growth) = (£150k)

Future Merton & Traffic and Highways

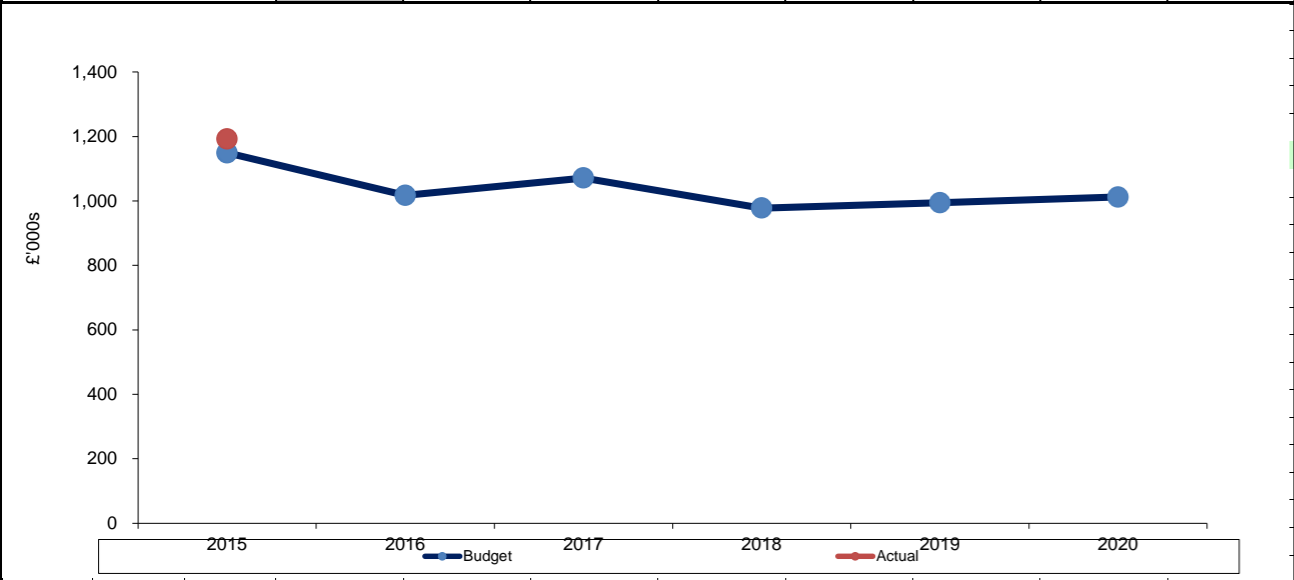
PROJECT DESCRIPTION		MAJOR PROJECT BENEFITS			Risk				
					Likelihood	Impact	Score		
Project 1		Project Title:	Local Plan: Estate Regeneration	Infrastructure renewal			3	2	6
Start date	2014/15	Project Details:	Working with Circle Merton Priory to deliver investment in new homes and the regeneration of High Path, Eastfields and Ravensbury estates. Supported by the preparation of a Local Plan (DPD) Also working with Moat housing to coordinate investment in regenerating Pollards Hill.						
End date	2024/25								
Project 2		Project Title:	Rediscover Mitcham	Infrastructure renewal			2	2	4
Start date	2012-13	Project Details:	Revitalising Mitcham Fair Green and surrounding streets by investing c£6m in the public realm, local businesses, and transport proposals, working closely with Transport for London.						
End date	2017-18								
Project 3		Project Title:	Future Wimbledon & Crossrail 2	Economic outcomes			3	4	12
Start date	2014-15	Project Details:	Identifying the growth potential of Wimbledon as the premier business hub in South London. Explore investment and development opprtunities linked to Crossrail 2 and improving the quality of architecure, design and placemaking. Conference (2013) Ideas Competition (2014) Masterplan linked to Crossrail 2 (2017/18)						
End date	2022-23								
Project 4		Project Title:	Wimbledon Stadium	Infrastructure renewal			3	1	3
Start date	2011-12	Project Details:	Delivery of a new stadium and associated developments, working with stakeholders on a masterplan for the site following the outcome of the <i>Sites and Policies Plan</i>						
End date	2017-18								
Project 5		Project Title:	Local Authority Property Company	Economic outcomes			2	2	4
Start date	2016-17	Project Details:	Establish a Local Authority owned Property Company to develop sites to generate revenue income to assist the MTFS						
End date	2020-21								
Project 6		Project Title:	Morden Town Centre Regeneration	Improved reputation			3	2	6
Start date	2011/12	Project Details:	Growth, investment and intensification to support regeneration in Morden. Strategic Planning Policies (2011-2013) Development Brief with TFL for Morden Station (2014) Major scheme bid to TFL for public realm overhaul and gyratory removal (2015/16) GLA Housing Zone bid (2014/2016) Development Partner selection (2015/16-2016/17) Physical project delivery c2017/18						
End date	2019-20								
Project 7		Project Title:	Smarter travel: road safety	Improved reputation			2	2	4
Start date	2013-14	Project Details:	Running various programmes to improve road safety and encourage smarter and healthier travel choices, including adult and children cycle training, walk to school, motorcycle and learner driver training. Reduces road related injuries and helps Merton deliver its share of the Mayor's Transport Strategy.						
End date	2017-18								

Leisure & Cultural Development	Planning Assumptions							The Corporate strategies your service contributes to			
Cllr Nick Draper Cabinet Member for Community & Culture	Anticipated demand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
Enter a brief description of your main activities and objectives below	Population	204,405	205,722	207,410	208,607	209,771	210,902	Asset Management Plan			
	No. of Children & Young People aged 8-17 in west of borough	7,900	8,050	8,200	8,700	12,407	12,445	Children & Young person's Plan			
Main Activities: Engage local people in healthy living and lifestyle changes through increased involvement and participation in sports, arts, cultural and physical activities and events, by working with partners to increase the number, scope and quality of facilities, programmes, activities and events on offer.	Population of most disadvantaged wards	126,850	127,540	128,100	104,155	100,227	99,841	Cultural Strategy			
	Users of Merton's Leisure Centres	832677	841004	878105	942,592	970,026	999,078	Community Plan			
	Anticipated non financial resources	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Open Spaces Strategy			
	Staff (FTE)	14.25	13.6	7.8	7.8	7.8	7.8	Social Inclusion Strategy			
	Accommodation	7	7	7	7	7	7	Voluntary Sector Strategy			
	Volunteers	20	20	20	20	20	20				
	Staff seasonal	30	30	30	30	30	30				
Main Objectives: - Build a new Morden Leisure Centre by 2018, - Negotiate contract changes with GLL to operate Morden Leisure Centre and make contract savings - Demolish existing Morden Park Pools and re-landscape site - Develop and implement plans to de-silt and mitigate flood risk at Wimbledon Park Lake - Commence plans to implement Wimbledon Park Master Plan - Develop options appraisal for Wimbledon Park Watersports and implement agreed option - Commission culture and sports services - Deliver borough participation in Ride London, Mini Marathon, etc. - Manage leisure centres, New Wimbledon Theatre agreements; Polka and Attic grants and Morden Assembly Hall - Increase income and reduce costs - Increase participation and engagement	Performance indicator	Actual Performance (A) Performance Target (T) Proposed Target (P)					Polarity	Reporting cycle	Indicator type	Main impact if indicator not met	
		2015/16(A)	2016/17(P)	2017/18(P)	2018/19(P)	2019/20(P)	2020/21(P)				
	Income £ from Merton Active Plus	53,460	60,000	60,000	60,000	60,000	60,000	High	Monthly	Business critical	Loss of income
	Income £ from Watersports Centre	358,661	387,000	397,000	402,000	402,000	402,000	High	Monthly	Business critical	Loss of income
	14-25 yr old Fitness Centre Participation at leisure centres	114,122	106,000	106,000	106,000	108,120	109,546	High	Monthly	Output	Reduced uptake of service
	% residents rating facilities Good to Excellent	n/a	45.5	n/a	48.0	n/a	48.0	High	Biennial	Output	Reduced customer service
	Total Number of Users of Merton's Leisure Centres	830,790	841,004	878,105	942,592	970,026	999,078	High	Monthly	Outcome	Reduced customer service
	Total Number of Users of Polka Theatre	92,609	93,916	94,600	95,000	89,500	97,000	High	Quarterly	Output	Reduced uptake of service

DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	2,261	2,277	2,268	66	1,977	1,989	2,005	2,023
Employees	718	705	697	(14)	523	531	538	546
Premises	277	329	278	75	282	286	290	294
Transport	9	12	8	2	8	8	8	8
Supplies & Services	323	296	282	(13)	269	269	273	278
3rd party payments	63	58	126	16	94	94	95	96
Transfer Payments	0	0	0	0	0	0	0	0
Support services	383	389	389	0	308	308	308	308
Depreciation	488	488	488	0	493	493	493	493
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	1,112	1,085	1,251	(129)	906	1,011	1,011	1,011
Government grants	0							
Reimbursements	83	61	160	(1)	77	77	77	77
Customer & client receipts	678	656	733	(128)	721	826	826	826
Recharges	351	368	358	0	108	108	108	108
Reserves								
Capital Funded								
Council Funded Net Budget	1,149	1,192	1,017	(63)	1,071	978	994	1,012
Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Morden Leisure Centre		508	1,574	0	8,319	567	8	
Wimb Pk Lake de-silting				0	250	1,250		
Other		135	399	0	450	300	250	250
	0	643	1,973	0	9,019	2,117	258	250



Summary of major budget etc changes 2017/18	
E&R1 = (£5k)	
E&R2 = (£10k)	
E&R3 = (£16k)	
ENV11 = (£59k)	
ENV23 = (£89k)	



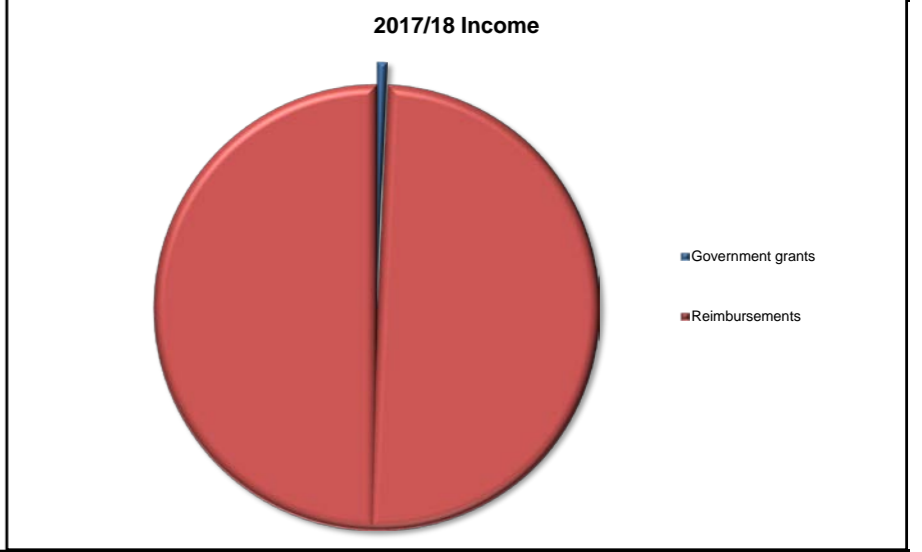
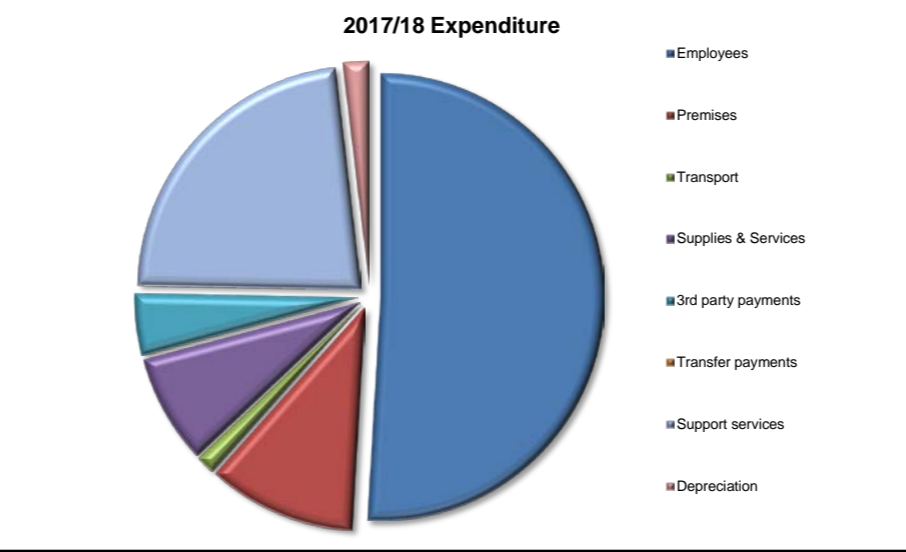
Summary of major budget etc changes 2018/19	
E&R1 = (£4k)	
E&R2 = (£5k)	
E&R4 = (£100k)	

Leisure & Cultural Development

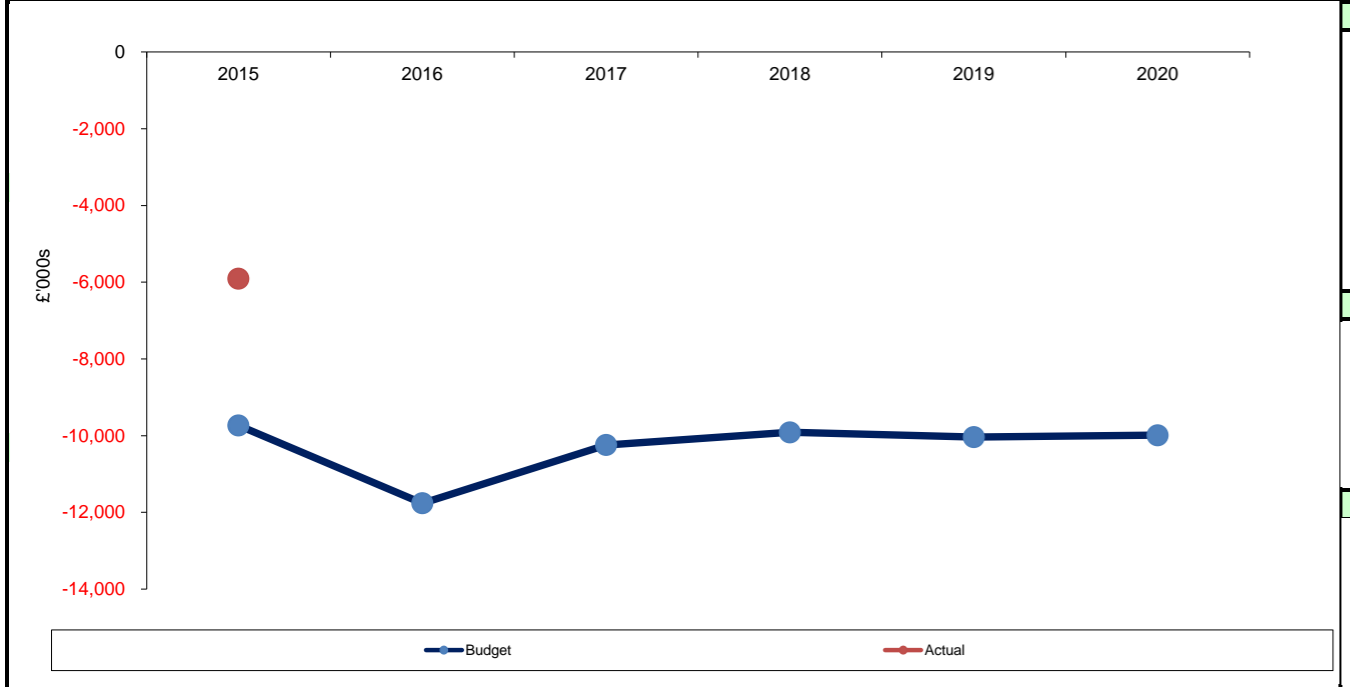
PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	Morden Leisure Centre	Improved customer experience		8
Start date	2014	Project Details:	Deliver a new Morden Leisure Centre as a family friendly and community leisure centre to replace Morden Park Pools. Decommission and demolish the existing Morden Park Pools and reinstate the land to fit in with the Morden Park landscape	4	2	
End date	2019					
Project 2		Project Title:	Leisure Centres Contract			Improved efficiency (savings)
Start date	2016	Project Details:	Vary the Leisure Centre Contract to take account of the new Morden Leisure Centre	2	2	
End date	2018					
Project 3		Project Title:	Implement the Wimbledon Park Lake Flood Risk & De-silting Plans			Risk reduction and compliance
Start date	2017	Project Details:	Develop solutions and plans to de-silt and implement flood risk requirements to deliver solutions for the lake. Procure and implement the solutions	2	2	
End date	2020					
Project 4		Project Title:	Wimbledon Park Watersports and Outdoor Adventure Centre			Economic outcomes
Start date	2017	Project Details:	Commission works to determine the most effective management solution for this service. Implement the solution.	4	2	
End date	2019					
Project 5		Project Title:	Customer Relationship Management & Other Service Technological Requirements			Improved customer experience
Start date	2015	Project Details:	Deliver future culture and sports services through corporate technological solutions including the CRM system for interfacing with customers.	2	2	
End date	2018					
Project 6		Project Title:	Restructure Staff Team following Phase C & Staff Reductions			Improved efficiency (savings)
Start date	2016	Project Details:	TUPE staff out to contractors as part of Phase C Contract. Restructure & reorganise the remaining Leisure & Culture Development & Greenspaces Team's functions, products & services, budgets into one combined service following the implementation of the Phase C contract	2	2	
End date	2018					
Project 7		Project Title:	Commission and Contract Culture and Sports Services			Improved customer experience
Start date	2016	Project Details:	Increasing participation & engagement in the arts, culture, sport, physical activity and well-being activities through commissioned and contracted services in line with the Culture and Sport Framework as well as priority needs	2	2	
End date	2021					

Parking & CCTV Services	Planning Assumptions						The Corporate strategies your service contributes to											
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21												
CLlr Ross Garrod: Cabinet Member for Street Cleanliness & Parking Enter a brief description of your main activities and objectives below The service is required to enforce the parking regulations to ensure the through flow of traffic can be maintained and ensuring residents and blue badge holders have the ability to park in bays they have a permit or badge for. Surplus income generated by traffic management must be used for transport related areas. Objectives <ul style="list-style-type: none"> enforce parking regulations across the borough including Controlled Parking Zones and bus lanes to implement measures to improve traffic enforcement efficiency , specifically the introduction of Automatic Number Plate Recognition (ANPR) cameras at bus lane and moving traffic locations. This will improve compliance and ease congestion at key points across the borough to maintain a survey of parking needs, hours of operation, the availability of parking spaces and the charging structure to monitor the borough 's parking infrastructure to ensure that locations subject to regulatory controls can be effectively enforced thus improving compliance and ultimately congestion to take account in business planning of the increase in population and changes in planning legislation allowing business premises to be changed to residential use which could result in an increase in demand for parking spaces in existing CPZ's and pressure in areas with no controlled parking to introduce CPZ's. Since January 2016 Public Space CCTV camera team, whose core activity is to review the operational structure , processes and number of CCTV cameras throughout the borough with the aim of achieving efficiencies without reducing the level of service to the residents, customers and our partners, was amalgamated with Parking Services.	Anticipated demand		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		Transport Plan	Safer & Stronger Strategic Assessment		
	Number of resident permits issued		18,320		20,041		21,043		22,095		23,199		24,358					
	Number of visitors permits issued		227,000		239,242		251,204		263,764		276,952		290,799					
	Anticipated non financial resources		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21					
	Staff (FTE)		86.20		93.27		83.57		83.57		83.57		83.57					
	Transport		15		12		12		12		12		12					
	Performance indicator		Actual Performance (A)		Performance Target (T)		Proposed Target (P)		Polarity		Reporting cycle		Indicator type		Main impact if indicator not met			
			2015/16(A)		2016/17(T)		2017/18(P)		2018/19(P)		2019/20(P)		2020/21(P)					
	% of parking permits issued within 5-7 days		94%		90%		90%		90%		90%		90%		High	Monthly	Outcome	Loss of income
	Sickness- No of days per FTE (12 month rolling average)		15.50		9		8		8		8		8		Low	Monthly	Quality	Loss of income
	Percentage of cases won at PATAS		56.47%		54%		54%		54%		54%		54%		High	Monthly	Business critical	Loss of income
	Percentage of cases lost at PATAS		23%		21%		21%		21%		21%		21%		Low	Monthly	Business critical	Loss of income
	Percentage of cases where council does not contest at PATAS due to new evidence		20.8%		25%		25%		25%		25%		25%		Low	Monthly	Business critical	Loss of income
	Percentage of Public Space CCTV cameras working		n/a		95%		95%		95%		95%		95%		High	Monthly	Business critical	Reduced service delivery

DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	5,872	6,426	5,426	190	6,043	6,034	6,086	6,136
Employees	3,177	3,106	2,945	72	3,078	3,109	3,141	3,172
Premises	641	639	619	17	646	652	659	665
Transport	124	106	124	22	82	84	85	87
Supplies & Services	503	1,108	377	79	477	425	433	440
3rd party payments	264	227	265	0	268	272	276	280
Transfer payments	0	0	0	0	0	0	0	0
Support services	1,031	1,108	1,020	0	1,380	1,380	1,380	1,380
Depreciation	132	132	76	0	112	112	112	112
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	15,604	12,331	17,188	272	16,286	15,949	16,126	16,126
Government grants	0	0	0	0	0	0	0	0
Reimbursements	118	126	0	38	118	118	118	118
Customer & client receipts	15,486	12,205	17,188	234	16,168	15,831	16,008	16,008
Recharges								
Reserves								
Capital Funded								
Council Funded Net Budget	(9,732)	(5,905)	(11,762)	462	(10,243)	(9,915)	(10,040)	(9,990)
Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Parking		100	756	(20)			60	
Other		150	174	0	156	150	150	150
	0	250	930	(20)	156	150	210	150



Summary of major budget etc. changes 2017/18	
Now includes CCTV budgets (previously within Safer Merton)	
EV11 = (£125k)	E&R7 = (£163k)
E&R8 = £1,540k	ENV02 = (£190k)
ENV03 = (£45k)	ENV04 = (£250k)
ENV05 = (£70k)	ENV06 = (£46k)
ENV33 = (£250k)	



2018/19	
E&R7 = (£163k)	
E&R8 = £500k	
ENV07 = (£60k)	
2019/20	
ENR2 = (£44k)	
ENR3 = (£33k)	
ENR4 = (£100k)	
2020/21	

Parking & CCTV Services

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	Tackling Traffic Congestion	Improved effectiveness		2
Start date	2015-2016	Project Details:	Replace the existing Bus Lane and Moving Traffic enforcement cameras and back office system with an Automatic Number Plate Recognition (ANPR) to enable unmanned enforcement of the above type of enforcement contraventions. The improvement of traffic congestion will lead to improved bus journey times, traffic flows, pollution and the safety of pedestrians and cyclists.	2	1	
End date	2017-18					
Project 2		Project Title:	Investment in Public Space CCTV	Infrastructure renewal		2
Start date	2015-2016	Project Details:	Replace existing public space CCTV equipment On Street and in the back office CCTV suite	2	1	
End date	2017-18					
Project 3		Project Title:	Review CEO Shift Patterns	Improved effectiveness		2
Start date	2016-17	Project Details:	Consult on the introduction of a more efficient shift patterns	2	1	
End date	2017-18					
Project 4		Project Title:	Review CCTV Shift Patterns	Improved effectiveness		2
Start date	2016-17	Project Details:	Consult on the introduction of a more efficient shift patterns	2	1	
End date	2017-18					

Commissioned Service	<p>The service maintains and develops Merton's numerous parks & open spaces (more than 115 separate sites), including sports facilities (including pavilions), gardens, playgrounds (more than 40), the borough's highways verges, and the management of its cemetery and allotments services. The portfolio also includes support for, and the production of, a varied programme of outdoor events from small community to large commercial ones in parks, including the annual civic fireworks displays, Mitcham Carnival and elements of the Wimbledon (tennis) Championships. The service manages more than 50,000 Council-owned trees and several nature reserves. Greenspaces serves as the managing agent for Mitcham Common (for the Mitcham Common Conservators) and the Merton & Sutton Joint Cemetery (for the Merton & Sutton Joint Cemetery Board).</p> <p>The grounds maintenance elements of the service are outsourced to idverde UK Limited, overseen by the Greenspaces client team who, in addition, retain overall responsibility for policy, strategy & investment in parks & open spaces.</p>
Parks & Green Spaces	
Cllr Nick Draper Cabinet Member for Community & Culture	
Service Provider: idverde UK Ltd	

Planning Assumptions							The Corporate strategies the service contributes to
Anticipated demand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Increased sports pitch demand (Total number of bookings)	1%	1%	1%	1%	1%	1%	Open Space Strategy
Attendance at major community outdoor events (No. of people)	55,000	55,000	60,000	60,000	60,000	60,000	
Number of funerals at LBM cemeteries	210	215	220	240	260	260	
Anticipated non financial resources	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Idverde UK Ltd	Sufficient resources to provide service						

Performance indicator	Performance Targets (T) & Provisional Performance Targets (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
	2015/16(T)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)	2020/21(P)				
Residents % satisfaction with parks & green spaces	73	74	75	76	77	77	High	Biennial	Perception	Reputational risk
Young peoples % satisfaction with parks & green spaces	72	73	74	75	76	76	High	Biennial	Perception	Reputational risk
Number of Green Flags	5	5	5	5	6	6	High	Annual	Quality	Reputational risk
Number of outdoor events in parks	130	130	130	130	130	130	High	Monthly	Output	Reputational risk

Financial Information									Additional Expenditure Information	
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21		
Expenditure	5,975	5,990	5,118	80	3,144	3,212	3,278	3,346		
Employees	2,370	2,450	2,231	83	462	505	547	590		
Premises	744	678	742	-8	367	378	388	399		
Transport	272	275	274	21	16	20	24	27		
Supplies & Services	612	557	556	-24	303	313	322	332		
3rd party payments	50	48	40	8	1,132	1,132	1,133	1,134		
Transfer payments	0	0	0	0	0	0	0	0		
Support services	1,583	1,638	925	0	532	532	532	532		
Depreciation	344	344	350	0	332	332	332	332		
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21		
Income	2,808	2,525	2,261	123	1,258	1,358	1,358	1,358		
Government grants	8	9	8	(1)	0	0	0	0		
Reimbursements	221	235	94	(111)	174	174	174	174		
Customer & client receipts	1,979	1,701	2,159	235	1,084	1,184	1,184	1,184		
Recharges	600	580								
Reserves										
Council Funded Net Budget	3,167	3,465	2,857	203	1,886	1,854	1,920	1,988		
Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21		
Parks Investment					201	308	295	300		
Other					34	28				
	0	0	0	0	235	336	295	300		

**DETAILS OF MAJOR PROJECTS
Parks & Green Spaces**

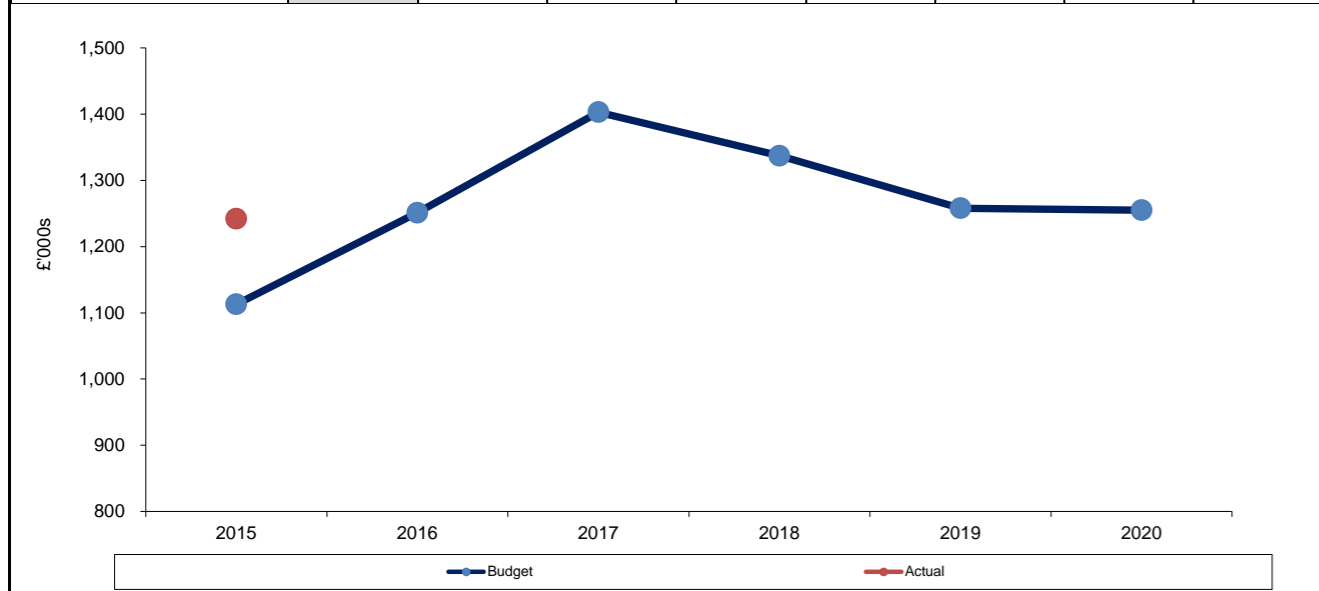
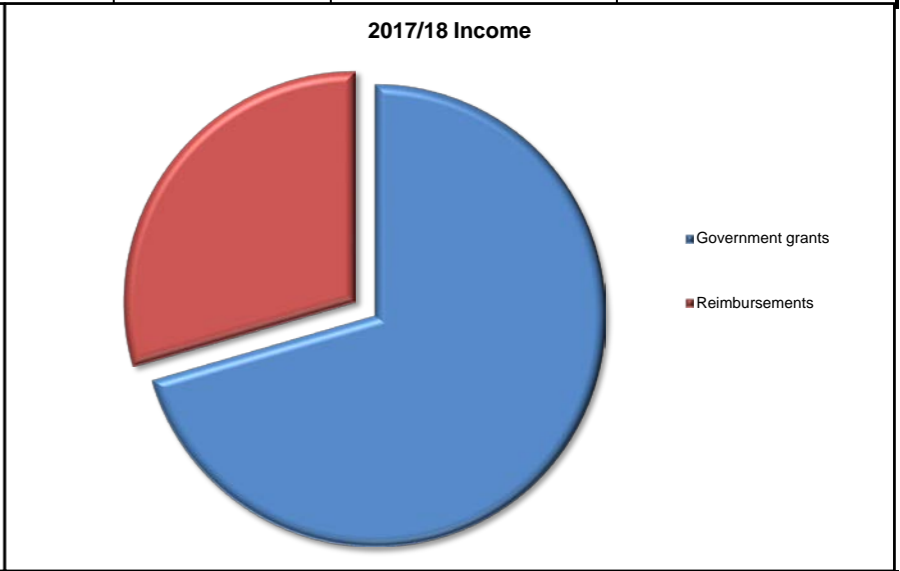
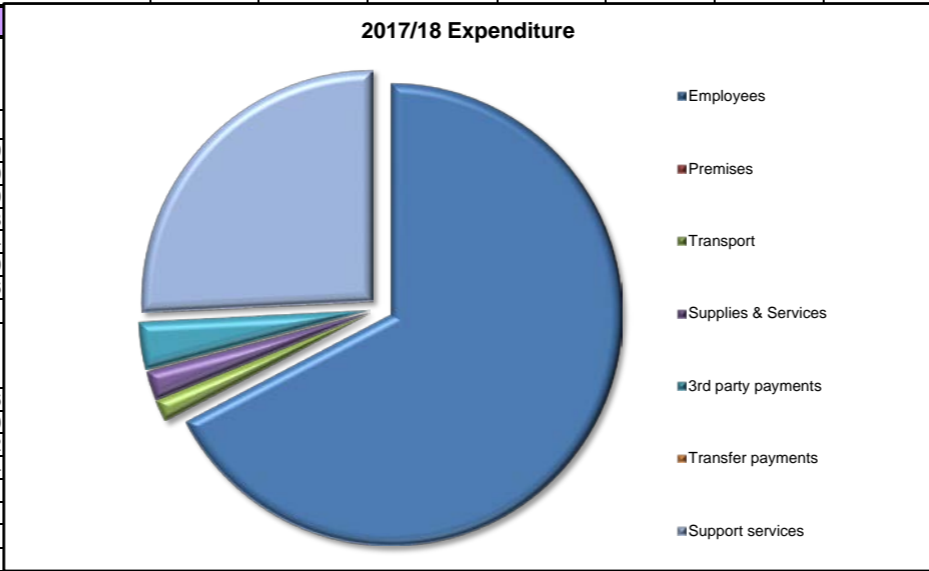
PROJECT DESCRIPTION		MAJOR PROJECTS BENEFITS			Risk		
					Likelihood	Impact	Score
Project 1		Project Title:	Greenspaces TOM	Various benefits across a range of services/themes as outlined in Greenspaces TOM 2016-2018	3	2	6
Start date	01/07/2016	Project Details:	Target Operating Model covering the full range of Greenspaces services				
End date	01/07/2018						
Project 2		Project Title:	Greenspaces Commercialisation	Diversifying the outdoor events portfolio, including new commercial events to increase income. Working with our new grounds maintenance service provider, idverde, to increase income for the service, especially from sport & recreational activities	3	2	6
Start date	01/04/2017	Project Details:	Increased commercialisation across a range of Greenspaces services, including sport provisions & outdoor events in particular				
End date	31/03/2018						
Project 3		Project Title:	Canons Rec Restoration	Major multi-million pound investment project to restore, conserve and improve recreational opportunities at Canons Recreation Ground and Canons House.	3	2	6
Start date	01/07/2017	Project Details:	Management & delivery of Canons Lottery Bid and Canons restoration (Phase 1) (Pending securing funding from Heritage Lottery Fund bid)				
End date	31/03/2018						
Project 4		Project Title:	Morley Park	Opening of a brand new public open space in West Wimbledon, comprising informal recreational areas, nature conservation features and sports facilities, including a large new sports pavilion/educational facility.	3	2	6
Start date	01/04/2017	Project Details:	Transfer, opening & establishment of Morley Park				
End date	31/03/2018						
Project 5		Project Title:	Phase C, Lot 2 Contract	Working with our new grounds maintenance service provider, idverde, to maintain & improve Greenspaces services at a lower cost	3	2	6
Start date	01/02/2017	Project Details:	Embedding new systems & processes and ensuring quality & performance standards in relation to Phase C, Lot 2 grounds maintenance contract				
End date	31/03/2018						

Property

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	New secondary school	Infrastructure renewal		4
Start date	2016-17	Project Details:	Land acquisition and granting of new leases.	2	2	
End date	on going					
Project 2		Project Title:	P4/Broadway Car Park	Improved efficiency (savings)		2
Start date	2012-13	Project Details:	Disposal of public car park to regenerate prominent town centre site.	1	2	
End date	on going					

Regulatory Services Partnership		Planning Assumptions						The Corporate strategies your service contributes to			
Cllr Nick Draper: Cabinet Member for Community & Culture		Anticipated demand		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21		
A brief description of your main activities and objectives: Provide statutory environmental health, trading standards and licensing functions across those councils that make up the Regulatory Services Partnership (currently LB Merton and LB Richmond). Deliver savings and efficiencies by:		Total number of food premises		1777	1790	1803	1816	1829	1829		
		Total number of service requests		5880	5995	6113	6234	6357	6357		
		Licence/permit applications		1880	1890	1900	1900	1900	1900		
<ul style="list-style-type: none"> reducing overheads generating additional income attracting new business rationalising ICT systems Transform the service by: <ul style="list-style-type: none"> demand management streamlining business processes implementing new ways of working 		Anticipated non financial resources		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21		
		Staff (FTE)		41.7	39.48	39.48	38.48	38.48	38.48		
Performance indicator		Actual Performance (A) Performance Target (T) Proposed Target(P)					Polarity	Reporting cycle	Indicator type	Main impact if indicator not met	
		2015/16(A)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)					2020/21(P)
% service requests replied in 5 working days		92	95	96	96	96		High	Monthly	Perception	Reduced customer service
Income generation by EHTSL		£381,257	£345,000	£345,000	£345,000	£345,000		High	Monthly	Outcome	Loss of income
% of category A,B & non-compliant C food premises inspected		87	97	98	98	98		High	Annual	Business critical	Government intervention
No. of underage sales test purchases		105	100	100	100	100		High	Quarterly	Business critical	Anti social behaviour
Annual average amount of Nitrogen Dioxide per m3		N/A	40	40	40	40		Low	Annual	Outcome	Political risk
Days Nitrogen Dioxide levels exceed 200 micrograms per m3		N/A	18	18	18	18		Low	Quarterly	Outcome	Political risk
Annual average amount of Particulates per m3		N/A	40	40	40	40		Low	Annual	Outcome	Political risk
Days particulate levels exceed 50 micrograms per m3		N/A	35	35	35	35		Low	Quarterly	Outcome	Political risk
Number of licence applications determined within 28 days		100%	96%	95%	95%	95%		High	Quarterly	Business critical	Reputational risk
% of food premises rated 2 or below		N/A	15%	15%	15%	15%		Low	Quarterly	Outcome	Reputational risk

DEPARTMENTAL BUDGET AND RESOURCES								
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Expenditure	2,573	2,747	2,678	(86)	3,009	2,993	3,014	3,011
Employees	1,872	2,075	1,975	(79)	2,026	2,006	2,025	2,019
Premises	0	0	0	1	0	0	0	0
Transport	39	37	39	(9)	47	48	48	49
Supplies & Services	189	173	54	(12)	61	62	62	63
3rd party payments	139	139	98	13	99	101	103	104
Transfer payments	0	0	0	0	0	0	0	0
Support services	334	323	512	0	776	776	776	776
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Income	1,460	1,505	1,427	94	1,606	1,656	1,756	1,756
Government grants	0	1	0	0	0	0	0	0
Reimbursements	1,116	1,125	1,003	51	1,132	1,132	1,232	1,232
Customer & client receipts	344	379	424	43	474	524	524	524
Recharges								
Reserves								
Capital Funded								
Council Funded Net Budget	1,113	1,242	1,251	8	1,403	1,337	1,258	1,255
Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21
Mortuary		0	45	0				
	0	0	45	0	0	0	0	0



Summary of major budget etc. changes	
2017/18	E&R14 = (£100k) ENV09 = (£50k) ENV10 = (£10k)
2018/19	ENV08 = (£40k) ENV09 = (£50k)
2019/20	ENR1 = (£100k)
2020/21	

Regulatory Services Partnership

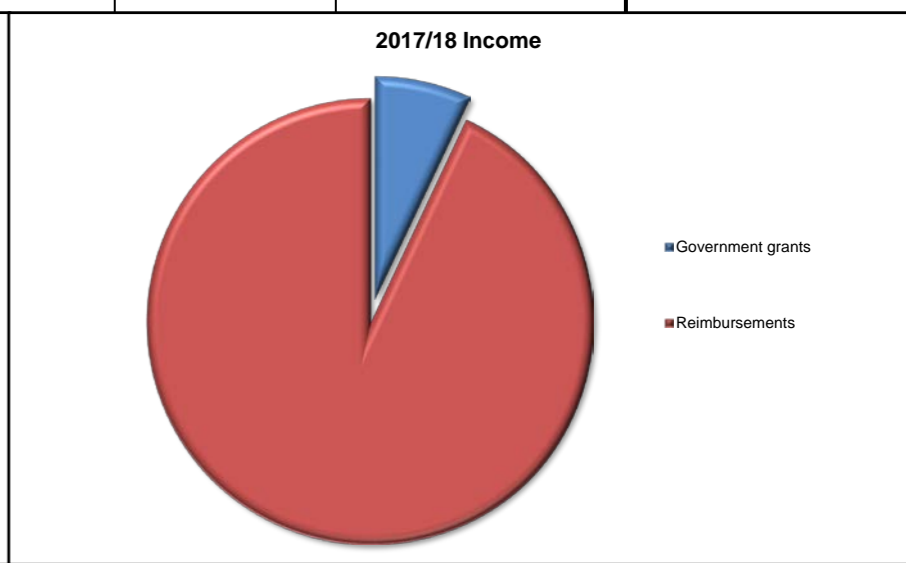
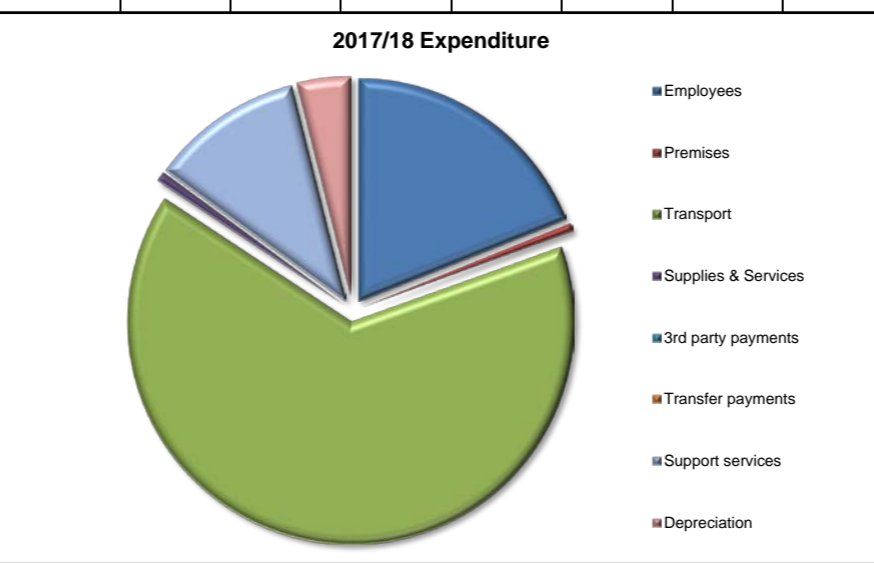
PROJECT DESCRIPTION		MAJOR PROJECT BENEFITS		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	Expansion of shared 'regulatory' service	Economic outcomes		6
Start date	2016-17	Project Details:	Potential expansion of the Regulatory Services Partnership to include the London Borough of Wandsworth in 2017.	3	2	
End date	2017-18					
Project 2		Project Title:	Rationalisation of administration and licensing teams	Improved effectiveness		2
Start date	2015-16	Project Details:	Rationalisation of the Merton and Richmond administration and licensing teams to improve business processes, generate efficiencies and improve the outcomes for customers	2	1	
End date	2017-18					
Project 3		Project Title:	Procurement of a new ICT case management system	Improved efficiency (savings)		2
Start date	2015-16	Project Details:	Contribution to the ICT led procurement of a new computer system for E&R and potential joint procurement with Richmond and Wandsworth	2	1	
End date	2017-18					
Project 4		Project Title:	Design and implement a joint Merton/Richmond budget	Economic outcomes		2
Start date	2014-15	Project Details:	Design and implement a joint revenue (income & expenditure) budget on a to be determined costs apportionment model	2	1	
End date	2017-18					

Safer Merton

PROJECT DESCRIPTION			MAJOR PROJECT BENEFITS			Risk		
						Likelihood	Impact	Score
Project 1			Improved customer experience					
Start date	01/04/2017	Project Title: Roll out of wider NO MORE campaign	Merton says NO MORE Building on the success of the UK SAYS NO MORE launch in September 2016, where Merton was the second London borough to launch the campaign to condemn Domestic Violence and Sexual Violence, the Community Safety Partnership wish to roll the programme out across other strands of key business. This will ensure that Merton's residents and businesses are fully aware of the Community Safety Partnership's commitment to tackling a range of issues affecting our residents	Improved victim awareness, increased profile for Merton as a pro-active borough in addressing crime and ASB and associated reputational benefits across London	2	2	4	
End date	31/03/2018							
Project 2			Select one major benefit					
Start date		Project Title: Project Details:					0	
End date								

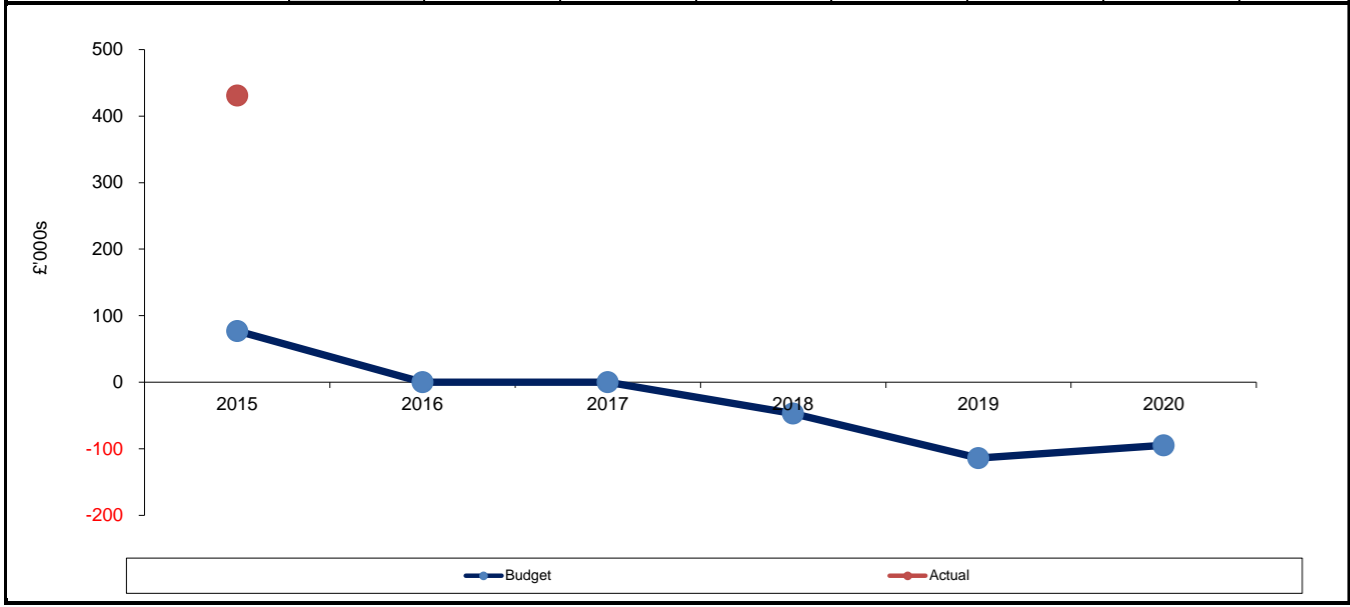
Transport - Passenger Fleet Service		Planning Assumptions						The Corporate strategies your service contributes to		
Cllr Martin Whelton: Cabinet Member for Regeneration, Environment & Housing		Anticipated demand		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Enter a brief description of your main activities and objectives below		CSF Passenger Journeys - In-House		70,000	70,000	70,000	70,000	70,000	70,000	Children and Young People's Plan
To provide effective Home to School and Vulnerable Adults transport service, using the in-house fleet of buses and assorted vehicles		C&H Passenger Journeys - In-House		70,000	70,000	70,000	70,000	70,000	70,000	Special Educational Needs and Disabilities Strategy
To provide health & safety and vehicle related in-house training to all council staff and external organisations utilising the Councils fleet of vehicles.		Anticipated non financial resources		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
		No.Transport Fleet vehicles		40	40	40	40	40	40	
		Staff		62.75	61	48.35	47.35	46.35	46.35	
Performance indicator	Actual Performance (A) Performance Target (P) Proposed Target (P)		Polarity	Reporting cycle	Indicator type	Main impact if indicator not met				
	2015/16(A)	2016/17(T)					2017/18(P)	2018/19(P)	2019/20(P)	2020/21(P)
% Client user satisfaction	87	97	97	97	97	97	High	Annual	Outcome	Reduced customer service
Average % passenger vehicles in use	90	85	85	85	85	85	High	Annual	Unit cost	Reduced customer service
% in-house journey that meet timescales	84	85	85	85	85	85	High	Annual	Outcome	Reduced customer service
Sickness - average days per FTE	13.9	11.5	11	10.5	9.5	8	Low	Monthly	Unit cost	Increased costs
% MOT vehicle pass rates	97.38%	95%	95%	95%	95%	95%	High	Quarterly	Outcome	Increased costs

DEPARTMENTAL BUDGET AND RESOURCES									
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	
Expenditure	9,700	10,171	9,710	560	8,609	8,597	8,540	8,559	
Employees	1,960	2,089	2,000	107	1,632	1,620	1,563	1,582	
Premises	82	86	85	(4)	50	50	50	50	
Transport	6,232	6,539	6,233	447	5,576	5,576	5,576	5,576	
Supplies & Services	84	95	84	10	62	62	62	62	
3rd party payments	0	3	0	0	0	0	0	0	
Transfer payments	0	0	0	0	0	0	0	0	
Support services	876	893	847	0	952	952	952	952	
Depreciation	466	466	461	0	337	337	337	337	
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	
Income	9,623	9,740	9,710	(376)	8,609	8,644	8,654	8,654	
Government grants									
Reimbursements	703	594	703	36	602	602	602	602	
Customer & client receipts	8,920	9,146	9,007	(412)	8,007	8,042	8,052	8,052	
Recharges									
Reserves									
Capital Funded									
Council Funded Net Budget	77	431	0	184	0	(47)	(114)	(95)	



Summary of major budget etc. changes									
Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	
Replacement Fleet Vehicles		312	500	(15)	400	400	300	300	
	0	312	500	(15)	400	400	300	300	

Summary of major budget etc. changes	
2017/18	
2018/19	



ENV32 = (£30k)
ENV37 = (£35k)

2019/20

ENR5 = (£76k)
ENR7 = (£10k)

2020/21

Transport - Passenger Fleet Service

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT			Risk			
					Likelihood	Impact	Score	
Project 1		Project Title:	Select one major benefit					0
Start date		Project Details:						
End date								
Project 2		Project Title:	Select one major benefit					0
Start date		Project Details:						
End date								
Project 3		Project Title:	Select one major benefit					0
Start date		Project Details:						
End date								

Commissioned Service
Waste Management and Cleansing
Cllr Ross Garrod Cabinet Member for Street Cleanliness & Parking
Cllr Martin Whelton Cabinet Member for Regeneration, Environment & Housing
Service Providers: Veolia UK Ltd Viridor Waste Management Kingdom Ltd (Environmental Protection) Noah's Ark (Stray Dogs / Enforcement)

The London Borough of Merton is committed to managing the provision of high quality and sustainable waste management and cleansing services to residents, businesses and those passing through the borough. The service ambition is to maintain a clean, green and safe environment that meet the standards of London's Best Council.

These services are delivered through a combination of commissioned services and in-house engagement and enforcement activities.

The key objectives of the service are:
 To fulfil the council's statutory responsibilities and duties with respect to waste management, street cleaning, waste enforcement and the management of stray animals.
 To provide value for money services that meet the needs of the community
 To provide a safe and supportive environment for our community and all employees engaged in delivering services.
 To promote and encourage sustainable waste management activities, maximising resource efficiency and securing value from all waste streams as far as practicably possible

Planning Assumptions							The Corporate strategies the service contributes to			
Anticipated demand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
Housing Properties	83,000	83,500	84,000	85,000	86,000	86,500	Waste Management Strategy			
Kilometers of Roads	375	375	375	375	375	375				
Population	204,405	205,722	207,410	208,607	209,771	210,902				
Total household waste tonnage	71,000	71,000	71,000	71,000	71,000	71,000				
Anticipated non financial resources	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21				
Clienting and Commissioning Team	6.69	6.69	6.69	6.69	6.69	6.69				
Community Engagement and Enforcement	9	9	9	9	9	9				
SLWP	0	0	4	4	4	4				
Client Neighbourhood team	0	0	1.5	1.5	1.5	1.5				
Veolia UK Ltd	Sufficient resources to provide service									
Viridor										
Kingdom Ltd										
Noah's Ark										
Performance indicator	Performance Targets (T) & Provisional Performance Targets (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
	2015/16(T)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)	2020/21(P)				
% Residents satisfied with street cleanliness	56	57	57	57	58	60	High	Annual	Perception	Reputational risk
% Sites surveyed below standard for litter	9.5	9	8.5	8	6	3	Low	Monthly	Perception	Reputational risk
% Sites surveyed below standard for Detritus	15	14.5	13	10	9	8	Low	Quarterly	Perception	Reputational risk
% Sites surveyed below standard for graffiti	5.5	5.5	5.0	5.0	5.0	5.0	Low	Quarterly	Perception	Reputational risk
% Sites surveyed below standard for weeds	13.50	12.00	12	11	10	9	Low	Quarterly	Perception	Reputational risk
Number of fly tips reported	3700	3600	3600	3600	3500	3400	Low	Monthly	Outcome	Reputational risk
% of fly tips removed within 24 hours	-	-	90%	90%	95%	95%	High	Monthly	Outcome	Reputational risk
% Sites surveyed below standard for flyposting	1	1	1	1	1	1	Low	Quarterly	Perception	Reputational risk
% of FPNs issued that have been paid	65%	68%	68%	68%	69%	70%	High	Monthly	Output	Loss of income
% Household waste recycled	38	38	42	46	48	50	High	Monthly	Business critical	Reputational risk
% Residents satisfied with refuse collection	72	74	72	73	74	75	High	Annual	Perception	Reputational risk
Residual waste kg per household pa	580	580	540	500	475	435	Low	Monthly	Outcome	Increased costs
% Municipal solid waste landfilled	60	59	59	65%	10%	5%	Low	Monthly	Outcome	Increased costs
Number of missed bins per 100,000	55	50	50	50	40	30	Low	Monthly	Outcome	Reduced customer service
Total waste arising per household Kg	910	910	910	910	910	910	Low	Monthly	Outcome	Reputational risk
% Residents satisfied with recycling facilities	73	74	70	72	74	75	High	Annual	Perception	Reputational risk

Financial Information - Waste Management and Cleansing									Additional Expenditure Information		
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Forecast Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21			
Expenditure	21,088	21,467	20,025	698	15,457	15,777	15,767	16,173			
Employees	7,545	7,758	7,371	309	1,042	1,101	1,109	1,317			
Premises	172	153	169	-13	146	147	148	150			
Transport	1,901	1,755	1,860	148	26	55	84	113			
Supplies & Services	869	798	610	-108	301	310	319	328			
3rd party payments	7,000	7,347	6,542	364	12,989	13,211	13,154	13,312			
Transfer payments	2	0	2	-2	2	2	2	2			
Support services	2,956	3,013	2,828	0	366	366	366	366			
Depreciation	643	643	643	0	585	585	585	585			
Revenue £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21			
Income	3,678	3,873	3,266	(293)	956	963	1,163	1,163			
Government grants	333	357	0	0	0	0	0	0			
Reimbursements	328	274	171	(102)	448	448	448	448			
Customer & client receipts	2,357	2,521	2,352	(191)	508	515	715	715			
Recharges	660	721	743	0	0	0	0	0			
Reserves											
Capital Funded											
Council Funded Net Budget	17,410	17,594	16,759	405	14,501	14,814	14,604	15,010			
Capital Budget £'000s	Final Budget 2015/16	Actual 2015/16	Budget 2016/17	Variance 2016/17 P8	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21			
SLWP					1,401	5,344					
Other					46	46	40	40			
	0	0	0	0	1,447	5,390	40	40			

DETAILS OF MAJOR PROJECTS

PROJECT DESCRIPTION		Major Projects Benefits		Risk		
				Likelihood	Impact	Score
Project 1	Project Title:	Select one major benefit				
Start date	Project Details:	NO PROJECTS AT PRESENT				0
End date						
Project 2	Project Title:	Select one major benefit				
Start date	Project Details:	NO PROJECTS AT PRESENT				0
End date						
Project 3	Project Title:	Select one major benefit				
Start date	Project Details:	NO PROJECTS AT PRESENT				0
End date						
Project 4	Project Title:	Select one major benefit				
Start date	Project Details:	NO PROJECTS AT PRESENT				0
End date						
Project 5	Project Title:	Select one major benefit				
Start date	Project Details:	NO PROJECTS AT PRESENT				0
End date						

Section F

List of Savings and Growth 2017/21

SUMMARY

Department	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CS	2192	3785	4086	4086
CSF	1110	1599	2028	2028
E&R	3442	4800	5450	5450
C&H	2673	5801	6140	6140
Corporate - CHAS	-258	-258	-258	-258
	9159	15727	17446	17446

MTFS	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
FYE - savings and amendments previously agreed	-9429	-15173	-15173	-15173
FYE - Amendments to existing savings	541	244	-207	-207
NEW SAVINGS 2017/18:	-271	-798	-2066	-2066
	-9159	-15727	-17446	-17446

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
2012/13							
	Customer Services – Council Tax collection						
Page 116	CS10 - Reduce Revenue Officers by 1 f.t.e						
	Customer Services – Support Service						
Page 117	CS12 - Delete 1 f.t.e manager post						
		Total CS Savings from 2012/13		0	0	0	0

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
2013/14							
CS1	Business Improvement	Rationalisation of management costs	230				
CS3	Business Improvement - Programme Management	Generate income through training	0				
CS4	Business Improvement - Expiry of salary protection	The Support Services Review Re-Structure undertaken as part of the 2011/12 Budget Process resulted in three year pay protection. The pay protection will cease during 2014/15.	1,266				
CS5	IT Service Delivery	Review and challenge of the procurement of Support & Maintenance & Licence Contracts	1,400				
CS6	I & T	Consolidation of ITSD Revenue Budgets	2,761				
CS7	I & T	Reduction of costs through re-procurement of Mobile Telephones Contract against a number of revenue budgets spread across the Council	266				
CS8	I & T	Reduction of costs through re-procurement of Wide Area Network(WAN) Links contract. Savings achieved against a number of revenue budgets spread across the Council	870				
CS9	I & T - Fallout of pay protection	The Support Services Review Re-Structure undertaken as part of the 2011/12 Budget Process resulted in three year pay protection. The pay protection will cease during 2014/15.	506				
CS10	Description	Outsourcing - Service Desk	574				
CS11	I & T	Deletion of One Van	15				

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CS12	I & T	Information Governance Vacant Post	574				
CS13	I & T	Cancellation of all Escrow Agreements (Carefirst, Hometrack Data, Ash, Open Revenues, Proactis, Fibonacci)	576				
CS14	I & T	Cancellation of ttMobile contract	263				
CS15	I & T	Asset & Change Analyst Vacant Part Post (0.8)	574				
CS16	I & T	Surrender of remainder of ITSD Overtime budget	35				
CS17	I & T -Transactional Services	Delete 1 Transactional Services Assistant Post (Compulsory Redundancy)	487				
CS18	I & T -Transactional Services	Delete Assistant Vendor Maintenance - Part Post 0.7 FTE (Compulsory Redundancy)	487				
CS19	I&T - Facilities Management	Energy ReFit Savings (Subject to agreed investment) - Phase 1	990				
CS20	I&T - Facilities Management	Energy ReFit Savings (subject to agreed investment) - Phase 2	990				
CS21	I&T - Facilities Management	Increase income targets for building repairs and maintenance works	-39				
CS22	I&T - Facilities Management	Restructure of Archive Store	15				
CS23	I&T - Facilities Management	Outsourcing - Building Services & Security Service	202				
CS24	I&T - Facilities Management	Project Manager - Accommodation (Vacant Post)	575				

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CS25	I&T - Facilities Management	Delete 1 post from the Building Repair and Maintenance team (Compulsory Redundancy)	575				
CS26	I&T - Facilities Management	Savings realised from the renegotiation of Corporate Cleaning Contract	379				
CS27	I&T - Facilities Management	Consolidation of Utilities budgets	350				
CS28	I&T - Facilities Management	M&E Term Contract (Amalgamation) of Intruder Alarms	108				
CS29	I&T - Facilities Management	Energy Procurement	1503				
CS30	Corporate Governance - Investigations Services	Rationalise benefits and corporate investigation team - possible shared resources	290				
CS31	Corporate Governance - Health and Safety	Rationalise Health and Safety and Business Continuity planning - if possible explore shared service	136				
CS32	Corporate Governance - Information Governance	Integrate the FOI and Complaints functions	392				
CS33	Corporate Governance - Internal Audit	Rationalise teams - possible shared service Possible sharing of resources	345				
CS34	Corporate Governance	Services and suppliers savings within Corporate Governance	1559				
CS35	Customer Services	Close Cash Office	30				
CS36	Customer Services	Re tendering of Cash Collection Contract	193				
CS37	Customer Services	Increase Registrars Income	-398				
CS38	Customer Services	Review of Welfare Benefits and New Welfare Support program	1232				

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CS39	Customer Services	Impact of Customer Service Review	929				
CS40	Customer Services	Rationalisation of Divisional Budgets	43				
CS41	Resources - Change in Audit Arrangements	Our new auditor Ernst & Young have provided us with their fee scale and there is a change over that previously paid to the Audit Commission	416				
CS42	Resources -Fall Out of Pay Protection Arrangement	The Support Services Review Re-Structure undertaken as part of the 2011/12 Budget Process resulted in three year pay protection. The pay protection will cease during 2014/15.	2,519				
CS43	Resources -Delete Business Planning Post	It is envisaged that a new Performance Management System will reduce the level of manual intervention and administration.	566				
CS44	Resources -Review of Insurance Provision	A procurement exercise will be carried out to rationalise premiums paid in the current market against competitors also taking into account the level of self insurance the Council has.	654				
CS45	Resources -Improved Cash Management	Despite depressed rates of return it is possible in the current market to generate additional returns in the areas of treasury and banking.	-401				

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CS46	Resources -Deletion of 3 Posts within the Division	Further efficiency reviews and enhancements in systems will result in staff savings in the Resources Division.	2,985				
CS48	Further rationalisation of HR Services	Reduction of HR business partner (HRBP's) posts	543				
CS49	Introduction of new application tracking system	Reduction of employees as processes are automated	124				
CS50	Occupational Health & Employee Assistance programme	Review OH and EAP contracts	107				
CS51	HR Transactions - including COT	HR Support - centralisation	265				
Total Corporate Services Savings Agreed 2013/14				0	0	0	0
CS16	I & T	Surrender of remainder of ITSD Overtime budget					
	HR Business Partners	Deferral of saving to be able to assist organisation with necessary transformation in the short term.	140				
Total Corporate Services Amendment to Savings Agreed 2013/14				0	0	0	0
Total Corporate Services Savings 2013/14				0	0	0	0

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
2014/15							
CS60	Corporate services	Deletion of Assistant Director post	109	109			
CS61	Corporate services	Dividend income from CHAS 2013 Limited					
CS62	Corporate services	Recharges to Public Health					
CS63	Business Improvement	Reorganisation of systems development and support arrangements.	1122	74			
CS64	Resources	Reduction of treasury running costs through review, improvement and efficiency	34				
CS65	Resources	Consolidation of various budgets within Resources division	95	31			
CS66	Resources	Review recharges of Resources support function to pension fund	47	47			
CS67	Resources	Reduction in bank and giro charges	237				
CS68	Resources	Reduction in interest charges through cash management.					
CS70	Infrastructure & Transactions	Apply a £3 administrative charge to customers requesting a hard copy paper invoice for services administered by Transactional Services team.		35			
CS71	Infrastructure & Transactions	Delete two in house trainers posts		85			
CS72	Infrastructure & Transactions	Consolidation of Infrastructure & Transactions revenue budgets		34			
CS73	Corporate Governance	Saving from 4 borough shared legal service	1032	20			

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CS74		Review of L&D spend	622				
CS75		Review of COT team staffing in light of potential for 4-borough shared service opportunities	506	58			
Total Corporate Services Savings 2014/15				493	0	0	0

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
2015/16							
CSD1	Infrastructure & Transactions	Increase FM's external fee income target associated with schools service level agreements and associated project works	0				
CSD2	Infrastructure & Transactions	Energy Savings (Subject to agreed investment of £1.5M)	TBC	150			
CSD3	Infrastructure & Transactions	Rationalise IT Service Delivery support & maintenance contracts.	Various				
CSD4	Infrastructure & Transactions	Rationalise Facilities Management Building Repairs & Maintenance budgets.	617				
CSD5	Infrastructure & Transactions	Increase income generation from external bookings at Chaucer centre.	-12				
CSD6	Infrastructure & Transactions	Reduction in the number of vehicles operated by Infrastructure & Transactions division from three to two.	10				
CSD7	Infrastructure & Transactions	Restructure Post & Print section and delete 2 FTE posts.	382				
CSD8	Infrastructure & Transactions	Restructure IT Service Delivery section and delete 1 FTE post.	489				
Total Infrastructure & Transactions Services Savings			1,486	150	0	0	0

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CSD9	Customer Services	Ending of e-Capture Service	53				
CSD10	Customer Services	Ending of Risk Based Verification	53				
CSD11	Customer Services	Terminate the Experian trace and search system contract	12				
CSD12	Customer Services	Rationalisation of Divisional Budgets (E02180 DJ04 £6k, DE03 £5k, AB02 £4k)	24				
CSD13	Customer Services	Reduce Customer Access Point Assistant by 0.6FTE	566				
CSD14	Customer Services	Reduction of 1 FTE Revenues Officer	1240				
CSD15	Customer Services	Increase in Court Costs (council tax) - Increase from £110.00 to £115.00	-930				
CSD16	Customer Services	Reduction in discretionary relief	316				
Total Customer Services Savings			1,018	0	0	0	0
CSD17	Communications	Reduce Marketing budget - Increase self service by using Panacea - marketing solution software in order to reduce designer costs for smaller marketing jobs.	180	73			
CSD18	Communications	My Merton and staff reductions - Renegotiate supplier costs for My Merton	99				
CSD19	Communications	My Merton and staff reductions - Delete 1 FTE - Communication Asisstant	256		49		
Total Communication Services Savings			535	73	49	0	0

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CSD20	Resources	Increased income		16	16		
CSD21	Resources	Rephase existing Savings					
CSD22	Resources	Treasury Management/Interest income					
CSD23	Resources	Cut Running costs budgets	102	3			
CSD24	Resources	Consultancy Budget	206				
CSD25	Resources	Increased Charge to Pension Fund					
CSD26	Resources	Delete 1 Business Partner	233	78			
CSD27	Resources	Further Restructuring	2,391		100		
Total: Resources Savings			2,932	97	116	0	0
CSD28	Human Resources	COT review	425				
CSD29	Human Resources	Recruitment and DBS review	425				
CSD30	Human Resources	Schools COT support (delivery of schools buy-back service)	425	152			
CSD31	Human Resources	Review of HR business support	90				
CSD32	Human Resources	Review of HR business support (printing and stationery)	20				
CSD33	Human Resources	HR transactional service income generation					
CSD34	Human Resources	Learning & Development admin support	169	18			
CSD35	Human Resources	Learning and Development budget	630	134			
Total HR Savings			2,184	304	0	0	0

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CSD36	Business Improvement	Business Systems Team Restructure Phase 1	1,125				
CSD37	Business Improvement	PO Restructure	209				
CSD38	Business Improvement	Reduction in support budget					
		Reduced resource for hardware/software costs					
CSD39	Business Improvement	Business Systems Team Restructure Phase 2	1,125				
CSD40	Business Improvement	Secure additional income generated through gazetteer maintenance and Street Naming/Numbering	0				
CSD41	Business Improvement	Consolidation of systems support	0				
CSD42	Business Improvement	Restructure functions delete 1 AD and other elements of management	0	170			
Total BI Services Savings			2,459	170	0	0	0
CSD43	Corporate Governance	Share FOI and information governance policy with another Council.	322	10	0		
CSD44	Corporate Governance	Stop web casting meetings, Remove scrutiny support fund and reduce other supplies and services	68	0	0		
CSD45	Corporate Governance	share audit and investigation service	465	20	0		
Total Corporate Governance Savings			855	30	0	0	0
CSD46	Policy Unit	Reduce budget for LCGS to match actual contribution	1,090	81			
CSD47	Policy Unit	Delete 1 post	275				
Total Policy Unit Savings			1,365	81	0	0	0

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CSD48	Other	CHAS Dividend	0	258			
Total Other Savings/Income			0	258	0	0	0
Total Corporate Services Savings 2015/16				1,163	165	0	0

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
2016/17							
CS 2015-01	Business Improvement	Reduction in IT support/maintenance contracts	616	0	3		
CS 2015-02	Business Improvement	Expiration of salary protection	1124		16		
CS 2015-03	Transactional Services	Restructure of Transactional Services team	475		100		
CS 2015-04	Programme Management	Increase in Registrars income	-102	25			
CS 2015-05	Resources	Staffing Costs and income budgets	2985		216		
CS 2015-06	Corporate governance - audit service	delete auditor post and fees			50		
CS 2015-07	Chief Executive's Office	Reduction in running cost budgets		28			
Total Corporate Services Savings 2016/17 Cabinet October 2015				53	385	0	0
	Business Improvement	Staffing support savings	200	13			
I&T 04	Safety Services & Emergency Planning	Restructure of Safety Services & Emergency Planning team.	226	18	30		

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
I&T 05	Facilities Management - Energy 'Invest to Save' Initiatives	Savings achieved through the installation of various energy saving initiatives and subsequent reduction in the consumption of gas, electricity and water. (Subject to agreed investment of £3.3M)	2,900		465		
	Resources - Policy	Reduction in corporate grants budget	c. £750		19		
	Corporate Governance - Further Staffing Savings across the division	Staff savings (to be identified)			41		
	Corporate governance - audit services	delete 2 auditor posts,0.6 assessor post		73			
Total Corporate Services Savings 2016/17 Cabinet December 2015				104	555	0	0

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CS46	Resources	Deletion of 3 Posts within the Division	2,985				
CS65	Resources	Consolidation of various budgets within Resources division	95	(31)			
CS46	Service	Resources -Deletion of 3 Posts within the Division	2,985	78			
CS65	Resources	Consolidation of various budgets within Resources division	95	0			
CS12	Customer Services - Support Service	Delete 1 x FTE manager post.	379				
CS13	Customer Services - Recovery/Bailiffs	Reduce 10.6 FTE Debt Recovery Officers/Bailiff Admin to 9.6 FTE -	1,684				
CS1	Customer Services	Reduction in discretionary relief (replacement of CS12 and CS13 which had both been deferred until 2016/17)	95				
	Further rationalisation of HR Services	Reduction of HR business partner (HRBP's) posts	543		130		
CS51	HR Transactions - including COT	HR Support - centralisation	265		90		
CS49	Human Resources - Business Partners	Further consolidation of HR advisory work	585		140		
CSD28	Human Resources	COT review	425		38		
CSD29	Human Resources	Recruitment and DBS review	425		50		
Total Corporate Services Savings 2016/17 Replace/Amend Cabinet October 2015				47	448	0	0

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CSD7	Infrastructure & Transactions	Restructure Post & Print section and delete 2 FTE posts.	382	47			
CSD43	Corporate Governance	Share FOI and information governance policy with another Council.	322	40	0		
	Service Implication	Reduction in management capacity		(10)	10		
Total Corporate Services Savings 2016/17 Replace/Amend Cabinet December 2015				77	10		
Total Corporate Services Savings 2016/17 Replace/Amend Oct./Dec. 2015				124	458	0	0

Total Corporate Services Savings 2016/17		281	1,398	0	0
---	--	-----	-------	---	---

Total Corporate Services Savings Full Year Effects Savings & Replacements b/f			1,937	1,563	0	0
	Cabinet 12 October 2016					
CS71	Infrastructure & Transactions	Delete two in house trainers posts		-85		
CS75	Human Resources	Review of COT team		-58		
CSD2	Infrastructure & Transactions	Energy Savings (Subject to agreed investment of £1.5M)		-150		
CSD7	Infrastructure & Transactions	Restructure Post & Print section and delete 2 FTE posts.		-47		
CSD30	Human Resources	Schools COT support (delivery of schools buy-back service).Removal of dedicated COT support for schools		-152		
CS71	Infrastructure & Transactions	Delete two in house trainers posts		42	43	
CS75	Human Resources	Review of COT team		0	58	

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CSD2	Infrastructure & Transactions	Energy Savings (Subject to agreed investment of £1.5M)		0	150		
CSD7	Infrastructure & Transactions	Restructure Post & Print section and delete 2 FTE posts.		0	47		
CSD30	Human Resources	Schools COT support .Removal of dedicated COT support for schools		0	152		
Replacement	Corporate	Review of balance sheet management		450	-450		
Total Corporate Services Savings Cabinet October 2016 Replacements				0	0	0	0

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
	Cabinet 12 December 2016	NEW SAVINGS 2017/18 Budget Process					
CS2016 01	Insurance	Reduction in contribution to self insurance fund.		100	0	0	
CS2016 02	Revenues and Benefits	Restructure of Housing Benefits section due to roll out of Universal Credit		0	0	66	
CS2016 03	Democracy Services	Supplies and services		50	0	0	
CS2016 04	Customers Services	Increase income through Registrars service		15	0	0	
CS2016 05	Customers Services	Increase income through translations		0	0	15	
CS2016 06	Customers Services	Merton Link - efficiency savings		0	30	0	
CS2016 07	Customers Services	Cash Collection Reduction		0	0	30	
CS2016 08	Infrastructure & Transactions/Facilities Management	Potential income derived from letting two floors of vacant office space within the Civic centre to external/partner organisations.		90	0	190	
Total Corporate Services New Savings 2017/18				255	30	301	
Total Corporate Services Savings 2017-21				2,192	1,593	301	0
Total Corporate Services Savings 2017-21				2,192	3,785	4,086	4,086

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15

Panel	Ref	Description of Saving		Baseline Budget 13/14 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS60	<u>Corporate services</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Deletion of Assistant Director post None. Duties to be reallocated One post (one assistant director post currently vacant) None. None. None	109		109	Low	Low	SS2
O&S	CS61	<u>Corporate services</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Dividend income from CHAS 2013 Limited None. None. None. None. None		58		Low	Low	SI2

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15

P a n e l	Ref	Description of Saving		Baseline Budget 13/14 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS62	<u>Corporate services</u> Description Service Implication	Recharges to Public Health Public Health function transferred to the local authority and is supported by numerous in house services. The recharge will reflect total cost of service		70		Low	Low	SI1
		Staffing Implications	None						
		Business Plan implications	None.						
		Impact on other departments	None.						
		Equalities Implications	None						
	CS63	<u>Service</u> Description Service Implication	<u>Business Improvement</u> Reorganisation of systems development and support arrangements. The anticipated streamlining of systems and support arrangements is expected to increase efficiency and reduce overheads without impacting negatively on the quality of services.	1122	88	74	Medium	Low	SS2
		Staffing Implications	Reduction in posts anticipated.						
		Business Plan implications	None - proposal is in line with intended streamlining and rationalisation of systems and support arrangements.						
		Impact on other departments	None - proposal is supported by transformational work planned to streamline systems and reduce support demand.						
		Equalities Implications	None						

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15

P a n e l	Ref	Description of Saving		Baseline Budget 13/14 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS64	Resources Description	Reduction of treasury running costs through review, improvement and efficiency	34	20		Low	Low	SNS1
		Service Implication	None as savings will be derived from efficiency						
		Staffing Implications	None						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						
O&S	CS65	Resources Description	Consolidation of various budgets within Resources division	95	35	31	Low	Low	SNS1
		Service Implication	None as savings will be derived from efficiency						
		Staffing Implications	None						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15

P a n e l	Ref	Description of Saving		Baseline Budget 13/14 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS66	Resources Description	Review recharges of Resources support function to pension fund	47		47	Low	Low	SNS1
		Service Implication	None						
		Staffing Implications	None						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						
O&S	CS67	Resources Description	Reduction in bank and giro charges	237	12		Low	Low	SP1
		Service Implication	None						
		Staffing Implications	None						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15

P a n e l	Ref	Description of Saving		Baseline Budget 13/14 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS68	Resources Description	Reduction in interest charges through cash management.				Low	Low	SP1
		Service Implication	None						
		Staffing Implications	None						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						
O&S	CS70	Infrastructure & Transactions Description	Apply a £3 administrative charge to customers requesting a hard copy paper invoice for services administered by Transactional Services team.			35	Low	High	SI2
		Service Implication	None						
		Staffing Implications	None						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15

P a n e l	Ref	Description of Saving		Baseline Budget 13/14 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS71	Infrastructure & Transactions							
		Description	Delete two in house trainers posts			85	Low	Low	SS2
		Service Implication	None						
		Staffing Implications	2 posts						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						
O&S	CS72	Infrastructure & Transactions							
		Description	Consolidation of Infrastructure & Transactions revenue budgets			34	Low	Medium	SNS1
		Service Implication	None						
		Staffing Implications	None						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15

P a n e l	Ref	Description of Saving	Baseline Budget 13/14 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS73	Corporate Governance	1032	60	20	Medium	Medium	SS1
		Description Saving from 4 borough shared legal service Service Implication None Staffing Implications Likely to be 2 FTE reduction Business Plan implications None Impact on other departments Need to ensure level of service received by departments is maintained Equalities Implications None						
	CS74	Human Resources	622	69		M	M	SNS1
		Description Review of L&D spend Service Implication Learning and development spend to be reduced in light of experience from consolidation of budgets, improved strategic alignment of L&D activity, 4-borough opportunities, Staffing Implications Likely to be x1 FTE reduction arising from staffing review Business Plan implications Need to ensure budgets and spend are correctly aligned to the Workforce strategy aims and support the Council's business plans Impact on other departments Need to ensure that L&D needs can be appropriately met - training needs analysis and business impact assessment will be key to delivery Equalities Implications Need to ensure equal access to learning and development opportunities across the Council						

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15

P a n e l	Ref	Description of Saving		Baseline Budget 13/14 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS75	Service Description	Review of COT team staffing in light of potential for 4-borough shared service opportunities	506		58	M	M	SS1
		Service Implication	Aims to improve efficiencies and economies of scale through a wider partnership approach						
		Staffing Implications	Likely to be x1 FTE reduction arising from staffing review						
		Business Plan implications	Need to ensure service standards are maintained						
		Impact on other departments	Need to ensure that service standards are maintained in light of staffing reductions						
		Equalities Implications	Given the profile of the workforce is mainly female this will have an equality impact						
Total Corporate Services Savings						412	493		
Total Corporate Services Target Savings									
(Shortfall)/Surplus						412	493		

CURRENT SAVINGS IN MTF5 2016-20 TO BE RE-PROFILED

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverab ility	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS46	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Resources -Deletion of 3 Posts within the Division</u> Further efficiency reviews and enhancements in systems will result in staff savings in the Resources Division. None Reduction of 3 Posts None None None	103			Medium	Medium	SS1

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15

Panel	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverab ility	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS65	<u>Resources</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Consolidation of various budgets within Resources division None as savings will be derived from efficiency None None None None	35	31		Low	Low	SNS1
TOTAL				138	31	0			

PROPOSED RE-PROFILED SAVINGS

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverab ility	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS46	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Resources -Deletion of 3 Posts within the Division</u> Further efficiency reviews and enhancements in systems will result in staff savings in the Resources Division. None Reduction of 3 Posts None None None	25	78		Medium	Medium	SS1

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15

Panel	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverab ility	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS65	<u>Resources</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Consolidation of various budgets within Resources division None as savings will be derived from efficiency None None None None	66	0		Low	Low	SNS1

			TOTAL	91	78	0			
			Change	(47)	47	0			
			Cumulative Change	(47)	0	0			

CURRENT SAVINGS IN MTFS 2016-20 TO BE REPLACED

DEPARTMENT: CORPORATE SERVICES OPTIONS: 2012-2015

Panel	Ref	Description of Saving	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis - Deliverability	Risk Analysis - Reputatio nal Impact	Type of Saving (see key)	
O&SC	CS12	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p><u>Customer Services - Support Service</u></p> <p>Delete 1 x FTE manager post.</p> <p>Deleting this post will impact on our ability to implement initiatives and projects, it will also impact on our policy monitoring, ability to maintain and improve e-forms and e-initiatives. Deleteing this post will result in increasing the management span of control for remaining managers</p> <p>1 FTE compulsory redundancy</p> <p>None</p> <p>None</p> <p>This will affect our ability to enhance and improve e-services to clients. Any improvements to services will take longer to be developed and implemented.</p>	50				Low	Low	SS2
O&SC	CS13	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p><u>Customer Services - Recovery/Bailiffs</u></p> <p>Reduce 10.6 FTE Debt Recovery Officers/Bailiff Admin to 9.6 FTE -</p> <p>Introduce sharing of resources across the two teams to enable better use of resources and working arrangements - will impact on debt recovery targets</p> <p>1 FTE compulsory redundancy</p> <p>None</p> <p>None</p> <p>None</p>	31				Low	Low	SS2

REPLACEMENT SAVING

Panel	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis - Deliverability	Risk Analysis - Reputatio nal Impact	Type of Saving (see key)
O&S	CS1	Service Description	Customer Services Reduction in discretionary relief (replacement of CS12 and CS13 which had both been deferred until 2016/17)	(81)				Low	Low	SS2
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							
			Net Change: Customer Services	0	0	0	0			

APPENDIX 1

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2016-20 DEFERRED SAVING

Panel	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputatio nal Impact	Type of Saving (see key)
O&S	CS48	Service Description	Further rationalisation of HR Services Reduction of HR business partner (HRBP's) posts	(130)		130		High	High	SS1
		Service Implication	High risk to HR BP support to departments at time of change							
		Staffing Implications	Approximately two/three HR BP's at risk							
		Business Plan implications	Risk of supporting departments through change from PVR and other programmes							
		Impact on other departments	Will diminish HR support to customers on change management, employee relations,							
		Equalities Implications	Will impact women in the division as a high number of HR employees are female							
O&S	CS51	Service Description	HR Transactions - including COT	(90)		90		Medium	High	SS1
		Service Implication	HR Support - centralisation							
		Staffing Implications	More self service							
		Business Plan implications	Reduction in staff numbers							
		Impact on other departments	HR transactions review part of long-term HR business plans							
		Equalities Implications	resistance to change							
			Will impact women in the division as a high number of HR employees are female							

DEPARTMENT: CORPORATE SERVICES OPTIONS: 2016-2020
DEFERRED SAVING

Panel	Ref	Description of Saving	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis - Deliverability	Risk Analysis - Reputatio nal Impact	Type of Saving (see key)	
O&SC	CS49	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Human Resources - Business Partners</p> <p>Further consolidation of HR advisory work</p> <p>Delete X4 advisor posts</p> <p>Some reduction in capacity to support depts but mitigated by the introduction of iTrent</p> <p>Significant loss of capacity may affect service provision. Selection of staff for redundancy needs careful handling and EIA</p>	(140)		140		High	High	SS2

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2016-20
DEFERRED SAVING

Panel	Ref	Description of Saving	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis - Deliverability	Risk Analysis - Reputatio nal Impact	Type of Saving (see key)	
	CSD28	<p>Division Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Human Resources</p> <p>COT review</p> <p>Reduced business support</p> <p>Reduced staffing levels</p> <p>Less transactional support</p> <p>Less transactional support</p> <p>Proposals affect a female workforce</p>	(38)		38		M	M	SS2
	CSD29	<p>Division Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Human Resources</p> <p>Recruitment and DBS review</p> <p>Reduction in HR managerial support</p> <p>Reduction in staffing</p> <p>Reduction in transactional support</p> <p>Reduction in transactional support</p> <p>Impacts on a largely female workforce</p>	(50)		50		M	M	SS1
		Net Change: Human Resources	(448)	0	448	0				

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD1	Division Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Infrastructure & Transactions Increase FM's external fee income target associated with schools service level agreements and associated project works None None as additional work will be absorbed by existing resources within the FM team None None None	0				L	L	SI2
	CSD2	Division Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Infrastructure & Transactions Energy Savings (Subject to agreed investment of £1.5M) None None Will contribute towards improving performance in respect to business plan targets for the reduction of CO2 emissions from the Councils buildings. None None	TBC	150	150		M	L	SNS1
O&S	CSD3	Division Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Infrastructure & Transactions Rationalise IT Service Delivery support & maintenance contracts. Implementing saving should have minimal impact on service delivery as a detailed analysis and risk assessment will be completed prior to termination of any support and maintenance contract. None None None None	Various - see cell note	86			L	L	SNS2

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
O&S	CSD4	<u>Division</u> Description	<u>Infrastructure & Transactions</u> Rationalise Facilities Management Building Repairs & Maintenance budgets.	617	15			L	L	SNS2
		Service Implication	Requests for building repairs and maintenance works will be assessed and where possible grouped together with planned maintenance activities to reduce cost.							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	Some delays may be experienced in respect to the time taken to complete non urgent repair and maintenance works.							
		Equalities Implications	None							
O&S	CSD5	<u>Division</u> Description	<u>Infrastructure & Transactions</u> Increase income generation from external bookings at Chaucer centre.	-12	40			M	L	SI2
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							
O&S	CSD6	<u>Division</u> Description	<u>Infrastructure & Transactions</u> Reduction in the number of vehicles operated by Infrastructure & Transactions division from three to two.	10	5			L	L	SNS1
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
O&S	CSD7	Division Description	Infrastructure & Transactions Restructure Post & Print section and delete 2 FTE posts.	382	47			L	L	SS2
		Service Implication	The reduction in resources will increase the time taken to process both incoming and outgoing items of post, which may become critical during peak periods such as Council Tax billing.							
		Staffing Implications	Delete 2 FTE posts which will result in two staff redundancies.							
		Business Plan implications Impact on other departments	None Reduction in current level of service may impact some time critical processes.							
		Equalities Implications	None							
O&S	CSD8	Division Description	Infrastructure & Transactions Restructure IT Service Delivery section and delete 1 FTE post.	489	40			L	L	SS2
		Service Implication	The reduction in resources will have a direct impact on the sections ability to support and maintain the Councils IT infrastructure and equipment							
		Staffing Implications	None							
		Business Plan implications Impact on other departments	None Requests for IT works and services will be assessed and prioritised for completion on the basis of business need.							
		Equalities Implications	None							
Total Infrastructure & Transactions Services Savings					383	150	0			

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

Panel	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD9	<p><u>Division</u></p> <p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p><u>Customer Services</u></p> <p>Ending of e-Capture Service</p> <p>This service currently converts DWP benefit claims into on-line claims for the HB system. With Universal Credit commencing rollout from Feb 15 we will receive fewer of these types of claims. Sampling of the existing claims indicates that from February next year as little as 20% of cases will still be received and these can be input manually</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	53	9			L	L	SNS2
	CSD10	<p><u>Division</u></p> <p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p><u>Customer Services</u></p> <p>Ending of Risk Based Verification</p> <p>The service currently assesses new HB claims with a low, medium or high rating for error. With Universal Credit being rolled out from February 15 the Council will receive fewer new claims and over the period of the roll out will reduce down to a low amount. We will revert back to manual verification of all evidence for the reduced number of new claims</p> <p>None</p> <p>None</p> <p>None</p>	53	22			L	L	SNS2

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving	Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD11	<p><u>Division</u> Description</p> <p>Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p><u>Customer Services</u> Terminate the Experian trace and search system contract</p> <p>Will have to procure there own service</p>	12	10		L	L	SNS2
	CSD12	<p><u>Division</u> Description</p> <p>Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p><u>Customer Services</u> Rationalisation of Divisional Budgets (E02180 DJ04 £6k, DE03 £5k, AB02 £4k)</p> <p>None None</p>	24			L	L	SNS1
	CSD13	<p><u>Division</u> Description</p> <p>Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p><u>Customer Services</u> Reduce Customer Access Point Assistant by 0.6FTE</p> <p>None due to improved channel migration 0.6 redundancy None None</p>	566			L	L	SS1
	CSD14	<p><u>Division</u> Description</p> <p>Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p><u>Customer Services</u> Reduction of 1 FTE Revenues Officer</p> <p>Automated processes will be implemented in 15/16 which will reduce manual intervention on some changes</p> <p>1 FTE Redundancy unless there is a vacant post within the next 10 months</p>	1240	30		L	L	SS1

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD15	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Customer Services</u> Increase in Court Costs (council tax) - Increase from £110.00 to £115.00	-930	40			L	M	S11
	CSD16	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Customer Services</u> Reduction in discretionary relief None None None None None	316	231			L	L	SP1
Total Customer Services Savings						342	0	0		
	CSD17	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Communications</u> Reduce Marketing budget - Increase self service by using Panacea - marketing solution software in order to reduce designer costs for smaller marketing jobs.	180		73		L	L	SNS2

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD18	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Communications</u> My Merton and staff reductions - Renegotiate supplier costs for My Merton	99	32			L	L	SNS1
	CSD19	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Communications</u> My Merton and staff reductions - Delete 1 FTE - Communication Asisstant	256	25		49	M	M	SS1
Total Communication Services Savings						57	73	49		
	CSD20	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Resources</u> Increased income None Directly None Consistent with Business Plan None None		16	16	16	L	L	SI1

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD21	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Resources</u> Rephase existing Savings None Directly None Consistent with Business Plan None None		42			L	L	sp1
	CSD22	<u>Division</u> Description	<u>Resources</u> Treasury Management/Interest income					M	M	SI2
		Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	None Directly None Consistent with Business Plan None None							
	CSD23	<u>Division</u> Description	<u>Resources</u> Cut Running costs budgets	102	£30	3		L	M	SNS2
		Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Some reduction in level of departmental support None Not significant Some reduction in level of departmental support None							

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD24	<u>Division</u>	<u>Resources</u>							
		Description	Consultancy Budget	206	£100			L	M	SNS2
		Service Implication	The ability to engage specialist external skills will be reduced							
		Staffing Implications	Ability to use interim staff will be reduced							
		Business Plan implications	Deliverables will need to be revised to accommodate this							
		Impact on other departments	There will be a substantial reduction in the ability to advise on more complex projects							
		Equalities Implications	None							
	CSD25	<u>Division</u>	<u>Resources</u>							
		Description	Increased Charge to Pension Fund		£20			L	L	SNS2
		Service Implication	None Directly							
		Staffing Implications	None							
		Business Plan implications	Consistent with Business Plan							
		Impact on other departments	None							
		Equalities Implications	None							
	CSD26	<u>Division</u>	<u>Resources</u>							
		Description	Delete 1 Business Partner	233		78		L	M	SS2
		Service Implication	Reduction in level of departmental support							
		Staffing Implications	Reduction of 1 post							
		Business Plan implications	Deliverables will need to be revised to accommodate this							
		Impact on other departments	Reduction in the level of support							
		Equalities Implications	The reduction will be carried out in a manner that is consistent with the council's equalities policies.							

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD27	<u>Division</u>	<u>Resources</u>							
		Description	Further Restructuring	2391			£100	H	H	SS2
		Service Implication	Reduction in level of departmental support							
		Staffing Implications	TBD but in the order of 2 to 4 posts							
		Business Plan implications	Deliverables will need to be revised to accommodate this							
		Impact on other departments	Reduction in the level of support as core central legal responsibilities will have to form an increasing proportion of the work carried out.							
		Equalities Implications	The reduction will be carried out in a manner that is consistent with the council's equalities policies.							
Total: Resources Savings					208	97	116			
	CSD28	<u>Division</u>	<u>Human Resources</u>							
		Description	COT review	425	£38			M	M	SS2
		Service Implication	Reduced business support							
		Staffing Implications	Reduced staffing levels							
		Business Plan implications	Less transactional support							
		Impact on other departments	Less transactional support							
		Equalities Implications	Proposals affect a female workforce							
	CSD29	<u>Division</u>	<u>Human Resources</u>							
		Description	Recruitment and DBS review	425	£50			M	M	SS1
		Service Implication	Reduction in HR managerial support							
		Staffing Implications	Reduction in staffing							
		Business Plan implications	Reduction in transactional support							
		Impact on other departments	Reduction in transactional support							
		Equalities Implications	Impacts on a largely female workforce							

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
		Division	Human Resources							
	CSD30	Description	Schools COT support (delivery of schools buy-back	425		152		H	H	SS2
		Service Implication	Removal of dedicated COT support for schools							
		Staffing Implications	Post reductions							
		Business Plan implications	No dedicated COT service							
		Impact on other departments	No dedicated COT service							
		Equalities Implications	Impacts on female workforce							
	CSD31	Division	Human Resources							
		Description	Review of HR business support	90				L	L	SS1
		Service Implication	Less business support for HR							
		Staffing Implications	Reduction in posts							
		Business Plan implications	Less business support for HR							
		Impact on other departments	Possibly less efficiency of response							
		Equalities Implications	Impacts upon a largely female workforce							
	CSD32	Division	Human Resources							
		Description	Review of HR business support (printing and stationery)	20	£5			L	L	SNS1
		Service Implication	Less business support for HR							
		Staffing Implications	Reduction in posts							
		Business Plan implications	Less business support for HR							
		Impact on other departments	Possibly less efficiency of response							
		Equalities Implications	Impacts upon a largely female workforce							

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD33	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Human Resources</u> HR transactional service income generation None None None None None					H	M	SI1
	CSD34	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Human Resources</u> Learning & Development admin support Reduction in transactional support shared with LBS Reduction in posts Reduction in transactional support Possible reduction in responsiveness Impacts on a female workforce	169		18		M	M	SS2
	CSD35	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Human Resources</u> Learning and Development budget Targeted L&D offer None Need to ensure underpins TOM's/business plan Need to ensure targeted L&D activity Ensure equal access to L&D	630	18	134		M	M	SP1
Total HR Savings						111	304	0		

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD36	<p><u>Division</u></p> <p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p><u>Business Improvement</u></p> <p>Business Systems Team Restructure Phase 1</p> <p>Reduction in availability for any support work other than non-essential fix-on-fail and potential decrease in ..</p> <p>Reduction: 1FTE 15/16; 2 FTE 17/8</p> <p>Incorporated within business plan - assumes reduction in number/customisation of IT Systems through IT</p> <p>Reduction in capacity for adhoc improvement and requires les customised automation in line of business</p> <p>None</p>	1,125				L	M	SS2
	CSD37	<p><u>Division</u></p> <p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p><u>Business Improvement</u></p> <p>PO Restructure</p> <p>Reduction in level of coordination, assurance and support for corporate transformation/change.</p> <p>Loss of 1.5 FTE; Regrading of 1.5 FTE</p> <p>OCPB reserves secured for short term transformation needs. Reduced support available for change/transformation coordination beyond 16/7</p> <p>Reduced coordination of change projects - interdependencies, benefits, critical paths and delivery assurance support not available.</p> <p>None</p>	209	64			L	M	SS2

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD38	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Business Improvement</u> Reduction in support budget Reduced resource for hardware/software costs None None None None		5			L	L	SNS1
	CSD39	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Business Improvement</u> Business Systems Team Restructure Phase 2 Reduction in availability/increase in response times for 'fix-on-fail' support Reduction by 1 FTE Availability for support calls will be reduced and response times affected. Increase in single points of failure for system support likely. Availability for support calls will be reduced and response times affected. Increase in single points of failure for system support likely. None	1,125	50			H	M	SS2

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving	Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)	
	CSD40	<p><u>Division</u></p> <p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p align="center"><u>Business Improvement</u></p> <p>Secure additional income generated through gazetteer maintenance and Street Naming/Numbering</p> <p>Move to cost-neutral gazetteer maintenance</p> <p>Sustains 1 existing FTE</p> <p>None</p> <p>Requires agreement with E&R where income from</p> <p>None</p>	0	30			M	H	S11
	CSD41	<p><u>Division</u></p> <p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p align="center"><u>Business Improvement</u></p> <p>Consolidation of systems support</p> <p>Seeks to achieve economies of scale with minimal impact on services through centralisation</p> <p>TBC - rationalisation of functions will be sought</p> <p>Widen support responsibilities within the Business Systems Team</p> <p>Migrates technical support arrangements to CS. May offer some dept. savings.</p> <p>None</p>	0	20			M	M	SS1

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD42	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Business Improvement</u> Restructure functions delete 1 AD and other elements of management Seeks to achieve economies of scale with minimal impact on services through centralisation TBC - rationalisation of functions will be sought Widen support responsibilities within the Business Systems Team Migrates technical support arrangements to CS. May offer some dept. savings. None	0		170		M	M	SS1
Total BI Services Savings						169	170	0		
	CSD43	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Corporate Governance</u> Share FOI and information governance policy with another Council. Reduction in management capacity loss of 1FTE none reduction in capacity none	322	40	10	0	H	L	SS1

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD44	<u>Division</u> Description	<u>Corporate Governance</u> Stop web casting meetings, Remove scrutiny support fund and reduce other supplies and services	68	35	0	0	L	M	SNS2
		Service Implication	Reduce support to members							
		Staffing Implications								
		Business Plan implications	none							
		Impact on other departments	reduction in capacity							
		Equalities Implications	none							
	CSD45	<u>Division</u> Description	<u>Corporate Governance</u> share audit and investigation service	465	60	20	0	M	M	SS1
		Service Implication	reduction in management capacity for the authority.							
		Staffing Implications	reduction in 0.5 FTE manager and 1fte auditor							
		Business Plan implications	impact on audit assurance capacity							
		Impact on other departments	reduced audit resource							
		Equalities Implications	none							
Total Corporate Governance Savings						135	30	0		

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving	Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD46	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Policy Unit</u> Reduce budget for LCGS to match actual contribution None None None None	1090		81	L	L	SNS1
	CSD47	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Policy Unit</u> Delete 1 post Small reduction in capacity Delete 1 post None None None	275	50		L	L	SS1
Total Policy Unit Savings					50	81	0		
	CSD48	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Other CHAS Dividend None None None None None	0	145	258	L	L	SI
Total Other Savings/Income					145	258	0		
		Total - Corporate Services		1,600	1,163	165			
		Total - Corporate Services (cumulative)		1,790	2,953	3,118			

DEPARTMENT: Corporate Services

SECTION: Business Improvement

Panel	Ref	Description of Saving		Baseline Budget £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS2015-01	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	<u>Business Improvement</u> Reduction in IT support/maintenance contracts Rationalisation of IT systems, removal of support for some None In line with IT Strategy Requires procurement support/advice. May affect support arrangements and require more controlled investment through None None	616		0	3	L	L	SP1
	CS2015-02	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	<u>Business Improvement</u> Expiration of salary protection None None None None None None	1124			16	L	L	??
Total						0	0	19		
O&S	CS2015-03	<u>Service</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	<u>Transactional Services</u> Restructure of Transactional Services team Will increase the time taken to process payments and requests for new vendors to be set up on the financial system. Up to 3 FTE posts deleted through voluntary/compulsory redundancy from an establishment of 13.3. Existing BP targets will need to be revised to align with reduced resources Will increase the time taken to process payments and requests for new vendors to be set up on the financial system. TBA To be determined as the potential benefits of both the new financial and Social Care Information systems are currently unknown.	475			100	L	M	SS2
Total						0	0	100		

DEPARTMENT: Corporate Services

SECTION: Business Improvement

Panel	Ref	Description of Saving	Baseline Budget £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
-------	-----	-----------------------	----------------------	--------------	--------------	--------------	------------------------------	-----------------------------------	--------------------------

SECTION: Customer Services

Panel	Ref	Service Description	Programme Management	Baseline Budget £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS2015-04	<p>Service Description Increase in Registrars income</p> <p>Service Implication Achieveable through increase in service provision within existing resource.</p> <p>Staffing Implications None</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p> <p>TOM Implications None</p>	<p>Programme Management</p> <p>Increase in Registrars income</p>	-102		25		L	L	SI2
Total					0	25	0			

SECTION: Resources

Panel	Ref	Service Description	Replacement Saving	Baseline Budget £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
		<p>Service Description The delay in tendering for a new financial system means that planned staffing savings may not be fully achieved in the next financial year. Every effort will be made to maximise they proportion of the saving delivered.</p> <p>To the extent that it cannot be delivered it will be replaced with sold service income and running cost budgets.</p> <p>Service Implication Efficiency improvements will be delayed</p> <p>Staffing Implications Delay in reduction in staff numbers</p> <p>Business Plan implications Efficiency improvements will be delayed</p> <p>Impact on other departments Delay in wider roll out of self service</p> <p>Equalities Implications None</p> <p>TOM Implications Efficiency improvements will be delayed</p>	<p>Replacement Saving</p>					L	L	

DEPARTMENT: Corporate Services

SECTION: Business Improvement

Panel	Ref	Description of Saving	Baseline Budget £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS2015-05	<p>Service Description</p> <p>Staffing Costs and income budgets There will be a further review of staffing budgets. This will extend across the entire division, Business planning, Accountancy and the remaining business partners. The proposed staffing savings would reduce the net establishment from from 48.9 FTE to 38.7. (NB the major corporate services restructuring had already reduced the establishment by c.14 posts).A contribution from any income budgets not used above will be sought to mitigate the impact</p> <p>Service Implication This will require a substantial increase in the move to self help by departmental managers and will focus the remaining function on the core statutory duties of the s.151 officer</p> <p>Staffing Implications 3 to 4 posts will need to be deleted</p> <p>Business Plan implications It is consistent with the streamlining proposed in the business plan</p> <p>Impact on other departments This will require a substantial increase in the move to self help by departmental managers</p> <p>Equalities Implications The down sizing will be managed in line with the corporate managing of change policies</p> <p>TOM Implications The change is consistent with TOM themes of process improvement and streamlining</p>	2985			216			
Total				0	0	216			

SECTION: Corporate Governance

Panel	Ref	Description of Saving	Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
	CS2015-06	<p>Division Description</p> <p>Corporate governance - audit service delete auditor post and fees</p> <p>Service Implication reduced audit resource</p> <p>Staffing Implications 1 possible redundancy</p> <p>Business Plan implications none</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>				50		L
Total				0	0	50		

DEPARTMENT: Corporate Services

SECTION: Business Improvement

Panel	Ref	Description of Saving	Baseline Budget £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
-------	-----	-----------------------	----------------------	--------------	--------------	--------------	------------------------------	-----------------------------------	--------------------------

SECTION: Chief Executive's Office

		<u>Running Costs</u>							
	CS2015-07	<u>Service</u>	Reduction in running cost budgets			28		L	L
		Description	A small reduction in the services that can be purchased						
		Service Implication	None						
		Staffing Implications	None						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						
		TOM Implications	None						

Total				0	28	0			
--------------	--	--	--	---	----	---	--	--	--

DEPARTMENT: Corporate Services

Panel	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact
		<u>Service Description</u> Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	<u>Business Improvement</u> Staffing support savings None 0.5 FTE reduction within division. This is a shared resource with the Resources Division. The saving will actually be delivered by a In line with IT Strategy None None None	200		13	L	L	SS2
Total					0	13	0		

DEPARTMENT: Corporate Services

Panel	Ref	Description of Saving		Baseline Budget 15/16	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Type of Saving (see key)
O&S	I&T 04	<u>Service Description</u> Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	<u>Safety Services & Emergency Planning</u> Restructure of Safety Services & Emergency Planning team. Still to be fully evaluated at this stage but likely to have an impact on the councils ability to complete statutory inspections within required timescales. Up to 2 FTE posts deleted through voluntary/compulsory redundancy from an establishment of 5.5. Existing BP targets will need to be revised to align with reduced resources The provision of specialist health and safety advice and support that is currently available to council departments and LA schools will be reduced. TBA TBA	226		18	30	L	SS2

DEPARTMENT: Corporate Services

Panel	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact
O&S	I&T 05	Service Description	Facilities Management - Energy 'Invest to Save' Initiatives Savings achieved through the installation of various energy saving initiatives and subsequent reduction in the consumption of gas, electricity and water. (Subject to agreed investment of £3.3M)	2,900			465	L	SNS1
		Service Implications	None						
		Business Plan implications	Will contribute towards improving performance in respect to Business Plan targets for the reduction of CO2 emissions from the Councils buildings and infrastructure.						
		Impact on other departments	None						
		Equalities Implications	None						
		TOM Implications	TBA						
Total						18	495		

Panel	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact
		Service Description	Staffing Costs Reduction in corporate grants budget	c. £750			19	M	
		Service Implication	A small reduction in the services that can be purchased from the 3rd Sector						
		Staffing Implications	None						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	The process will need to be managed to ensure that it is carried out with due regard for equalities issues						
		TOM Implications	None significant						
Total						0	0	19	

DEPARTMENT: Corporate Services

Panel	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis - Reputational Impact
		<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Corporate Governance - Further Staffing Savings across the division</u> Staff savings (to be identified)				41		
		<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Corporate governance - audit services</u> delete 2 auditor posts,0.6 assessor post 1 possible redundancy reduced assurance reduced assurance none			73		L	M
Total					0	73	41	0	

BUSINESS PLAN 2016-20

PROPOSED DEFERRAL OF SAVING

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Original Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
O&S	CSD7	<u>Division</u> Description	<u>Infrastructure & Transactions</u> Restructure Post & Print section and delete 2 FTE posts.	382	47			L	L	SS2
		Service Implication	The reduction in resources will increase the time taken to process both incoming and outgoing items of post, which may become critical during peak periods such as Council Tax billing.							
		Staffing Implications	Delete 2 FTE posts which will result in two staff redundancies.							
		Business Plan implications Impact on other departments	None Reduction in current level of service may impact some time critical processes.							
		Equalities Implications	None							

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Proposed Change to Saving CSD07 (2015/16)		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
O&S	CSD7	<u>Division</u> Description	<u>Infrastructure & Transactions</u> Restructure Post & Print section and delete 2 FTE posts.	382	(47)	47		L	L	SS2
		Service Implication	The reduction in resources will increase the time taken to process both incoming and outgoing items of post, which may become critical during peak periods such as Council Tax billing.							
		Staffing Implications	Delete 2 FTE posts which will result in two staff redundancies.							
		Business Plan implications Impact on other departments	None Reduction in current level of service may impact some time critical processes.							
		Equalities Implications	None							

PROPOSED DEFERRAL OF SAVING

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2015/16

P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD43	<u>Division</u> Description	<u>Corporate Governance</u> Share FOI and information governance policy with another Council.	322	40	10	0	H	L	SS1
		Service Implication	Reduction in management capacity							
		Staffing Implications	loss of 1FTE							
		Business Plan implications	none							
		Impact on other departments	reduction in capacity							
		Equalities Implications	none							
P a n e l	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability (L/M/H)	Risk Analysis Reputational Impact (L/M/H)	Type of Saving (see key)
	CSD43	<u>Division</u> Description	<u>Corporate Governance</u> Share FOI and information governance policy with another Council.	322	(40)	40	0	H	L	SS1
		Service Implication	Reduction in management capacity							
		Staffing Implications	loss of 1FTE			(10)	10			
		Business Plan implications	none							
		Impact on other departments	reduction in capacity							
		Equalities Implications	none							
		Net Change			(40)	30	10			
		Net Change			-87	77	10			

CORPORATE SERVICES SAVINGS - Original Savings

	Ref	Description of Saving		Baseline Budget £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS71	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Infrastructure & Transactions</u> Delete two in house trainers posts None 2 posts None None None		85	Low	Low	SS2
	CS75	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Human Resources</u> Review of COT team staffing in light of potential for 4-borough shared service opportunities Aims to improve efficiencies and economies of scale through a wider partnership approach Likely to be x1 FTE reduction arising from staffing review Need to ensure service standards are maintained Need to ensure that service standards are maintained in light of staffing reductions Given the profile of the workforce is mainly female this will have an equality impact	506	58	M	M	SS1

CORPORATE SERVICES SAVINGS - Original Savings

	Ref	Description of Saving	Baseline Budget £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CSD2	<p align="center">Infrastructure & Transactions</p> <p>Description Energy Savings (Subject to agreed investment of £1.5M)</p> <p>Service Implication None</p> <p>Staffing Implications None</p> <p>Business Plan implications Will contribute towards improving performance in respect to business plan targets for the reduction of CO2 emissions from the Councils buildings.</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>		150	M	L	SNS1
	CSD7	<p>Division Infrastructure & Transactions</p> <p>Description Restructure Post & Print section and delete 2 FTE posts.</p> <p>Service Implication The reduction in resources will increase the time taken to process both incoming and outgoing items of post, which may become critical during peak periods such as Council Tax billing.</p> <p>Staffing Implications Delete 2 FTE posts which will result in two staff redundancies.</p> <p>Business Plan implications None</p> <p>Impact on other departments Reduction in current level of service may impact some time critical processes.</p> <p>Equalities Implications None</p>	382	47	L	L	SS2

CORPORATE SERVICES SAVINGS - Original Savings

	Ref	Description of Saving		Baseline Budget £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CSD30	Division	Human Resources					
		Description	Schools COT support (delivery of schools buy-back service)	425	152	H	H	SS2
		Service Implication	Removal of dedicated COT support for schools					
		Staffing Implications	Post reductions					
		Business Plan implications	No dedicated COT service					
		Impact on other departments	No dedicated COT service					
		Equalities Implications	Impacts on female workforce					
		Total			492			

CORPORATE SERVICES SAVINGS - Replacement Savings

	Ref	Description of Saving		Baseline Budget £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS71	Description	<u>Infrastructure & Transactions</u> Delete two in house trainers posts		(42)	(43)	Low	Low	SS2
		Service Implication	None						
		Staffing Implications	2 posts						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						
	CS75	Description	<u>Human Resources</u> Review of COT team	506		(58)	M	M	SS1
		Service Implication	Aims to improve efficiencies and economies of scale through a wider partnership approach						
		Staffing Implications	Likely to be x1 FTE reduction arising from staffing review						
		Business Plan implications	Need to ensure service standards are maintained						
		Impact on other departments	Need to ensure that service standards are maintained in light of staffing reductions						
		Equalities Implications	Given the profile of the workforce is mainly female this will have an equality impact						

CORPORATE SERVICES SAVINGS - Replacement Savings

	Ref	Description of Saving	Baseline Budget £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CSD2	<p>Description Infrastructure & Transactions Energy Savings (Subject to agreed investment of £1.5M)</p> <p>Service Implication None</p> <p>Staffing Implications None</p> <p>Business Plan implications Will contribute towards improving performance in respect to business plan targets for the reduction of CO2 emissions from the Councils buildings.</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>			(150)	M	L	SNS1
	CSD7	<p>Division Infrastructure & Transactions</p> <p>Description Restructure Post & Print section and delete 2 FTE posts.</p> <p>Service Implication The reduction in resources will increase the time taken to process both incoming and outgoing items of post, which may become critical during peak periods such as Council Tax billing.</p> <p>Staffing Implications Delete 2 FTE posts which will result in two staff redundancies.</p> <p>Business Plan implications None</p> <p>Impact on other departments Reduction in current level of service may impact some time critical processes.</p> <p>Equalities Implications None</p>	382		(47)	L	L	SS2

CORPORATE SERVICES SAVINGS - Replacement Savings

	Ref	Description of Saving		Baseline Budget £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CSD30	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Human Resources</u> Schools COT support (delivery of schools buy-back service) Removal of dedicated COT support for schools Post reductions No dedicated COT service No dedicated COT service Impacts on female workforce	425		(152)	H	H	SS2
	Replacement	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Review of balance sheet management None None To offset savings deferred to 2018/19 None None		(450)	450	M	L	SNS1
TOTAL					(492)	0			
ORIGINAL SAVINGS					492	0			
NET CHANGE					0	0			

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
OSC	CS2016 -01	Service/Section	Insurance							
		Description	Reduction in contribution to self insurance fund.							
		Service Implication	Reduction in fund limit recommended by the authority's actuaries.	870	100		0	L	L	SNS2
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							
		TOM Implications	None							
OSC	CS2016 -02	Service/Section	Revenues and Benefits							
		Description	Restructure of Housing Benefits section due to roll out of Universal Credit	1282			66	M	M	SS2
		Service Implication	Universal Credit roll out started for all claimants in SM4 in March 2016 and full roll out for new claims for the whole borough will be completed during 2017/18. This roll out will result in reduced caseload for Housing Benefit claims. The timeframe for the migration of remaining Housing Benefit claims is unknown at this stage							
		Staffing Implications	Reduction in 2 FTE - (possible redundancies) To be managed through agreed procedures							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	Could impact on vulnerable and less well off in the community although responsibility for helping with housing costs for the majority of working age claimants will be with the DWP and no longer the council.							
		TOM Implications	The full implementation of Universal Credit and its impact are not yet fully known.							

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
OSC	CS2016 -03	Service/Section	Democracy Services							
		Description	Supplies and services							
		Service Implication	Proposed reduction in supplies and services budget, partly due to lower petrol and service costs following purchase of hybrid mayoral car and a reduction in printing costs for committee agendas..		50		0	L	L	SNS1
		Staffing Implications	None							
		Business Plan implications	Saving is consistent with business plan objectives to reduce number of supplementary agendas and reduce printing costs							
		Impact on other departments	None							
		Equalities Implications	None							
		TOM Implications	Consistent with shift away from print towards on-line publication							
OSC	CS2016 -04	Service/Section	Customers Services							
		Description	Increase income through Registrars service	-88	15		0	M	L	SI2
		Service Implication	Promotions to expand take up and introduction of new Home Office services							
		Staffing Implications	None							
		Business Plan implications	In line with business plan							
		Impact on other departments	No impact							
		Equalities Implications	No impact							
		TOM Implications	In line with TOM							

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
OSC	CS2016 -05	Service/Section	Customers Services							
		Description	Increase income through translations	-67			15	M	L	SI2
		Service Implication	Change to staffing structure to increase efficiency and support expanded take up							
		Staffing Implications	None							
		Business Plan implications	In line with business plan							
		Impact on other departments	None							
		Equalities Implications	EIA will be required as part of organisational change process							
		TOM Implications	In line with TOM							
OSC	CS2016 -06	Service/Section	Customers Services							
		Description	Merton Link - efficiency savings	613		30	0	M	M	SNS1
		Service Implication	Efficiencies to reduce cost of service associated with expansion of service and introduction of new technology							
		Staffing Implications	None							
		Business Plan implications	In line with business plan							
		Impact on other departments	None							
		Equalities Implications	None							
		TOM Implications	In line with TOM							

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
OSC	CS2016 -07	Service/Section	Customers Services							
		Description	Cash Collection Reduction	123			30	M	M	SP2
		Service Implication	Contract negotiation to reduce cash collection following introduction and roll-out of cashless parking							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	Reduction of parking collections following the roll-out of cashless parking							
		Equalities Implications	None							
		TOM Implications	None							
OSC	CS2016 -08	Service/Section	Infrastructure & Transactions/Facilities Management		90		190	M	L	SI2
		Description	Potential income derived from letting two floors of vacant office space within the Civic centre to external/partner organisations.							
		Service Implication	None as the arrangements will be supported using existing resources within the restructured FM team							
		Staffing Implications	None.							
		Business Plan implications	None							
		Impact on other departments	New arrangements should improve outcomes for residents through a more integrated and efficient approach to the delivery of services that will be bought about through the co-location of health teams with Community & Housing and Children, Schools & Families.							
		Equalities Implications	None							
		TOM Implications	None as this is an agreed objective within the Corporate Services TOM impementation plan.							
Total Corporate Services Savings					255	30	301			

Savings Type

- SI1** Income - increase in current level of charges
- SI2** Income - increase arising from expansion of existing service/new service
- 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

Panel

OSC

SPROP

Reduction in Property related costs

CHILDREN, SCHOOLS AND FAMILIES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
13/14							
CSF01	CSF School Standards and Quality	Increased income generation and management efficiencies	524				
CSF02	CSF SEND Integrated Service	Restructuring within the service to deliver efficiencies as well as reduced commissioning.	1,936				
CSF03	CSF Commissioning Function and Commissioning Budgets	Reduction in commissioning budgets for Early Intervention and Prevention service	972				
CSF04	CSF Commissioning Function and Commissioning Budgets	Reduce expenditure on LAC and SEN placements	4,702				
CSF05	CSF SEN Transport	Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport	2,882				
CSF07	CSF Children Social Care & Youth Inclusion	Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE)	1,844				
CSF08	CSF Children Social Care & Youth Inclusion	Post 16 LAC/CL accommodation cost. Smarter commissioning/contracts	774				
Total Children, Schools and Families Savings 2013/14							
14/15							
Ref	Service	Description of Saving	Baseline Budget 2014/15 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CSF01	Early Years	Substantial reduction in EY budgets whilst retaining existing Children's Centres targeted work in areas of higher deprivation (up to 10% reduction overall to Children's Centre services). Reduction in funding and in kind contributions to voluntary sector organisations	1,204	250			
CSF02	School Improvement	Reduced service offer	448	75			
Total Children, Schools and Families Savings 2014/15				325	0	0	0

CHILDREN, SCHOOLS AND FAMILIES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
15/16							
CSF2014-05	Commissioning, Strategy and Performance	Reduction in commissioning of early intervention and prevention services.	700				
CSF2014-06	Youth Service	Young people will be signposted to VCS youth provision.	480				
CSF2014-07	Public Health	Children's centres deliver the widest outcomes for under fives and getting a good start in life is key to narrowing inequalities in health outcomes.					
CSF2014-08	Schools	Increased income from schools and/or reduced LA service offer to schools	688 917				
CSF2014-09	Early Years	We are working on the detailed proposals which will in essence reduce the service to paid-for childcare (parents and DSG) with a very limited targeted service for highly vulnerable families.	3,640	296			
Total Children, Schools and Families Savings 2015/16				296	0	0	0

16/17

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CSF2015-03	Schools	Increased income from schools and/or reduced LA service offer to schools.	Income (1,489)	200	200		
CSF2015-04	Commissioning, Strategy and Performance	Commissioning rationalisation.	203		60		
CSF2015-05	Commissioning, Strategy and Performance	Property and contracts service review.	451		55		
CSF2015-06	Cross Cutting	Data review & centralisation.	377	40			
Total Children, Schools and Families Savings Cabinet October 2015				240	315	0	0

CHILDREN, SCHOOLS AND FAMILIES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CSF2015-09	Cross Cutting	Review of CSF staffing structure beneath management level.	1,049	189	201		
Total Children, Schools and Families Savings Cabinet December 2015				189	201	0	0
CSF2014-05	Commissioning, Strategy and Performance	Reduction in commissioning of early intervention and prevention services.	700				
CSF2014-05	Commissioning, Strategy and Performance	Reduction in commissioning of early intervention and prevention services.	700				
CSF2015-01	Children Social Care	Remove Serious Case Review.	77				
CSF2015-02	Cross Cutting	Service management review across CSF Department	1,171				
Total Children, Schools and Families Savings Replacements etc 2016/17				0	0	0	0
Total Children, Schools and Families Savings 2016/17				429	516	0	0

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Total Children, Schools and Families Full Year Effect of Savings brought forward	1,050	516	0	0

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Cabinet 12 October 2016							
CSF2015-05	<u>Commissioning, Strategy and Performance</u>	Property and contracts service review.		0	(55)		
CSF2015-06	<u>Cross Cutting</u>	Data review & centralisation.		(40)			
CSF2015-09	<u>Cross Cutting</u>	Review of CSF staffing structure beneath management level.		(189)	(201)		
CSF2015-05	<u>Commissioning, Strategy and Performance</u>	Schools organisation and contracts service review.		65	0		
CSF2015-06	<u>Cross Cutting</u>	Data review & centralisation.		0	40		
CSF2015-09	<u>Cross Cutting</u>	Review of CSF staffing structure beneath management level.		0	189	201	

CHILDREN, SCHOOLS AND FAMILIES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CSF2016-01	<u>Cross Cutting</u>	Deletion of Assistant Director, Service Manager and half an admin support posts as part of phased restructure of the department.		224	0	0	
Total Children, Schools & Families Savings Cabinet October 2016 Replacements				60	(27)	201	0
	Cabinet 12 December 2016	NEW SAVINGS 2017/18 Budget Process					
CSF2016-02	<u>Children Social Care & Youth Inclusion</u>	Reduced costs/offer through the national centralised adoption initiative		0	0	78	
CSF2016-03	<u>Cross Cutting</u>	Further staff savings to be identified across the department.		0	0	150	
Total Children, Schools & Families New Savings 2017/18				0	0	228	0
Total Children, Schools & Families Savings 2017-21				1,110	489	429	0
Total Children, Schools & Families Savings 2017-21 (cumulative)				1,110	1,599	2,028	2,028

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS - BUDGET PROCESS 2014/18

Ref	Service	Description of Saving	Baseline Budget 2014/15 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	
CSF01	Early Years	Substantial reduction in EY budgets whilst retaining existing Children's Centres targeted work in areas of higher deprivation (up to 10% reduction overall to Children's Centre services). Reduction in funding and in kind contributions to voluntary sector organisations	1,204		150	7	250	
CSF02	School Improvement	Reduced service offer	448				75	
Total Children, Schools and Families Savings					0	150	7	325

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
CSF2014-05	Commissioning, Strategy and Performance	Reduction in commissioning of early intervention and prevention services.	700		400		
CSF2014-06	Youth Service	Young people will be signposted to VCS youth provision.	480		480		
CSF2014-07	Public Health	Children's centres deliver the widest outcomes for under fives and getting a good start in life is key to narrowing inequalities in health outcomes.			400		
CSF2014-08	Schools	Increased income from schools and/or reduced LA service offer to schools	688 917		400		
CSF2014-09	Early Years	We are working on the detailed proposals which will in essence reduce the service to paid-for childcare (parents and DSG) with a very limited targeted service for highly vulnerable families.	3,640		254	296	
Total Children, Schools and Families Savings				0	1,934	296	0

DEPARTMENT: Children, Schools and Families

Panel	Ref	Description of Saving		Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2015-03	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p> <p>TOM Implications</p>	<p>Schools</p> <p>Increased income from schools and/or reduced LA service offer to schools.</p> <p>This saving is in addition to the 400k saving from 2016-17. All CSF SLAs with schools will be reviewed to ensure i) full cost recovery; ii) LBM charges are in line with other providers. We will agree with schools priorities for the use of the retained DSG to support delivery of statutory minimum services to C&YP and will only offer enhanced services at cost. We will also examine further opportunities to trade with schools.</p> <p>If schools are unwilling/unable to pay for core and enhanced services this will result in c10 posts deleted across the department over 2 years.</p> <p>Should funding not be secured there will be implications for service volumes and outcomes.</p> <p>Possible impact on child protection services if service reductions result in escalations from schools and others.</p> <p>We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.</p> <p>Education and Social Care services for C&YP will be reduced with higher thresholds for access. The department will be reorganised to reflect downsizing as well as flexible working and the introduction of the SCIS. This saving is in line with TOM direction of travel to focus delivery on the council's statutory duties.</p>	<p>Income (1,489)</p> <p>Retained budgets 18,553</p>		200	200	Medium	Medium	SI1 or SS2

DEPARTMENT: Children, Schools and Families

Panel	Ref	Description of Saving		Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2015-04	<p><u>Service Description</u></p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p> <p>TOM Implications</p>	<p><u>Commissioning, Strategy and Performance</u></p> <p>Commissioning rationalisation.</p> <p>As a result of savings in commissioned services already agreed, and work with CCG and Public Health partners to rationalise commissioning, the department will need fewer commissioners.</p> <p>1 FTE post reduction from a total of 2.44FTE.</p> <p>None specific - the reductions in volumes and outcomes will result from fewer and more targeted commissioned services.</p> <p>CSF will need to work with Public Health to maintain appropriate commissioning capacity.</p> <p>We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.</p> <p>The TOM refresh will include an increased focus on delivering the restructure as well as flexible working and the introduction of the SCIS. The rationalisation of commissioning capacity will be achieved through improved partnership with Public Health and CCG colleagues.</p>	203			60	Medium	Low	SS1

DEPARTMENT: Children, Schools and Families

Panel	Ref	Description of Saving	Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2015-05	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p> <p>TOM Implications</p>	<p>Commissioning, Strategy and Performance</p> <p>Property and contracts service review.</p> <p>There will be a lower volume of capital works to expand school provision by 2018-19 enabling a reduction in project management capacity.</p> <p>1 FTE project manager post of 3.</p> <p>None specific</p> <p>None specific</p> <p>We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.</p> <p>The TOM refresh will include an increased focus on delivering the restructure as well as flexible working/SCIS. This proposal is in line with TOM drive to increase efficiency and value via ensuring functions operate with minimum capacity needed.</p>	451		55	Medium	Medium	SS1
C&YP	CSF2015-06	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p> <p>TOM Implications</p>	<p>Cross Cutting</p> <p>Data review & centralisation.</p> <p>This saving will be achieved through i) centralising the residual data/performance monitoring capacity currently dispersed across operational divisions and ii) prioritising work to deliver statutory requirements only.</p> <p>1 FTE staffing of overall pool of 8 posts.</p> <p>None</p> <p>We will focus on statutory returns which may impact on requests from other departments.</p> <p>We will use the Council's agreed HR policies and procedures for restructuring. An EA will be developed for the service change staffing proposals.</p> <p>The TOM refresh will include an increased focus on delivering the restructure as well as flexible working and the introduction of the SCIS. This saving is in line with TOM direction of travel to focus on statutory responsibilities and organisation layer strategy.</p>	377		40	Medium	Low	SS2
Total			353	0	240	315			

DEPARTMENT: Children, Schools and Families

Panel	Ref	Description of Saving		Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2015-09	Service Description	Cross Cutting Review of CSF staffing structure beneath management level.	1,049		189	201	Medium	Low	SS2
		Service Implication	Deliver for September 2017 so estimated full year effect of £390k split over two years. With changes to the structure of the department, the implementation of SCIS and a focus on minimal education and social care core functions we will redesign our workforce across the smaller department.							
		Staffing Implications	Expect a reduction of 13 posts from a total of 268FTE.							
		Business Plan implications	We will prioritise our core statutory education and social care functions.							
		Impact on other departments	A smaller workforce will reduce our ability to work on cross cutting issues and new developments.							
		Equalities Implications	We will use the Council's agreed HR policies and procedures for restructuring. An EA will be developed for the service change staffing proposals.							
		TOM Implications	The TOM refresh will include an increased focus on delivering the restructure as well as flexible working and the introduction of the SCIS. The CSF workforce needs to be more highly skilled and flexible.							
Total - CSF Savings December 2015						0	189	201		

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - SAVINGS TO BE REPLACED

Panel	Ref	Description of Saving		Baseline Budget £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
C&YP	CSF2015-05	Service Description	Commissioning, Strategy and Performance Property and contracts service review.	451		55			Medium	Medium
C&YP	CSF2015-06	Service Description	Cross Cutting Data review & centralisation.	377	40				Medium	Low
C&YP	CSF2015-09	Service Description	Cross Cutting Review of CSF staffing structure beneath management level.	1,049	189	201			Medium	Low
Total Children, Schools and Families Savings						229	256	0	0	

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
C&YP	CSF2015-05	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p> <p>TOM Implications</p>	<p>Commissioning, Strategy and Performance Schools organisation and contracts service review.</p> <p>There will be a lower volume of capital works to expand school provision and fewer contracts to manage enabling a reduction in project and contract management capacity.</p> <p>1 FTE project manager post out of 3.</p> <p>None specific</p> <p>None specific</p> <p>We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.</p> <p>The TOM refresh includes an increased focus on delivering the restructure as well as flexible working/SCIS. This proposal is in line with TOM drive to increase efficiency and value via ensuring functions operate with minimum capacity needed.</p>	451	65				Medium	Medium

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
C&YP	CSF2015-06	<u>Service Description</u> Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	<u>Cross Cutting</u> Data review & centralisation. This saving will be achieved through i) centralising the residual data/performance monitoring capacity currently dispersed across operational divisions and ii) prioritising work to deliver statutory requirements only. Reduced capacity will impact on the deliverability of increased inspection burdens which is why the risk score for this saving has been revised. 1 FTE staffing of overall pool of 8 posts. None We will focus on statutory returns which may impact on requests from other departments. We will use the Council's agreed HR policies and procedures for restructuring. An EA will be developed for the service change staffing proposals. The TOM refresh includes an increased focus on delivering the restructure as well as flexible working and the introduction of the SCIS. This saving is in line with TOM direction of travel to focus on statutory responsibilities and organisation layer strategy. Delivery of a functioning MOSAIC product is key to delivering this saving.	377		40			Medium	Medium

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
C&YP	CSF2015-09	Service	Cross Cutting							
		Description	Review of CSF staffing structure beneath management level.	1,049		189	201		High	Medium
		Service Implication	Deliver for September 2018 so estimated full year effect of £390k split over two years. With changes to the structure of the department, the implementation of SCIS and a focus on minimal education and social care core functions we will redesign our workforce across the smaller department. We have reviewed our workforce following our strategy to reduce agency cost and changes to team management positions. Due to less experienced staff and increased inspection burdens, we revised the risk score for this saving.							
		Staffing Implications	Expect a reduction of 13 posts from a total of 65FTE.							
		Business Plan implications	We will prioritise our core statutory education and social care functions.							
		Impact on other departments	A smaller workforce will reduce our ability to work on cross cutting issues and new developments.							
		Equalities Implications	We will use the Council's agreed HR policies and procedures for restructuring. An EA will be developed for the service change staffing proposals.							
		TOM Implications	The TOM refresh includes an increased focus on delivering the restructure as well as flexible working and the introduction of the SCIS. The CSF workforce needs to be more highly skilled and flexible. Delivery of a functioning MOSAIC product is key to delivering this saving.							

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
C&YP	CSF2016-01	Service Description	Cross Cutting Deletion of Assistant Director, Service Manager and half an admin support posts as part of phased restructure of the department.	1,509	224				High	Medium
		Service Implication	The refocusing of our EY Service, minimal Youth offer and reduced commissioning budgets alongside our introduction of a department-wide case work system provide the imperatives to restructure the department. A phased approach across two years is proposed to enable a managed transition to a significantly downsized department.							
		Staffing Implications	2.5 FTE post reductions out of an establishment of 18 FTE in the Senior Leadership Team and 30+ wider management posts across CSF.							
		Business Plan implications	We will prioritise our core statutory education and social care functions however there will likely be reductions in volume and outcomes.							
		Impact on other departments	A smaller management team will reduce our ability to work on cross cutting issues and new developments. This will have an impact on management support for partnership working.							
		Equalities Implications	We will use the Council's agreed HR policies and procedures for restructuring. A single EIA will be developed for the service change staffing proposals.							
		TOM Implications	The TOM refresh will include an increased focus on delivering the restructure. The continued focus on LEAN processes and disciplined performance management will be critical. There are inter-dependencies to potential national policy development with regard to Adoption, Youth Justice and the Council's education duties which will impact on the deliverability of this saving.							
Total Children, Schools and Families Savings						289	229	201	0	
The net £234k increase in savings will be allocated towards the 2019/20 savings target for CSF						60	-27	201	0	234

DEPARTMENT: Children, Schools and Families

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2016-02	Service Description	Children Social Care & Youth Inclusion Reduced costs/offer through the national centralised adoption initiative	509				78	High	High	SP1
		Service Implication	It is anticipated that the regional centralisation of adoption services will deliver savings through a larger commissioning base and the benefit of economies of scale.								
		Staffing Implications	Some staff may TUPE into the regional arrangements but this will not be known until later in the project								
		Business Plan implications									
		Impact on other departments	Will be implications with pressures on other CSF services								
		Equalities Implications	We will need to ensure the new arrangements maintain the improvement of the adoption process and post adoption support to maintain and improve outcomes for this group of vulnerable children and young people. We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.								
		TOM Implications	In line with CSF TOM								

DEPARTMENT: Children, Schools and Families

Panel	Ref	Description of Saving	Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF2016-03	<p>Service Description Cross Cutting Further staff savings to be identified across the department.</p> <p>Service Implication This is likely to impact on managing safe service and failing to meet regulatory requirements</p> <p>Staffing Implications 3-6 staff - we will follow our usual HR processes</p> <p>Business Plan implications</p> <p>Impact on other departments These reductions will place additional burdens on universal targeted and specialist services</p> <p>Equalities Implications The majority of CSF's General Fund staff are delivering services for highly vulnerable children and young people. We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.</p> <p>TOM Implications The TOM sets out an approach to prioritisation but this level of saving will impact on those already most at risk and vulnerable young people at the top end of our Well Being Model</p>	811			150		High	High	SS2
Total					0	0	228	0		

Savings Type

- SS1** Staffing: reduction in costs due to efficiency
- SS2** Staffing: reduction in costs due to deletion/reduction in service
- SNS1** Non - Staffing: reduction in costs due to efficiency
- SNS2** Non - Staffing: reduction in costs due to deletion/reduction in service
- SP1** Procurement / Third Party arrangements - efficiency
- SG1** Grants: Existing service funded by new grant
- SG2** Grants: Improved Efficiency of existing service currently funded by unringfenced grant
- SPROP** Reduction in Property related costs
- S11** Income - increase in current level of charges
- S12** Income - increase arising from expansion of existing service/new service

Panel

- C&YP** Children & Young People
- O&S** Overview & Scrutiny
- HC&OP** Healthier Communities & Older People
- SC** Sustainable Communities

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
2013/14							
EN01	Legal Budget/PP&D	Reduction in spend on legal cases by way of a combination of proactive resolution of issues at first point and/or drawing on section budgets to cover shortfall.	88				
EN02	Parking Services	Introduction of unattended automatic number plate recognition CCTV parking enforcement cameras at fixed locations.	(4,883)				
EN03	Parking Services	Enforcement of new CPZ's (Controlled Parking Zones)	(4,883)				
EN04	Parking Services	Implementation of Pay & Display machines in new CPZ's (Controlled Parking Zones)	(2,126)				
EN05	Parking Services	Introduction of mobile phone payments for parking	(2,126)				
EN06	Building and Development Control	Staff reductions in DC. Post enquiry research officer (admin team) . IT systems manager.	805				
EN08	Building and Development Control	Income generation. 10% increase in pre application planning fees. Additional charge for tree pre-application advice (relatively small income).	805				
EN09	Building and Development Control	Mobile/home working. Less commuting time for DC and enforcement officers who can go directly to site without visiting the office. Will require fully functional IT systems to be in place.	805				
EN11	Building and Development Control	Staff reduction. DC deputy area team leader	805				
EN12	Parking Services	Deletion of back office manager post	1,038				
EN13	Waste Management Commercial Waste Collection	Alter management structure as a result of recommendations in consultants report. Once service recommendations have been implemented there is an opportunity to rationalise the back office support.	405				
EN14	Waste and Street Cleansing Operations	Mobile technology including GPS and in cab monitors. Once implemented will reduce back office staff numbers as a result of reducing reliance on paper schedules and in addition the GPS vehicle tracking system will lead to improved service and fuel efficiency.	405				
EN15	Waste and Street Cleansing Operations	Improved performance management and implementation of the Council's new sickness policy resulting in a reduction in agency staff usage.	1,138				
EN16	Waste Operations	Double shift garden waste collection vehicles 2 x vehicles (this is not possible at the moment because of disposal licensing issues)	541				
EN17	Waste Management	Reduction in Staffing 1.5 FTE	405				
	Service/Section						

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
EN18	Waste Management	Reduction in cost of waste processing per tonne (phase B) contract gate fee	4,558				
EN19	Waste Management	Reduction/Re-negotiation of Phase A Contracts.	4,558				
EN20	Waste Management	Reduction of tonnage to landfill based on current projections for disposal	4,558				
EN21	Waste Management	Dividend from positive movements in Foreign Exchange rates associated with capital costs of Phase B facility resulting in improved unitary charge	4,558				
EN22	Traffic and Highways	Reduction in Street Lighting Budget	420				
EN23	Traffic and Highways	Reduction in Grounds Maintenance Budget	444				
EN24	Traffic and Highways	Reduction in Walksheets Budget	666				
EN25	Traffic and Highways	Reduction in the Surface Water Budget	37				
EN26	Traffic and Highways	Reduction in the Ditching Budget	22				
EN27	Traffic and Highways	Reduction in the Lining Budget	31				
EN28	Traffic and Highways	Contract Negotiation	666				
EN29	Traffic and Highways	Re-Structure of Traffic and Highway Services					
EN30	Traffic and Highways	Reduction in supplies and Services Costs	188				
EN31	Traffic and Highways	Reduction in energy costs	612				
EN32	Traffic and Highways	Renegotiation of J C Deceaux Contract	(160)				
EN33	Leisure & Culture Development Team	Leisure Devt Service Support Staffing - Recharging for staff time & loss of 0.2fte staff member	180				
EN34	Leisure & Culture Development Team	Various Budgets - Reduction in supplies & services	386				
EN35	Leisure & Culture Development Team	Various Budgets - Increased Income through various charging increases where the service provided will still be purchased eg Increases % commercial uplift from 30% to 50% per hr; increases in charges in halls and at watersports centre, etc	(479)				
EN36	Leisure & Culture Development Team	Various Budgets - Increased Income through sale of advice & guidance from senior professional officers and sale of specialist arts & leisure developed service packages to groups and organisations e.g private care homes, etc	(479)				
EN37	Leisure & Culture Development Team	Merton Active Plus - Increased Income	(49)				
EN38	Leisure & Culture Development Team	Reduction of Core Arts Grants to Polka & Attic Theatres - Proposal to further reduce Polka theatre's grant by £4k per annum and Attic by £1k per annum in each of 2015/16 & 2016/17 financial years	120				
EN39	Senior Management & Support	Removal of vacant Policy & Projects Officer post.	719				

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
EN40	Senior Management & Support	Reduction in various supplies and services budgets within the section, including stationery and subscriptions.	485				
EN41	Future Merton	Review of staffing levels within the section following transformation review; reduction in 1.5 FTEs from current team through combining posts for greater efficiency.	1,068				
EN42	Future Merton	Consultancy Income. This is based on an average daily rate of £300 per day (15/16 equates to 7 days per year for each chargeable member of staff and 16 days in 16/17) based on the consultancy project mangement working practices adopted by FutureMerton team.	0				
EN43	Future Merton	Community grant scheme reduction - grant pot to voluntray sector via a small grants pot. It was combined with Coporate grants pot in 2012/13 for one year only. Proposed to use in 13/14 for capacity building for community centres to support fund raising and long term sustainability for one year only.	62				
EN45	Parks, Greenspaces & Cemeteries	Further commercialisation and development of sports and allied parks services (eg. increase in fees and charges (3.75%); cost recovery plus; service bundling; sponsorship of bedding plants,etc), aligned to the emerging strategy for sports.	1,565				
Sub-total Environment & Regeneration Savings 2013/14				0	0	0	0

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
ER23	FutureMerton	To be determined through TOM - greater emphasis on income generation through targetted regeneration delivery. Business case being prepared for 2015 Board in February for delivery of more focussed project delivery (capital and revenue funded) and the income generated through site sales, new homes bonus, non domestic rates, council tax					
Total Environment & Regeneration Savings Amendments				0	0	0	0
Total Environment & Regeneration Savings 2013/14				0	0	0	0

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
2014/15							
EV01	Safer Merton	Reprocurement of CCTV maintenance contract leading to efficiency savings.	151				
EV02	Parking Services	Increase charges for the following types of parking permits Business £5, Trade £5, Teachers £5. Please note no allowance has been made for elasticity of demand this figure could reduce by 10%.	-340				
EV08	Waste disposal	Increased recycling rate by 3% followign education and communications activity funded by WCSS. This will be driven by the incentivisation and education programmedue to commence in March 2014.	4,526				
EV09	Leisure & Culture Development	Renegotiation of contract with GLL for management of Leisure Centres	220				
EV11	Parking Services	Increase all pay and display charges for on and off street parking by 10%. it should be noted that no allowance has been made for elasticity of demand this figure could reduce by 25%	-3,692	125			
Total Environment and Regeneration Savings 2014/15				125	0	0	0

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
2015/16							
E&R1	Leisure & Culture Development Team	Arts Development - further reduce Polka Theatre core grant	74	5	4		
E&R2	Leisure & Culture Development Team	Water sports Centre - Additional income from new business - Marine College & educational activities.	(367)	10	5		
E&R3	Leisure & Culture Development Team	Various Budgets - Reduction in supplies & services &/or increased income over expenditure	175	16			
E&R4	Leisure & Culture	Morden Leisure Centre	233	0	100		
E&R5	Property Management	Team transformation and asset review	270	82			
E&R6	Property Management	Reduced costs incurred as a result of sub-leasing Stouthall until 2024. In summary the Council is saving £38k p.a. for three years, and thereafter £57k p.a. as the rent repayment begins.	139	0	18		
E&R7	Parking Services	Due to additional requests from residents, the budget will be adjusted to reflect the demand for and ongoing expansion of Controlled Parking Zone coverage in the borough. CPZs are only implemented where a majority of residents ask for them and there will be a corresponding increase in PCN fines and permits. There is greater certainty in earlier years where we know of CPZs that are being requested and consulted upon.	(7,176)	163	163		
E&R8	Parking Services	In response to residents concerns about traffic congestion, enforcement of moving traffic contraventions, following the Implementation of ANPR.	(5,446)	-1,540	-500		
E&R9	Parking Services	Change in on-street bay suspension pricing structure. £42 per week change to £25 per day with one off admin fee of £25. This is consistent with the approach of other boroughs.	(215)				
E&R10	Parking Services	Back office reorganisation	1,177				
E&R11	Parking Services	Enforcement of pavement parking	(5,446)				
E&R12	Parking Services	End lease of Wycliffe Road	14				
E&R13	Regulatory Services	Increase income from discretionary fees & charges; Charge for business advice including pre-application planning advice;	(344)				
E&R14	Regulatory Services	Further expansion of the shared service.	1,278				
E&R15	Regulatory Services	Alter funding of post dedicated to investigating potential recovery of funds under the POCA, to be funded from costs recovered.	50				
E&R16	Waste Services - Joint procurement	joint procurement of waste, street cleansing, winter maintenance and fleet maintenance services (Phase C)	8,037	1,500			

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
E&R17	Street Cleansing	To reduce the costs of the service and maintain current standards of cleaning within Merton it is proposed to alter how we deploy our resources by reducing residential solo sweepers and alter the use of mechanical sweepers by investing in electric sweepers (Gluttons). Still concentrating on the issues that are important to residents such as Litter and Fly tipping. Detritus will continue to be managed in a programmed way.	2,764				
E&R18	Waste Services - Caddy Liners	Cease the distribution of food caddy liners	137				
E&R19	Waste Services	Align income budget to levels of income being generated from the sale of Textiles.	N/A				
E&R20	Waste Services	To contribute to a cleaner borough, enforcement of litter dropping under EPA/ ASB legislation with FPN fines for contraventions. This follows on from the Pilot private enforcement and in advance of any decisions on future procurement. Litter dropping by residents remains a significant issue and a big factor in the level of cleanliness on our streets .	(242)	-3	-2		
E&R21	Waste Services	HRRC Site operations procured to external provider. Contractual savings .	629				
E&R22	Waste Services - Dog Waste Option 1	Removal of borough wide dog bins including Parks	42				
E&R23	Waste Services - Dog Waste Option 2	Removal of dog bins from the highway whilst retaining within parks	42				
E&R24	Greenspaces	Reduction in current levels of staffing in the Greenspaces grounds maintenance and horticulture and sports teams.	1,723				
E&R25	Greenspaces	Joint procurement of greenspace services as part 2 of the Phase C SLWP procurement contract with LB Sutton	3,689	160			
E&R26	Greenspaces	Introduction of P&D within certain parks responding to demand for the management of parking and controlling excess demand for spaces/ commuter parking . This will require reprofiling of capital investment of £60k.	N/A				
E&R27	Greenspaces	Additional property rental income	(341)				

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
E&R28	Building and Development Control	Proposed shared services with Wandsworth incorporating: 1) Shared enforcement and admin teams and investigation of other shared service options 2) Increased income generation from planning performance agreements and revised pre application charging 3) Joint re-procurement of M3 Northgate systems 4) Improved efficiency and resilience with larger teams. 5) Eliminate postal consultations 6) Efficiencies delivered through Mobile and flexible working arrangement rollout and other TOM improvements 7) Potential outsourcing of admin scanning functions At this stage it would be premature to predict exactly how the savings will be delivered. However, a consultant has been appointed and is starting the assessment.	1575 (884)	157			
E&R29	Building & Development Control	Enhanced pre-application process. This is in addition to previous savings proposals. Generating more additional income from Planning Performance Agreements as opposed to the normal pre-application process	(56)				
E&R30	Building & Development Control - Planning Enforcement	Reduce staffing levels within the enforcement team by 2 FTE's	190				
E&R31	Senior Management & Support	Deletion of the 2 management support posts and absorption into existing resources.	755				
E&R32	Wifi Concessionary Contract	Income from wifi concessionary contract to be let from 2015/16	N/A	5			
E&R33	Various Budgets - Increase in income from commercialisation of services	Increase in commercial income across a range of budgets following recruitment of commercial sales manager from 15/16. This includes events in parks / commercial waste / leisure/ building control and other income streams to be developed	N/A				
E&R34	Traffic & Highways	Alternative delivery model of highway safety inspection service	99	30			
E&R35	Traffic & Highways	Reduce street lighting contract costs	335	25			
E&R36	Traffic & Highways	Reduction in reactive work budget	650				
E&R37	Traffic & Highways	Introduction of Lane rental approach to Highways works to assist in reducing congestion.	N/A	50			
E&R38	Traffic & Highways	Income from Section 278/Developers agreements where traffic works are required as part of development . Charging for work currently not charged for	N/A				

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
E&R39	Traffic & Highways	Pre-application income. This is in addition to any previous pre-app savings proposal.	N/A				
E&R40	Future Merton	Consultancy income. This is in addition to any previous savings proposal.	N/A				
E&R41	Future Merton	Staff restructure	1,023	80			
E&R42	Future Merton	Align Vestry Hall income budget with current levels of income being achieved.	(211)				
E&R43	Safer Merton	Reductions in staffing across Safer Merton	840	70			
Sub-total	Environment and Regeneration Savings			810	-212	0	0

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
DEFERRED SAVINGS 2015/16							
ER07	Development & Building Control	The Government is no longer planning on implementing changes to the current charging model. Therefore, other options are being explored to meet this saving e.g. a shared services with other authorities, new ways of working, looking at income generation from fast track planning applications/ pre app advice, and expanding our planning performance agreements potential.					
EN09	Building and Development Control	Mobile/home working. Less commuting time for DC and enforcement officers who can go directly to site without visiting the office. Will require fully functional IT systems to be in place.					
EN14	Waste and Street Cleansing Operations	Mobile technology including GPS and in cab monitors. Once implemented will reduce back office staff numbers as a result of reducing reliance on paper schedules and in addition the GPS vehicle tracking system will lead to improved service and fuel efficiency.					
Sub-total Environment and Regeneration Deferred Savings 2015/16				0			
Total Environment and Regeneration Savings 2015/16				810	-212	0	0

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
2016/17							
ENV01	Senior Management & Support	Reduce the level of PA support to Heads of Service by 0.6fte.	95	19			
ENV02	Parking Services (CEO team)	Review the current structure, shift patterns and hours of operation with the intention of moving toward a two shift arrangement based on 5 days on/2 days off.	1,311	190			
ENV03	Parking Services (CEO team)	Reduction number of team leader posts from 4 to 3	1,311	45			
ENV04	Parking Services (CEO team)	Improved management of traffic flows/congestion and availability of parking space through Increase compliance based on detailed analysis of existing and projected compliance levels and deployment of resources based upon future projections of population growth , expansion of CPZs where a majority of local residents have asked for this, and areas of potential non-compliance.	(5,446)	250			
ENV05	Parking Services	Review the back office structure based upon the anticipated tailing off of ANPR activity and the movement of CCTV into parking services.	1,189	70			
ENV06	Parking Services	Reduction in transport related budgets	140	46			
ENV07	Parking Services	Reduction in supplies & services/third party payment budgets.	571		60		
ENV08	Regulatory Services	Funding of EH FTE by public health subsidy. As agreed between DPH and Head of PP .	190		40		
ENV09	Regulatory Services	Investigate potential commercial opportunities to generate income such as: Trading Standards business advice; contaminated land / acoustic assessment consultancy for developers; processing licensing applications for other LAs; Licensing pre-application service; Shared service seminars.	N/A	50	50		
ENV10	Regulatory Services	Reduction in Transport/Supplies and Services budget through greater efficiency	123	10			
ENV11	Leisure & Culture	Outsource leisure and sports activities - commissioning of the arts and sports development to an external organisation to replace the in-house provision.	589	59			
ENV12	Leisure & Culture	Loss of head of section/amalgamated with head of Greenspaces	158	70			

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
ENV13	Leisure & Culture	Staff savings through the reorganisation of the back office through channel shift from phone and face to face contact.	336	70			
ENV14	Property Management	Increase in income from rent reviews of c60 properties.	(4,022)		100		
ENV15	Traffic & Highways	Reduction in street lighting energy and maintenance costs. Would require Capital investment of c£400k, which forms part of the current capital programme - Investment in LED lights in lamp Colum stock most capable of delivering savings	884	148			
ENV16	Traffic & Highways	Further reductions in the highways maintenance contract costs following reprocurement. Part year effect in 17/18 due to contract start date mid year.	650	65	65		
ENV17	Traffic & Highways	Reduction in reactive works budget	650	30	35		
ENV18	Greenspaces	Increased income from events in parks	231	100	100		
ENV19	Greenspaces	Planned re-distribution of North East Surrey Crematorium funds to be used to offset costs associated with the running of the Council's cemeteries. This is expected to be min £80k from 17/18 and for min 8 years . Unringfenced .	N/A	90			
ENV20	Development & Building Control	Increased income from building control services.	935	35	35		
ENV21	Greenspaces	Reduction in the grant to Wandle Valley Parks Trust	12	6			
ENV22	Greenspaces	Reduction in grant to Mitcham Common Conservators.	48	24			
ENV23	Greenspaces	Further savings from the phase C procurement of Lot 2.	3,648	160			
ENV24	Future Merton	Cease subscription to Urban London and Future London Leaders from service budgets and prioritise the use of corporate training and development budgets to pay for these activities that provide considerable professional development courses and represent very good value for money.	18	10			
ENV25	Waste	Department restructure of the waste section	514	191			
ENV26	Waste Operations: waste collection	Re-balancing of rounds	2,568	20			
ENV27	Waste Services	Remove free provision of food waste liners	137	66			
ENV28	Waste Services: waste disposal	Divert gully waste and mechanical Street sweepings from landfill through pre-treatment and recycling	4,360	37			
ENV29	Waste Services: recycle income	Realign budget to reflect actual income achieved through sale of textiles	N/A	20			
ENV30	Waste Services: Garden waste service	Increase annual subscription fees by £5 p.a.	(329)	30			
ENV31	Waste Operations	Commencing charging schools for recyclable waste (17/18) and food waste (18/19) collection	N/A	102	9		
ENV32	Transport Services:	Review of Business Support requirements	311		30		
Sub-total Environment and Regeneration Savings Cabinet October 2015				2,013	524	0	0

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
ENV33	Parking Services	Development of emissions based charging policy for resident/business permits recognising the damage particularly from diesel engined motor vehicles	N/A	250			
ENV34	Property Management	Increased income from the non-operational portfolio. Undertaken through a the review of the rent reviews timetabled as part of existing leases.	(4,022)	8	40		
ENV35	Waste Operations	Efficiency measures to reduce domestic residual waste rounds by 1 crew following analysis of waste volumes and spread across week	2,568		150		
ENV36	Waste Services: Neighbourhood recycling	Review and removal of NRCs	4,360	50			
ENV37	Transport: Workshops	develop business opportunities to market Tacho Centre to external third parties	N/A		35		
Sub-total	Environment and Regeneration Savings Cabinet December 2015			308	225	0	0
ER07	Development & Building Control	The Government are proposing changes to the current charging model for DC. This would mean that the council will be able to set its own fees (levels are currently prescribed) in order to recover the full cost of delivering a number of services in this area, although it will not be able to make a profit.					
EN09	Development & Building Control	Mobile/home working. Less commuting time for DC and enforcement officers who can go directly to site without visiting the office. Will require fully functional IT systems to be in place.					
EN11	Development & Building Control	Staff reduction. DC deputy area team leader					
E&R28	Development & Building Control	Proposed shared services with Wandsworth		-157			
E&R29	Development & Building Control	Enhanced pre-application process. This is in addition to previous savings proposals. Generating more additional income from Planning Performance Agreements as opposed to the normal pre-application process					
E&R30	Development & Building Control	Reduce staffing levels within the enforcement team by 2 FTE's					
	Building & Development Control	Review of service through shared service discussions with neighbouring boroughs - delaying the implementation of the 2016/17 savings to 2017/18.		569			

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
ER23	Future Merton	It is proposed to change working practices for the remainder of the team and charge 10% of salaries to the capital budgets. This process can also be applied to the Council's £5.2m regeneration capital programme, encompassing the town centre regeneration and economic development programmes. The ability to charge costs against disposals where the Council is not obtaining an asset are limited to 4% of the capital receipt.					
	Future Merton	Staff savings from 6th month review following the merger of the traffic and highways and the FutureMerton team in to one team and further budget savings/adjustments within the controllable expenditure budgets		214			
	Property Management	Restructure of team to provide more focus on property management and resilience within the team.		18			
E&R14	Regulatory Services	Further expansion of the shared service.		100			
Sub-total Environment and Regeneration Amendment to Savings 2016/17				744	0	0	0

Total Environment and Regeneration Savings 2016/17				3,065	749	0	0
---	--	--	--	--------------	------------	----------	----------

Total Environment and Regeneration Full Year Effect of Savings Brought Forward				4,000	537	0	0
---	--	--	--	--------------	------------	----------	----------

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Cabinet 12 October 2016							
E&R43	Safer Merton	Reductions in staffing across Safer Merton		70			
E&R43	Safer Merton	Reductions in non-statutory spend		-70			
Net Change in Savings - Cabinet October 2016				0	0	0	0
Cabinet 12 December 2016							
EV08	Waste disposal	Increased recycling rate by 3% following education and communications activity funded by WCSS. 14.		-250			
EV08	Waste disposal	Increased recycling rate by 3% following the introduction of service changes proposed as part of the Phase C Lot 1 contract.				250	
Sub-total: changes in Waste Disposal				-250	0	250	0
D&BC	Building & Development Control	Review of service through shared service discussions with neighbouring boroughs		-569	0		
D&BC1	Building and Development Control	Fast track of householder planning applications		55	0		
D&BC2	Building and Development Control	Growth in PPA and Pre-app income		50	0		
D&BC3	Building and Development Control	Commercialisation of building control		50	0		
D&BC4	Building and Development Control	Deletion of 1 FTE (manager or deputy)		45	0		

-232

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
D&BC5	Building and Development Control	Eliminate the Planning Duty service (both face to face and dedicated phone line)		35	0		
D&BC6	Building and Development Control	Stop sending consultation letters on applications and erect site notices only		10	0		
D&BC7	Building and Development Control	Shared service collaboration with Kingston/Sutton		0	50		
D&BC8	Building and Development Control	Review of service through shared service discussions		0	274		
		Sub-total: changes in Building & Development Control		-324	324		
		Net Change in Savings - Cabinet December 2016		-574	324	250	0
D&BC6	Building and Development Control	Stop sending consultation letters on applications and erect site notices only		10			
	Building and Development Control	Increase in income from July 2017 as a result of the decision by Central Government to approve an increase in planning fees. A 20% increase will be agreed as set out in the White Paper of February 2017.		-10			
		Net Change in Savings - Cabinet December 2016		0	0	0	0
	Cabinet 12 December 2016	NEW SAVINGS 2017/18 Budget Process					
ENR1	Regulatory Services	Further expansion of the shared service.		0	0	100	
ENR2	Parking & CCTV Services	Pay & Display Bays (On and off street)		0	44	0	
ENR3	Parking & CCTV Services	Increase the cost of existing Town Centre Season Tickets in Morden, Mitcham and Wimbledon.		16	17	0	
ENR4	Parking & CCTV Services	Charge local business' for monitoring of their CCTV		0	0	100	
ENR5	Transport Services	Delete 1 Senior Management post		0	76	0	
ENR6	Waste Services	Wider Department restructure		0	200	0	
ENR7	Transport Services	Shared Fleet services function with LB Sutton		0	10	0	
ENR8	Property Mangement	Increased income from rent reviews		0	150	0	
ENR9	Waste disposal	Increase level of Enforcement activities of internal team ensuring the operational service is cost neutral		0	0	200	
Total Environment & Regeneration New Savings 2017/18				16	497	400	0
Total Environment & Regeneration Savings 2017-21				3,442	1,358	650	0
Total Environment & Regeneration Savings 2017-21 (Cumulative)				3,442	4,800	5,450	5,450

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2014/18

Ref	Service	Description of Saving	Baseline Budget 2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
EV01	Safer Merton	Reprocurement of CCTV maintenance contract leading to efficiency savings.	151	36		
EV02	Parking Services	Increase charges for the following types of parking permits Business £5, Trade £5, Teachers £5. Please note no allowance has been made for elasticity of demand this figure could reduce by 10%.	(340)	4		
EV08	Waste disposal	Increased recycling rate by 3% followign education and communications activity funded by WCSS. This will be driven by the incentivisation and education programmedue to commence in March 2014.	4,526	250		
EV09	Leisure & Culture Development	Renegotiation of contract with GLL for management of Leisure Centres	220	120		
EV11	Parking Services	Increase all pay and display charges for on and off street parking by 10%. it should be noted that no allowance has been made for elasticity of demand this figure could reduce by 25%	(3,692)	125	125	125
Total Environment and Regeneration Savings				535	125	125

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2015/18

Ref	Service	Description of Saving	Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000
E&R1	Leisure & Culture Development Team	Arts Development - further reduce Polka Theatre core grant	74	5	5	4
E&R2	Leisure & Culture Development Team	Water sports Centre - Additional income from new business - Marine College & educational activities.	(367)	10	10	5
E&R3	Leisure & Culture Development Team	Various Budgets - Reduction in supplies & services &/or increased income over expenditure	175		16	
E&R4	Leisure & Culture	Morden Leisure Centre	233			100
E&R5	Property Management	Team transformation and asset review	270		82	
E&R6	Property Management	Reduced costs incurred as a result of sub-leasing Stouthall until 2024. In summary the Council is saving £38k p.a. for three years, and thereafter £57k p.a. as the rent repayment begins.	139	39		18
E&R7	Parking Services	Due to additional requests from residents, the budget will be adjusted to reflect the demand for and ongoing expansion of Controlled Parking Zone coverage in the borough. CPZs are only implemented where a majority of residents ask for them and there will be a corresponding increase in PCN fines and permits. There is greater certainty in earlier years where we know of CPZs that are being requested and consulted upon.	(7,176)	260	163	163
E&R8	Parking Services	In response to residents concerns about traffic congestion, enforcement of moving traffic contraventions, following the Implementation of ANPR.	(5,446)	1,700	-1,540	-500
E&R9	Parking Services	Change in on-street bay suspension pricing structure. £42 per week change to £25 per day with one off admin fee of £25. This is consistent with the approach of other boroughs.	(215)	500		
E&R10	Parking Services	Back office reorganisation	1,177	80		
E&R11	Parking Services	Enforcement of pavement parking	(5,446)	60		
E&R12	Parking Services	End lease of Wycliffe Road	14	14		
E&R13	Regulatory Services	Increase income from discretionary fees & charges; Charge for business advice including pre-application planning advice;	(344)	50		
E&R14	Regulatory Services	Further expansion of the shared service.	1,278	100		
E&R15	Regulatory Services	Alter funding of post dedicated to investigating potential recovery of funds under the POCA, to be funded from costs recovered.	50	50		
E&R16	Waste Services - Joint procurement	joint procurement of waste, street cleansing, winter maintenance and fleet maintenance services (Phase C)	8,037		1,500	

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2015/18

Ref	Service	Description of Saving	Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000
E&R17	Street Cleansing	To reduce the costs of the service and maintain current standards of cleaning within Merton it is proposed to alter how we deploy our resources by reducing residential solo sweepers and alter the use of mechanical sweepers by investing in electric sweepers (Gluttons). Still concentrating on the issues that are important to residents such as Litter and Fly tipping. Detritus will continue to be managed in a programmed way.	2,764	157		
E&R18	Waste Services - Caddy Liners	Cease the distribution of food caddy liners	137	70		
E&R19	Waste Services	Align income budget to levels of income being generated from the sale of Textiles.	N/A	50		
E&R20	Waste Services	To contribute to a cleaner borough, enforcement of litter dropping under EPA/ ASB legislation with FPN fines for contraventions. This follows on from the Pilot private enforcement and in advance of any decisions on future procurement. Litter dropping by residents remains a significant issue and a big factor in the level of cleanliness on our streets .	(242)	20	-3	-2
E&R21	Waste Services	HRRC Site operations procured to external provider. Contractual savings .	629	30		
E&R22	Waste Services - Dog waste Option 1	Removal of borough wide dog bins including Parks	42	42		
E&R23	Waste Services - Dog waste Option 2	Removal of dog bins from the highway whilst retaining within parks	42	12		
E&R24	Greenspaces	Reduction in current levels of staffing in the Greenspaces grounds maintenance and horticulture and sports teams.	1,723	130		
E&R25	Greenspaces	Joint procurement of greenspace services as part 2 of the Phase C SLWP procurement contract with LB Sutton	3,689		160	

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2015/18

Ref	Service	Description of Saving	Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000
E&R26	Greenspaces	Introduction of P&D within certain parks responding to demand for the management of parking and controlling excess demand for spaces/ commuter parking . This will require reprofiling of capital investment of £60k.	N/A	60		
E&R27	Greenspaces	Additional property rental income	(341)	44		
E&R28	Building and Development Control	Proposed shared services with Wandsworth incorporating: 1) Shared enforcement and admin teams and investigation of other shared service options 2) Increased income generation from planning performance agreements and revised pre application charging 3) Joint re-procurement of M3 Northgate systems 4) Improved efficiency and resilience with larger teams. 5) Eliminate postal consultations 6) Efficiencies delivered through Mobile and flexible working arrangement rollout and other TOM improvements 7) Potential outsourcing of admin scanning functions At this stage it would be premature to predict exactly how the savings will be delivered. However, a consultant has been appointed and is starting the assessment.	1575 (884)		157	
E&R29	Building & Development Control	Enhanced pre-application process. This is in addition to previous savings proposals. Generating more additional income from Planning Performance Agreements as opposed to the normal pre-application process	(56)	40		
E&R30	Building & Development Control - Planning Enforcement	Reduce staffing levels within the enforcement team by 2 FTE's	190	80		
E&R31	Senior Management & Support	Deletion of the 2 management support posts and absorption into existing resources.	755	70		
E&R32	Wifi Concessionary Contract	Income from wifi concessionary contract to be let from 2015/16	N/A	20	5	
E&R33	Various Budgets - Increase in income from commercialisation of services	Increase in commercial income across a range of budgets following recruitment of commercial sales manager from 15/16. This includes events in parks / commercial waste / leisure/ building control and other income streams to be developed	N/A	250		
E&R34	Traffic & Highways	Alternative delivery model of highway safety inspection service	99		30	
E&R35	Traffic & Highways	Reduce street lighting contract costs	335	25	25	
E&R36	Traffic & Highways	Reduction in reactive work budget	650	60		
E&R37	Traffic & Highways	Introduction of Lane rental approach to Highways works to assist in reducing congestion.	N/A		50	

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2015/18

Ref	Service	Description of Saving	Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000
E&R38	Traffic & Highways	Income from Section 278/Developers agreements where traffic works are required as part of development . Charging for work currently not charged for	N/A	50		
E&R39	Traffic & Highways	Pre-application income. This is in addition to any previous pre-app savings proposal.	N/A	50		
E&R40	Future Merton	Consultancy income. This is in addition to any previous savings proposal.	N/A	60		
E&R41	Future Merton	Staff restructure	1,023		80	
E&R42	Future Merton	Align Vestry Hall income budget with current levels of income being achieved.	(211)	20		
E&R43	Safer Merton	Reductions in staffing across Safer Merton	840		70	
Total Environment and Regeneration Savings				4,196	810	-212

Total Environment and Regeneration Savings Target	4,333	4,876	2,302
--	--------------	--------------	--------------

(SURPLUS)/ SHORTFALL	137	4,066	2,514
-----------------------------	------------	--------------	--------------

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2015/18

Panel	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	E&R1	Service/Section Description	Various In order to meet the division's inflation on income target, savings on associated expenditure budgets will be implemented i.e. the annual inflationary increase (c£200k), and the PCN budget (c£163k) will be adjusted accordingly.				Low	Low	SI2/SNS1
		Service Implication	None						
		Staffing Implications	None						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						
Total Environment and Regeneration Savings					0	0			

Savings Type

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

Panel

- O&S**
- C&YP**
- CC**
- HC&OP**
- SC**

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving	Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
	ENV01	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Senior Management & Support Reduce the level of PA support to Heads of Service by 0.6fte. None Reduction of 0.6fte [of 2.6fte] None None None None Consistent with TOM direction of travel in reducing back office support service costs</p>	95		19		Low	Low	SS2
	ENV02	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Parking Services (CEO team) Review the current structure, shift patterns and hours of operation with the intention of moving toward a two shift arrangement based on 5 days on/2 days off. Better deployment of enforcement resources. Deletion of 5 FTE's [of 35fte] whilst retaining existing capacity in CEO hours per annum to achieve same outcomes No impact on business plan - allows same outputs with fewer staff None Will require consultation but no immediate equalities implications This review is mentioned in the TOM but is not referred to in any budgetary forecast . This is consistent with direction of travel in TOM</p>	1,311		190		Medium	Medium	SS2
	ENV03	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Parking Services (CEO team) Reduction number of team leader posts from 4 to 3 Reduced overall management Loss of 1 team leaders post [of 4fte] Potential drop in compliance rates. None None Consistent with direction of travel in reducing management overheads .</p>	1,311		45		Low	Medium	SS2
	ENV04	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Parking Services (CEO team) Improved management of traffic flows/congestion and availability of parking space through Increase compliance based on detailed analysis of existing and projected compliance levels and deployment of resources based upon future projections of population growth , expansion of CPZs where a majority of local residents have asked for this, and areas of potential non-compliance. Improvement in overall enforcement strategy None projected at this stage. None None None This is consistent with TOM direction of travel in better utilisation of data / heat maps to ensure resources deployed effectively.</p>	(5,446)		250		Medium	Medium	SI2

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving	Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
	ENV05	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Parking Services Review the back office structure based upon the anticipated tailing off of ANPR activity and the movement of CCTV into parking services. Could impact upon the level of service provided To be assessed but could mean the deletion of 2 management posts [of 10fte] Reduction in the costs of 2 posts None None Consistent with TOM direction of travel in reducing back office costs</p>	1,189		70		Medium	Medium	SS2
	ENV06	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Parking Services Reduction in transport related budgets May result in slight reduction in quality of some areas of service, particularly in respect of civil enforcement some changes in staff travel arrangements to ensure on site as effectively and efficiently as possible. None None None consistent with TOM direction of travel</p>	140		46		Low	Low	SNS1
	ENV07	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Parking Services Reduction in supplies & services/third party payment budgets. May result in slight reduction in quality of some areas of service. None None None None consistent with TOM direction of travel</p>	571			60	Low	Low	SNS1
	ENV08	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Regulatory Services Funding of EH FTE by public health subsidy. As agreed between DPH and Head of PP . None One FTE funded by Public Health Not known at this stage None Not known at this stage Not known at this stage</p>	190			40	Medium	Medium	SG1

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving	Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	ENV09	<p>Service/Section Description Regulatory Services Investigate potential commercial opportunities to generate income such as: Trading Standards business advice; contaminated land / acoustic assessment consultancy for developers; processing licensing applications for other LAs; Licensing pre-application service; Shared service seminars.</p> <p>Service Implication To avoid a potential conflict of interest, we will need to create a bespoke team, from existing resources, based on commercial principles that is separate and distinct from the enforcement function.</p> <p>Staffing Implications Diversion of existing staff to resource the new team will impact in the short term on enforcement capability but as the service grows it will become self-financing</p> <p>Business Plan implications Increase in income</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p> <p>TOM Implications Consistent with drive to increase commercialisation in TOM generally</p>	N/A		50	50	Medium	Low	S12
	ENV10	<p>Service/Section Description Regulatory Services Reduction in Transport/Supplies and Services budget through greater efficiency</p> <p>Service Implication May result in slight reduction in quality of some areas of service</p> <p>Staffing Implications None</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p> <p>TOM Implications consistent with TOM direction of travel</p>	123		10		Low	Low	SNS1

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving	Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
	ENV11	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Leisure & Culture Outsource leisure and sports activities - commissioning of the arts and sports development to an external organisation to replace the in-house provision. Potential reduction in the scope of the service Loss of 3 ftes [of 12.6fte] None Potential loss of departmental support on corporate projects None, objectives would be maintained within the scope of the commissioning brief. In line with the TOM outcomes</p>	589		59		Low	Low	SP1
	ENV12	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Leisure & Culture Loss of head of section/amalgamated with head of Greenspaces None; the post would cover the duties of the head of the greenspaces team and the leisure and culture development roles within the more contract management focus of the head of greenspaces role following the procurement of Lot 2 of the Phase C contract. Loss of 1 fte [of 2fte] None None None Linked to the outsourcing of the greenspaces functions within their TOM.</p>	158		70		Low	Low	SS2

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving	Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	ENV13	<p>Service/Section Description Leisure & Culture Staff savings through the reorganisation of the back office through channel shift from phone and face to face contact.</p> <p>Service Implication The introduction of the customer contact centre will reduce the need for phone and face to face contact with customers, reducing the need for office based customer agents.</p> <p>Staffing Implications Reduction of 3 fte [of 9.6fte]</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p> <p>TOM Implications consistent with TOM direction of travel</p>	336		70		Low	Low	SS1
	ENV14	<p>Service/Section Description Property Management Increase in income from rent reviews of c60 properties.</p> <p>Service Implication none - would be within existing resources</p> <p>Staffing Implications Part of the current team's core work.</p> <p>Business Plan implications In line with the TOM outcomes</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p> <p>TOM Implications consistent with TOM direction of travel</p>	(4,022)			100	Medium	Low	SI2
	ENV15	<p>Service/Section Description Traffic & Highways Reduction in street lighting energy and maintenance costs. Would require Capital investment of c£400k, which forms part of the current capital programme - Investment in LED lights in lamp Colum stock most capable of delivering savings</p> <p>Service Implication Would require additional specialist staffing resource - costs contained within the business case that is being prepared.</p> <p>Staffing Implications None</p> <p>Business Plan implications In line with the TOM outcomes</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p> <p>TOM Implications consistent with TOM direction of travel</p>	884		148		Low	Low	SNS1

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving	Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	ENV16	<p>Service/Section Description Traffic & Highways Further reductions in the highways maintenance contract costs following reprocurement. Part year effect in 17/18 due to contract start date mid year.</p> <p>Service Implication none - anticipated service standards at present at lower cost or scaling back through changes in specification / competitive dialogue to ensure cost savings</p> <p>Staffing Implications None</p> <p>Business Plan implications will almost certainly require specification / service standard changes to deliver required savings levels</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p> <p>TOM Implications consistent with TOM direction of travel in maximising procurement savings .</p>	650		65	65	Medium	Medium	SP2
	ENV17	<p>Service/Section Description Traffic & Highways Reduction in reactive works budget</p> <p>Service Implication Reduction in carriageway and footpath reactive maintenance with possible increase in insurance claims.</p> <p>Staffing Implications None</p> <p>Business Plan implications Reduction in response times and possibly intervention threshold.</p> <p>Impact on other departments Increase in corporate services insurance workload</p> <p>Equalities Implications None</p> <p>TOM Implications consistent with TOM direction of travel</p>	650		30	35	Low	Medium	SNS2
	ENV18	<p>Service/Section Description Greenspaces Increased income from events in parks</p> <p>Service Implication Increased income through a broader range of commercial opportunities - over and above those previously agreed.</p> <p>Staffing Implications Some unquantified extra resource likely to be required, linked to the business case for each initiative.</p> <p>Business Plan implications In line with the TOM outcomes</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p> <p>TOM Implications In line with the TOM direction of travel</p>	231		100	100	Medium	Medium	SI2

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving	Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	ENV19	<p>Service/Section Description Greenspaces Planned re-distribution of North East Surrey Crematorium funds to be used to offset costs associated with the running of the Council's cemeteries. This is expected to be min £80k from 17/18 and for min 8 years . Unringfenced .</p> <p>Service Implication None</p> <p>Staffing Implications None</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p> <p>TOM Implications No TOM implications</p>	N/A		90		Low	Low	SNS1
	ENV20	<p>Service/Section Description Development & Building Control Increased income from building control services.</p> <p>Service Implication Increased income through a broader range of commercial opportunities - over and above those previously agreed.</p> <p>Staffing Implications None</p> <p>Business Plan implications In line with the TOM outcomes</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p> <p>TOM Implications In line with the TOM outcomes however care will be needed to ensure there is no duplication of commercial income counting .</p>	935		35	35	Medium	Low	SI2
	ENV21	<p>Service/Section Description Greenspaces Reduction in the grant to Wandle Valley Parks Trust</p> <p>Service Implication Impact on the core operating budget of the Wandle Valley Parks Trust.</p> <p>Staffing Implications None</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p> <p>TOM Implications Consistent with TOM direction of travel</p>	12		6		Low	Medium	SG2

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving	Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
	ENV22	<p>Service/Section Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p> <p>TOM Implications</p>	<p>Greenspaces Reduction in grant to Mitcham Common Conservators. May result in reduction in grant from LB Croydon and Sutton; would be offset by the income generation of the Conservators through their assets.</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>Consistent with TOM direction of travel</p>	48		24		Low	Medium	SG2
	ENV23	<p>Service/Section Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p> <p>TOM Implications</p>	<p>Greenspaces Further savings from the phase C procurement of Lot 2. Anticipated additional savings through the commercial dialogue that will take place as part of the phase C procurement of Lot 2.</p> <p>None; in line with current procurement process</p> <p>None; in line with current procurement process</p> <p>None</p> <p>None</p> <p>Consistent with TOM direction of travel</p>	3,648		160		Medium	Medium	SP1
	ENV24	<p>Service/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p> <p>TOM Implications</p>	<p>Future Merton Cease subscription to Urban London and Future London Leaders from service budgets and prioritise the use of corporate training and development budgets to pay for these activities that provide considerable professional development courses and represent very good value for money.</p> <p>None</p> <p>None</p> <p>None</p> <p>Would require corporate learning and development to prioritise these training opportunities.</p> <p>None</p> <p>Consistent with TOM direction of travel</p>	18		10		Low	Low	SNS2

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving	Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
	ENV25	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Waste Department restructure of the waste section Moving from a support function towards a commercialised commissioning and clienting service post Phase C contract award equivalent of c5fte [of 13.19fte] across all levels of staff To be assessed following contract award and SLWP clienting requirements TBC TBC Consistent with TOM direction of travel</p>	514		191		Low	Medium	SS2
	ENV26	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Waste Operations: waste collection Re-balancing of rounds Reduced overtime payments and additional staff requirements for current heavy collection. Will impact on days of collection for some residents across the Borough. Heavy Days (Thursday and Friday) Reduction in overtime and agency usage TBC Consistent with TOM direction of travel</p>	2,568		20		Medium	Medium	SNS1
	ENV27	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Waste Services Remove free provision of food waste liners Potential reduction in participations levels None Potential reduction in recycling / composting performance. None To be completed Consistent with TOM direction of travel</p>	137		66		Low	Medium	SNS2
	ENV28	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Waste Services: waste disposal Divert gully waste and mechanical Street sweepings from landfill through pre-treatment and recycling None(assumes tipping at Garth Rd WTS) None Increase in waste diversion None - procurement will be required None Consistent with TOM direction of travel</p>	4,360		37		Low	Low	SP1

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving	Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
	ENV29	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	Waste Services: recycle income Realign budget to reflect actual income achieved through sale of textiles None None None None None Consistent with TOM direction of travel	N/A		20		Low	Low	SP1
	ENV30	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	Waste Services: Garden waste service Increase annual subscription fees by £5 p.a. Possible reduction in subscriptions None Potential reduction in recycling / composting performance. None To be undertaken Consistent with TOM direction of travel	(329)		30		Low	High	SI1
	ENV31	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	Waste Operations Commencing charging schools for recyclable waste (17/18) and food waste (18/19) collection Possible loss of contracts to private sector None Potential impact on overall waste diversion tbc to be completed Consistent with TOM direction of travel	N/A		102	9	Low	Medium	SI1
	ENV32	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	Transport Services: Review of Business Support requirements Post Phase C there will be a change in the Business Support requirements, following the loss of much of the fleet management to the new contractor. It is anticipated that this will lead to a reduction in 1FTE Reduction of 1 fte [of 8.33fte] Saving would result in a reduction in client budgets. Consistent with TOM direction of travel	311			30			SS2
Total Environment and Regeneration Savings				0	2,013	524				

Total Environment and Regeneration Savings Target	0	1,435	4,764	6,199
--	----------	--------------	--------------	--------------

(SURPLUS)/ SHORTFALL	0	(578)	4,240	3,662
-----------------------------	----------	--------------	--------------	--------------

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	ENV33	Service/Section Description	Parking Services Development of emissions based charging policy for resident/business permits recognising the damage particularly from diesel engine motor vehicles	N/A		250		Medium	High	SI1
		Service Implication	Will have no impact on service - same volume of permits will still be issued but greater variety . Links with DVLA will provide info							
		Staffing Implications	Initially resource intensive to develop policy, but there after little impact expected.							
		Business Plan implications	Will encourage cleaner air quality and contribute to public health agenda							
		Impact on other departments	Potential impact initially on EH (P) team during development of policy.							
		Equalities Implications	None anticipated as vehicle emissions has no known correlation with equalities groups							
		TOM Implications	This has not previously been explored in TOM work and is completely new area of service development which has been brought forward in light of air quality management issues across London.							
	ENV34	Service/Section Description	Property Management Increased income from the non-operational portfolio. Undertaken through a the review of the rent reviews timetabled as part of existing leases.	(4,022)		8	40	Low	Low	SI1
		Service Implication	Capital investment would be required following the completion of the non-operational estate asset review (summer 2015) to determine properties and land interests that would increase in rental income through capital investment. There is currently monies contained within the capital programme - any further investment would require individual business cases to be approved for further capital investment.							
		Staffing Implications	Part of the current team's core work.							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							
		TOM Implications	consistent with TOM direction of travel							

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	ENV35	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Waste Operations Efficiency measures to reduce domestic residual waste rounds by 1 crew following analysis of waste volumes and spread across week There may be a requirement to change the waste presentation policy, where residents will be permitted to present waste on the pavement rather than with in their property boundary on the day of collection only. Reduction of 4 FTE [though this saving would be taken as part of Phase C procurement if timetable goes to plan] None Transport None anticipated	2,568			150	High	High	SNS1
	ENV36	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	Waste Services: Neighbourhood recycling Review and removal of NRCs Reduction in outlets for residents to recycle domestic waste. Reducing ongoing maintenance, cleaning and fly tp removal requirements None Potential reduction in recycling performance partly mitigated by potential reduction in fly-tips at some of these sites None To be completed - focus on residents in flats Consistent with TOM direction of travel	4,360		50		Medium	High	SNS2

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Panel	Ref	Description of Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	ENV37	Service/Section Description	Transport: Workshops develop business opportunities to market Tacho Centre to external third parties	N/A			35	Medium	Low	SI2
		Service Implication	Will need to ensure capacity is available to avoid conflict with in-house requirements							
		Staffing Implications	None							
		Business Plan implications	None though this would be part of Phase C and external contractor work if procurement goes to timetable .							
		Impact on other departments	Saving would result in a reduction in client charges / budgets .							
		Equalities Implications	None anticipated							
		TOM Implications	Consistent with TOM direction of travel							
Total Environment and Regeneration Savings					0	308	225			

Previously agreed savings and/or current budget pressures

DEPARTMENT: ENVIRONMENT AND REGENERATION

Budget Process	Ref	Service	Description of Saving	2013/14 £000	2016/17 £000	2017/18 £000	Additional Budget Pressure	TOTAL
2012/15	ER25	Commercial Services	Commercial Waste and Recycling – This is an area where there is potential to income generate, the financial environment for the in house collection will improve with the withdrawal of the LATS requirement as well as reductions in disposal costs as "Phase B" goes live. At the present time the service is making a small surplus but with increased investment in the service and a marketing plan in place, this could grow by around £500K over the next year or two. It is too early to present substantiated proposals and a monitoring process has been put in place to enable us to determine later on in the year whether increased income can be projected for next year and beyond.	150			250	
2015/18	EV08	Waste disposal	Increased recycling rate by 3% following education and communications activity funded by WCSS. This will be driven by the incentivisation and education programme due to commence in March 2014.			-250		
		Traffic & Highways	As a result of a clearer understanding of guidelines and actual patterns of expenditure the section charges a lower level of highways maintenance spend to Capital than previously and, as a result, incurs increased revenue costs that are not sustainable.				464	
		Parking Services	Capital costs of c£1.3m are required in 2015/16, which will be funded from anticipated fines from moving traffic contraventions in the first year of operation. An adjustment to the capital programme will be made.		-1,300			
		Parking Services	The proposed Deregulation Bill regarding the enforcement of static contraventions using CCTV, will result in the net loss to the authority of around £550K.				550	
Total Environment and Regeneration				150	-1,300	-250	1,264	1,664

Alternative savings proposal and budget pressure mitigation

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Budget Process	Ref	Service	Description of Saving	2013/14 £000	2016/17 £000	2017/18 £000		
	EV12	Parking Services	Earlier Introduction of unattended automatic number plate recognition CCTV parking enforcement cameras at fixed locations. This has been agreed in previous budget setting for 16/17 financial year and is proposed to be brought forward following clarification of investment needs and procedures. ANPR will deliver efficient management of moving traffic offences and improve congestion, road safety, bus journey times and traffic flow through the borough		-1,300	-250		
Total Environment and Regeneration				0	-1,300	-250		1,664

Previously Agreed Savings

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Ref	Description of Saving	2016/17 £000	2017/18 £000	2018/19 £000
ER07	<p>Level 1</p> <p>1)</p> <p>Development & Building Control</p> <p>The Government are proposing changes to the current charging model for DC. This would mean that the council will be able to set its own fees (levels are currently prescribed) in order to recover the full cost of delivering a number of services in this area, although it will not be able to make a profit.</p>	200		
EN09	<p>Service/Section Description</p> <p>Building and Development Control</p> <p>Mobile/home working. Less commuting time for DC and enforcement officers who can go directly to site without visiting the office. Will require fully functional IT systems to be in place.</p> <p>Service Implication</p> <p>During the implementation period there may be a limited impact on service delivery.</p> <p>Staffing Implications</p> <p>reduce 1FTE</p> <p>Business Plan implications</p> <p>It is intended that the introduction of this initiative will allow staff to carry out site inspections in a more timely and efficient manner.</p> <p>Impact on other departments</p> <p>Initially a reduced ability to help coordinate wider council strategies</p> <p>Equalities Implications</p> <p>none</p>	40		
EN11	<p>Service/Section Description</p> <p>Building and Development Control</p> <p>Staff reduction. DC deputy area team leader</p> <p>Service Implication</p> <p>Although the loss of this post could be partially managed by reallocation of responsibilities as part of development of TOM, the loss of this post may have a significant impact on ability to meet statutory performance targets in respect of major regeneration proposals in the borough. Reduced support for team leaders and reduced mentoring support for team members.</p> <p>Staffing Implications</p> <p>reduce 1FTE</p> <p>Business Plan implications</p> <p>Impact on ability to meet major applications targets</p> <p>Impact on other departments</p> <p>reduced ability to help coordinate wider council regen strategies</p> <p>Equalities Implications</p> <p>none</p>	52		

Previously Agreed Savings

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Ref	Description of Saving	2016/17 £000	2017/18 £000	2018/19 £000	
E&R28	<p>Service/Section</p> <p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p>Building and Development Control</p> <p>Proposed shared services with Wandsworth incorporating: Shared enforcement and admin teams and investigation of other shared service options 1) Increased income generation from planning performance agreements and revised pre application charging 2) Joint re-procurement of M3 Northgate systems 3) Improved efficiency and resilience with larger teams. 4) Eliminate postal consultations 5) Efficiencies delivered through Mobile and flexible working arrangement rollout and other TOM improvements 6) Potential outsourcing of admin scanning functions 7) Potential outsourcing of admin scanning functions At this stage it would be premature to predict exactly how the savings will be delivered. However, a consultant has been appointed and is starting the assessment.</p> <p>Still to be determined as the scope of the review is still to be finalised. Shared services joint review commissioned with Wandsworth and due to be finalised early 2015. Saving spread over 2 years in same way as Shared regulatory service to allow for management restructure followed by frontline and process savings .</p> <p>Still to be determined through the shared services report. Likely impact on management levels, enforcement and admin functions and working arrangements.</p> <p>consistent with Transformation Plan</p> <p>unknown at present</p> <p>unknown at present</p>		157	

Previously Agreed Savings

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Ref	Description of Saving	2016/17 £000	2017/18 £000	2018/19 £000
E&R29	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Building & Development Control Enhanced pre-application process. This is in addition to previous savings proposals. Generating more additional income from Planning Performance Agreements as opposed to the normal pre-application process</p> <p>The additional work pressure may impact on performance and delivery of regeneration projects as the PPA income is meant to be reinvested in the service to deliver such projects and this will not be the case.</p> <p>No changes although there will be additional pressure on existing staff to deliver.</p> <p>Potential impact on performance figures especially in relation to major schemes. Reduced ability to deliver regeneration projects in the borough.</p> <p>none</p> <p>none</p>	40		
E&R30	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p> <p>Building & Development Control - Planning Enforcement Reduce staffing levels within the enforcement team by 2 FTE's</p> <p>There are currently 4 FTE's dealing with enforcement so the team will be halved resulting in insufficient resources available to undertake the current work load. A significant backlog will quickly develop.</p> <p>Reduce the staff dealing with enforcement investigations in the team by 1 team leader and 1 officer.</p> <p>It will not be possible to investigate the current level of enforcement cases and a backlog will quickly develop resulting in more complaints and possible ombudsman awards against the Council</p> <p>Joint enforcement investigations will be severely hindered.</p> <p>none</p>	80		
Total Environment and Regeneration Savings		412	157	0

Previously Agreed Savings

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Ref	Description of Saving	2016/17 £000	2017/18 £000	2018/19 £000
-----	-----------------------	-----------------	-----------------	-----------------

Alternative Savings Proposals

Service/Section	Building & Development Control						
Description	Review of service through shared service discussions with neighbouring boroughs - delaying the imlemntation of the 2016/17 savings to 2017/18.		569		Medium	Medium	SS2
Service Implication	To be determined through shared service discussions						
Staffing Implications	To be determined through shared service discussions						
Business Plan implications	To be determined through shared service discussions						
Impact on other departments	None.						
Equalities Implications	None.						
TOM Implications	In line with the TOM.						
Total Environment and Regeneration Savings		0	569	0			

Previously Agreed Savings

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000
ER23	Level 1	1) Future Merton It is proposed to change working practices for the remainder of the team and charge 10% of salaries to the capital budgets. This process can also be applied to the Council's £5.2m regeneration capital programme, encompassing the town centre regeneration and economic development programmes. The ability to charge costs against disposals where the Council is not obtaining an asset are limited to 4% of the capital receipt.	414		
Total Environment and Regeneration Savings			414	0	0

Alternative Savings Proposals

Ref	Description of Saving	Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	Future Merton Staff savings from 6th month review following the merger of the traffic and highways and the FutureMerton team in to one team and further budget savings/adjustments within the controllable expenditure budgets 5-8 FTEs and merger of existing posts Possible reduction in the amount of external funding that the team has the capacity to bid for. None. None. In line with the TOM.	130	214		Medium	Medium	SS2
	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications	Property Management Restructure of team to provide more focus on property management and resilience within the team. Loss of 1 FTE and the introduction of graduate trainee roles to fill vacant positions. None. None. None. In line with the TOM	52	18		Low	Low	SS2
Total Environment and Regeneration Savings			182	232	0			

Previously Agreed Savings**DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS**

Budget Process	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000
2015/18	E&R14	Service/Section	Regulatory Services			
		Description	Further expansion of the shared service.	100		
		Service Implication	This is new business development associated with potential new partners joining the existing shared			
		Staffing Implications	None			
		Business Plan implications	In line with Reg.Services TOM			
		Impact on other departments	None			
		Equalities Implications	None			
Total Environment and Regeneration Savings				100	0	0

Deferred Savings Proposals**DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS**

Budget Process	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000
2014/17	E&R14	Service/Section	Regulatory Services			
		Description	Further expansion of the shared service.	-100	100	
		Service Implication	This is new business development associated with potential new partners joining the existing shared regulatory services partnership. The estimate is based on two new boroughs joining the partnership.			
		Staffing Implications	None			
		Business Plan implications	In line with Reg.Services TOM			
		Impact on other departments	None			
		Equalities	None			
Total Environment and Regeneration Savings				-100	100	0

Previously Agreed Savings**DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS**

Budget Process	Ref	Description of Saving		2015/16 £000	2016/17 £000	2017/18 £000
2012/15	ER10	Service/Section Description	Regulatory Services Merton, Sutton, Kingston, Richmond and Croydon are in the process of exploring the possibility of sharing regulatory services or of one authority becoming the lead provider of services for other council(s). Merton is relatively well placed to act as lead provider in a number of service areas as a result of the high level of professional expertise and knowledge that is not reflected in the other boroughs involved. This approach would maintain a level of resilience.	230		
Total Environment and Regeneration Savings				230	0	0

Alternative Savings proposals**DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS**

Budget Process	Ref	Description of Saving		2015/16 £000	2016/17 £000	2017/18 £000
2012/15	ER10	Service/Section Description	Regulatory Services The Regulatory Services Partnership (RSP) between Merton and Richmond is in the process of implementing Phase 2 of their restructure, which is expected to achieve a saving of £196k. Therefore, in order to meet the savings shortfall of £34k, whilst at the same time removing an unachievable salary capitalisation budget of £24k, it is proposed to increase both the street trading licensing income budget by £30k (to align it more accurately with actuals), and the skip licenses income budget within Parking Services (to align it more accurately with actuals). N.B. Neither of these proposals will result in an increase to actual fees being charged.	230		
Total Environment and Regeneration Savings				230	0	0

Previously Agreed Savings

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Panel	Ref	Description of Saving		2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
2015/18	E&R43	Service/Section Description Service Implication Staffing Implications Business Plan Impact on other Equalities Implications TOM Implications	Safer Merton Reductions in staffing across Safer Merton Reduction of our Community Safety offer to a statutory minimum which would be ASB , Annual Strategic Assessment, some Domestic Violence work, and limited strategic / partnership activity. 2-3 FTEs to be deleted This is in line with the team's TOM. Council wide Crime affects all members of the Community . Higher levels of crime are reported in more deprived parts of the borough and any reduction in capacity would potentially affect these areas more . None	70	High	High	SS2

Alternative Savings proposals

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Panel	Ref	Description of Saving		2017/18 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
2015/18	E&R43	Service/Section Description	Safer Merton Reprofiling how Safer Merton will achieve savings of £70,000 in 2017-18. The reprofiling will see staff levels maintained and budget reductions met through cutting back on non statutory budgetary spend.	70	High	High	SNS1
		Service Implication	By reviewing every single budget line within Safer Merton's full budget profile we have identified a range of efficiencies to be made. The service will operate only with essential spend requirements and we will remove large, non statutory service costs. By making savings from each cost line we will achieve budget reduction without the need to further reduce staffing levels				
		Staffing Implications	No reduction in staff				
		Business Plan implications	In line with the TOM				
		Impact on other departments	No additional impacts. Addressing crime and disorder remains a council wide responsibility				
		Equalities Implications	Crime affects all areas of the borough and all of the communities whom live within it. The partnerships response to these issues requires a strong Safer Merton service and as such not reducing staffing further is vital to achieving this outcome				
		TOM Implications	None				

Previously Agreed Saving

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS

Panel	Ref	Description of Saving		2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
2015/18	EV08	Service/Section Description	Waste disposal Increased recycling rate by 3% following education and communications activity funded by WCSS. This will be driven by the incentivisation and education programme due to commence in March 2014.	250			Medium	Medium	SNS1
		Service Implication	None						
		Staffing Implications	None						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						
		TOM Implications	None						

Deferred Savings proposal

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS

Panel	Ref	Description of Saving		2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	EV08	Service/Section Description	Waste disposal Increased recycling rate by 3% following the introduction of service changes proposed as part of the Phase C Lot 1 contract. It is expected that the introduction of alternate weekly collections of residual waste will drive up recycling activity and increase participation in the food waste service (which will continue as a weekly collection service)			250	Medium	Medium	SNS1
		Service Implication	None						
		Staffing Implications	None						
		Business Plan implications	Improved recycling performance						
		Impact on other departments	None						
		Equalities Implications	None						
		TOM Implications	The phase C procurement is reflected in the TOM as is the drive to increase and maximise recycling opportunities through the contract.						

Savings Type

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

Previously Agreed Savings

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Budget Process	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
2015/18	D&BC	Service/Section Description	Building & Development Control Review of service through shared service discussions with neighbouring boroughs - delaying the implementation of the 2016/17 savings to 2017/18.		569		Medium	Medium	SS2
		Service Implication	To be determined through shared service discussions						
		Staffing Implications	To be determined through shared service discussions						
		Business Plan implications	To be determined through shared service discussions						
		Impact on other departments	None.						
		Equalities Implications	None.						
		TOM Implications	In line with the TOM.						

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Budget Process	Ref	Description of Saving	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
Alternative Savings Proposals									
SC	D&BC1	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Building and Development Control Fast track of householder planning applications New processes to be implemented and securely embedded None. Sufficient staff will have to be retained to service the concept. Failure to deliver properly and the service will not be used thereby eliminating the income generation. Increased income None None In line with TOM proposals</p>		55		Low	Low	SI2
SC	D&BC2	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications Implications TOM Implications</p>	<p>Building and Development Control Growth in PPA and Pre-app income Responsiveness to service requests should not change. As the service/income improves extra staffing will be needed and funded from a proportion of that extra income. Increased income Future Merton could also need to adjust staffing accordingly none In line with TOM proposals</p>		50		Medium	Low	SI2

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Budget Process	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	D&BC3	Service/Section Description	Building and Development Control Commercialisation of building control		50		High	Low	SI2
		Service Implication	This has so far proven difficult mainly due to recruitment issues						
		Staffing Implications	Will need an invest to save with any additional staff funded by some of the increased income generation						
		Business Plan implications	Increased income						
		Impact on other departments	None . Expanded team could better support other internal users						
		Equalities Implications	None						
		TOM Implications	Integral part of the TOM for BC						
SC	D&BC4	Service/Section Description	Building and Development Control Deletion of 1 FTE (manager or deputy)		45		Low	High	SS2
		Service Implication	25% reduction in investigation capability. New processes required to reduce the need for investigations.						
		Staffing Implications	reduction of 1 FTE						
		Business Plan implications	New performance measures will need to be agreed						
		Impact on other departments	Reduced support for joint enforcement investigations						
		Equalities Implications	none						
		TOM Implications	New eforms and investigation criteria will need to be embedded in accordance with the TOM						

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Budget Process	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	D&BC5	Service/Section Description	Building and Development Control Eliminate the Planning Duty service (both face to face and dedicated phone line)		35		Low	High	SS2
		Service Implication	Callers will still try to contact officers by other means in any event, so there will have to be a clear understanding and agreed supported message that such calls will not be dealt with. Web site self service improvements will be required						
		Staffing Implications	Reduce by 1FTE						
		Business Plan implications	none						
		Impact on other departments	Less assistance for pre app enquiries (unless charged)						
		Equalities Implications	reduced assistance for all residents in understanding the planning process						
		TOM Implications	Reduced customer care, contrary to the general aims of TOM						
SC	D&BC6	Service/Section Description	Building and Development Control Stop sending consultation letters on applications and erect site notices only		10		Low	Medium	SNS2
		Service Implication	Site notices will be mandatory so failsafe system to be devised						
		Staffing Implications	none						
		Business Plan implications	None						
		Impact on other departments	none						
		Equalities Implications	Those without web site connections will find it difficult to search for application details						
		TOM Implications	None						

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Budget Process	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	D&BC7	Service/Section Description	Building and Development Control Shared service collaboration with Kingston/Sutton			50	Low	Low	SI2
		Service Implication	Combined analysis of service delivery should result in further additional income streams from PPA's and Pre-apps and more efficient working practices across the service						
		Staffing Implications	Additional service demand may need more staff. Efficiencies should result in less staff.						
		Business Plan implications	Increased income, PPA's and pre apps						
		Impact on other departments	None						
		Equalities Implications	None						
		TOM Implications	Significant progress on one of the main TOM strategies						
SC	D&BC8	Service/Section Description	Building and Development Control Review of service through shared service discussions			274	High	Medium	SI1; SI2; SS1; SS2;SNS1; SNS2
		Service Implication	To be determined through shared service discussions						
		Staffing Implications	To be determined through shared service discussions						
		Business Plan implications	To be determined through shared service discussions						
		Impact on other departments	None.						
		Equalities Implications	None.						
		TOM Implications	In line with the TOM.						
TOTAL				0	245	324			
NET				0	324	-324			

Previously Agreed Savings

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2016/17

Budget Process	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
2015/18	D&BC 6	Service/Section Description	Building and Development Control Stop sending consultation letters on applications and erect site notices only		10		Low	Medium	SNS2
		Service Implication	Site notices will be mandatory so failsafe system to be devised						
		Staffing Implications	none						
		Business Plan implications	None						
		Impact on other departments	none						
		Equalities Implications	Those without web site connections will find it difficult to search for application details						
		TOM Implications	None						

Alternative Savings Proposals

Panel	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	D&BC 6	Service/Section Description	Building and Development Control Increase in income from July 2017 as a result of the decision by Central Government to approve an increase in planning fees. A 20% increase will be agreed as set out in the White Paper of February 2017.		10		Low	Low	SI1
		Service Implication	None						
		Staffing Implications	None						
		Business Plan implications	Increased income						
		Impact on other departments	None						
		Equalities Implications	None						
		TOM Implications	None						

Savings Type

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

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2017/18

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ENR1	Service/Section Description	Regulatory Services Further expansion of the shared service.				100	Med	Low	SI2; SS1; SNS1
		Service Implication	This is a new business development associated with new partners over and above those we are already in discussion with joining the RSP							
		Staffing Implications	TBC							
		Business Plan implications	In line with TOM aspirations							
		Impact on other departments	Potential increased demand on support services during set up period							
		Equalities Implications	None							
		TOM Implications	In line with TOM aspirations							
SC	ENR2	Service/Section Description	Parking & CCTV Services Pay & Display Bays (On and off street)			44	0	Low	High	SI1
		Service Implication	This proposal involves the introduction of a charge for something that is provided for free at the moment. Currently we make provision for motor cycle and Blue Badge holders to park for free in pay and display bays both on and off street.							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	This will have a negative implication for persons who are RDP.							
		TOM Implications	Would not be consistent with overall aspiration of improved service to customers.							

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2017/18

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ENR3	Service/Section Description	Parking & CCTV Services Increase the cost of existing Town Centre Season Tickets in Morden, Mitcham and Wimbledon.		16	17	0	Low	Med	SI2
		Service Implication	None							
		Staffing Implications	Modest implications related to administration and enforcement associated with permits.							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							
		TOM Implications	Broadly consistent with TOM							
SC	ENR4	Service/Section Description	Parking & CCTV Services Charge local business' for monitoring of their CCTV				100	Med	Low	SI2
		Service Implication	Expanded CCTV service							
		Staffing Implications	May require additional CCTV monitoring staff. The figure of 100k is net of any "invest to save" cost.							
		Business Plan implications	Expansion of service							
		Impact on other departments	None							
		Equalities Implications	None							
		TOM Implications	Consistent with TOM objective of growing the CCTV service and developing it's commercial offer.							

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2017/18

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ENR5	Service/Section Description	Transport Services Delete 1 Senior Management post			76	0	Med	Low	SS2
		Service Implication								
		Staffing Implications	reduction of 1 fte							
		Business Plan implications	None							
		Impact on other departments	dependant on new clienting structure in 'Public Space, Contracting and commissioning dept'							
		Equalities Implications	NONE							
		TOM Implications	dependant on outcome of Fleet Review							
SC	ENR6	Service/Section Description	Waste Services Wider Department restructure			200	0	High	Low	SS2
		Service Implication	Moving from a support function towards a commercialised commissioning and clienting service across the wider Public Space and Commissioning / Contract management team.							
		Staffing Implications	Equivalent of a reduction of c5 -6FTE across a range of grades							
		Business Plan implications	To be assessed following service changes and mobilisation of Phase C contracts.							
		Impact on other departments	TBC							
		Equalities Implications	TBC							
		TOM Implications	Consistent with TOM direction of travel							

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2017/18

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ENR7	Service/Section Description	Transport Services Shared Fleet services function with LB Sutton			10	0	Med	Low	SI2
		Service Implication	Additional administration for c40 vehicles							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							
		TOM Implications	This proposal is set out in the Council's Transport TOM and accords with maximising income from third parties.							
SC	ENR8	Service/Section Description	Property Mangement Increased income from rent reviews			150	0	Med	Low	SI1
		Service Implication	None							
		Staffing Implications	Increased workload managed within existing staff team							
		Business Plan implications	Increased income from existing assets							
		Impact on other departments	Increased legal and corporate finance input							
		Equalities Implications	None							
		TOM Implications	In line with TOM proposals							

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2017/18

Panel	Ref	Description of Saving		Baseline Budget 16/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ENR9	Service/Section Description	Waste disposal Increase level of Enforcement activities of internal team ensuring the operational service is cost neutral				200	High	Low	SNS1
		Service Implication	None							
		Staffing Implications	Skills Gap - Reduced level of engagement shifting focus to enforcement activities							
		Business Plan implications	Reduces level of engagement / inspections							
		Impact on other departments	ICT - Upgrade to the current system may be required, as well as mobile devices for staff.							
		Equalities Implications	None							
		TOM Implications	None							
Total Environment and Regeneration Savings					16	497	400			

Savings Type

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

Panel

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

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
2013/14							
CH01	Adult Social Care	Below inflation uplift to third party suppliers	38,465				
CH02	Adult Social Care	Promoting Independence	1,657				
CH03	Adult Social Care	Brokerage Efficiency savings, by finding the best value option and setting personal budgets on this basis	5,357				
CH04	Adult Social Care	Reduce Management costs and reduction in staffing costs	453				
CH05	Adult Social Care	Realise benefits of new prevention programme in terms of reduced demand for statutory services, or alternatively if these benefits have not occurred then to reduce investment in the prevention programme through reduced grants to Voluntary Organisations.	1,556				
CH06	Adult Social Care	Voluntary Organisations - SLA reduction	1,556				
CH07	Adult Social Care	Direct Provision - Day services options (staff reduction)	454				
CH08	Adult Social Care	Transport	278				
CH09	Adult Social Care	Remodelling and re-procuring the domiciliary care service, following the end of the 3 year contract starting in 2012.	7,295				
CH10	Adult Social Care	Procurement Opportunities	5,357				
CH11	Adult Social Care	Restructuring Supporting People, continuing the mainstreaming of the procurement process, and reducing overall expenditure within these contracts	2,666				
		Sub-total Adult Social Care		0	0	0	0

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CH12	Housing Needs	Homelessness Prevention Grant	500				
CH13	Merton Adult Education	The saving of £240k in this year put forward in 2011 cannot be realistically delivered, as this would significantly exceed the total calculated overheads costs for which full cost recovery is expected. This saving is therefore being removed and alternative savings elsewhere in the department being found.	n/a				
CH14	Merton Adult Education	Income generation	(564)				
CH15	Merton Adult Education	Staffing cost reductions	1,108				
Total Community and Housing Savings 2013/14				0	0	0	0
2014/15							
CH1	Commissioning	Placement budget: Further reduction of the ASC placement budget, increasing the targets on 3 already agreed and ambitious proposals as follows:	36,658	107			
CH2	Placements	Remodelling and re-procuring the domiciliary care service, following the end of the 3 year contract starting in 2012	36,658	107			
CH3	Placements	Procurement Opportunities (Placement budget)	36,658	108			
Total Commissioning & Placements				322	0	0	0
CH4	Access & Assessment	Staffing reductions across Access and Assessment	5,895	0			

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Total Access & Assessment				0	0	0	0
CH5	Library & Heritage Service	Reduction in media fund	513	0			
CH6	Library & Heritage Service	Increase income	333	0			
CH7	Library & Heritage Service	Introduce self-serve libraries at off peak times	1,224	90			
Total Library & Heritage Service				90			
CH8	Housing Needs & Enabling	Reduction of Homelessness Prevention Grant	400	0			
CH9	Housing Needs & Enabling	Rationalisation of admin budget	172	36			
CH10	Housing Needs & Enabling	Deletion of one staffing post	1,048	36			
Total Housing Needs & Enabling				72	0	0	0
Total Community and Housing Savings 2014/15				484	0	0	0

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
2015/16							
CH19	Placements Income	Realignment of Placements Income Budgets . Client and CCG contribution income budgets are currently under-stated and will be adjusted to meet this income savings target.	(11,666)	0	0		
CH20	Access and Assessment Employees	Staff Savings - 12 FTE to be deleted in 2016/17, 12 FTE in 17/18, 12 FTE in 18/19 - These savings will come from across Access and Assessment, covering all service areas.	6,200	500	483		
CH21	Direct Provision Employees	Staff Savings - 11 FTE to be deleted	1,706	0	0		
CH22	Commissioning Employees	Staff Savings - 4 FTE to be deleted	996	0	0		
CH23	Directorate	Staff Savings - 0.46 FTE to be deleted	657	0	0		
CH24	Learning Disabilities - High Cost Packages	Review of High Cost Packages using the progression model	1,618	0	0		
CH25	Learning Disabilities - Medium Cost Packages	Review of Medium Cost Support Packages (£400 - £1,500 per week) using the progression model	7,019	0	0		
CH26	Learning Disabilities - Direct Payments	Review of all Direct Payments in Learning Disabilities using the progression model.	704	0	0		
CH27	Mental Health - Care Packages	Review of support packages within all areas of Mental Health services.	1,554	0	0		
CH28	Older People - Home Care	Review of Home Care within support packages	4,455	0	0		
CH29	Older People - Managing Crisis	Managing crisis (including hospital discharge) admissions to residential care.	5,267	0	0		
CH30	Older People - Direct Payments	Review of Direct Payments support packages	2,338	0	0		
CH31	Physical Disabilities - Direct Payments	Review of all Direct Payments for clients with physical disabilities using the progression model.	1,414	0	0		

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CH32	Physical Disabilities - Home Care	Review of Home Care within support packages	595	0	0		
CH33	Physical Disabilities - High Cost Packages	Review of PD Residential and 1-1 packages	856	0	0		
CH34	Substance Misuse Placements	Actively manage throughput in residential rehab placements	128	0	0		
CH35	CSF Supporting People contracts	We would reduce funding for contracts within the Supporting People area which support vulnerable young people	162	100	0		
CH36	Single homeless contracts (YMCA, Spear, Grenfell)	Reduce funding for contracts within the Supporting People area which support single homeless people	734	56	200		
CH37	Direct Provision	Residential and supported living management staff reductions	1,266	200			
CH38	Assessment and Commissioning	Placements budget reductions - An overall reduction in the placements budget of about 2% (NB: other savings from specific elements of the placements budget are listed above)	34,392	720	0		
CH39	Extra Care Sheltered Housing	A review of, and reduction in, the extra care sheltered housing provision.	753	0	450		
Total Adult Social Care Savings				1,576	1,133	0	0

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CH40	Housing Strategy	Housing Strategy officer - deletion of 1 FTE	94	0	0	0	0
CH41	Environmental Health Housing	Environmental health Technical officer deletion of 1 FTE	218	0	0	0	0
CH42	Housing Options	Housing options adviser deletion of 1.5 FTE	543	0	0	0	0
CH43	Housing Needs and Enablement Service and Environmental Health Housing	Further Staff reductions. This will represent a reduction in staff from any areas of the HNES & EHH.	1,102	100	62		
Total Housing General Fund Savings				100	62	0	0
CH44	Library & Heritage Service	Deletion of all administrative support	59	0	0	0	0
CH45	Library & Heritage Service	Reduction in activities programme	2	0	0	0	0
CH46	Library & Heritage Service	Withdrawal from annual CIPFA public library user survey (PLUS)	3	0	0	0	0
CH47	Library & Heritage Service	Reduction in volunteering contract	38	0	0	0	0
CH48	Library & Heritage Service	Reduction in media fund	239	0	0	0	0
CH49	Library & Heritage Service	Additional staff savings	1,070	38	0	0	0
CH50	Library & Heritage Service	Deletion of Projects & Procurement Manager post	184	22	0	0	0
Total Libraries Savings				60	-	-	-
Total Community & Housing Savings 2015/16				1,736	1,195	0	0

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
2016/17							
CH51	Adult Social Care NHS Income	Negotiate extra NHS funding for extra costs of Hospital Discharges - Circa £150k on packages, £50k on staff.	(£2,596)	0	0	0	0
CH52	Adult Social Care Supporting People Contracts	Review of remaining Supporting People Expenditure as much of it is a discretionary spending area.	£1,772	300	0	0	0
CH53	Adult Social Care Voluntary Sector Grants	Use funds from Public Health to fund the prevention strategy which is currently funded from grants.	£839	600	0	0	0
CH54	Adult Social Care Access, Assessment & Commissioning Staffing	Further staff reductions circa 4 FTEs in AA&C as processes improve and service user numbers reduce. FTE's affected will be 4 out remaining FTE's of 151-156.	£5,286	0	150		
CH55	Adult Social Care Access, Assessment & Commissioning 3rd Party Payments	Less 3rd party payments through "Promoting Independence" throughout the assessment, support planning and review process and across all client groups. Aim to reduce Res Care by £650k and Dom Care by £337k.	£33,798	0	987		
CH56	Description	Introduce a coffee shop franchise across 6 libraries	£0	0	30		
CH57	Housing Needs	Staff reduction in Housing Services	£929	50	118		
Total Community & Housing Savings				950	1,285	0	0

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CH01	Adult Social Care	Below inflation uplift to third party suppliers	£38,465				
CH03	Adult Social Care	Brokerage Efficiency savings, by finding the best value option and setting personal budgets on this basis	£5,357				
CH10	Adult Social Care	Procurement Opportunities	£5,357				
CH1	Adult Social Care Placements	Brokerage efficiency savings, by finding the best value option and setting personal budgets on this basis	£36,658				
CH2	Adult Social Care Placements	Remodelling and re-procuring the domiciliary care service, following the end of the 3 year contract starting in 2012	£36,658				
CH3	Adult Social Care Placements	Procurement Opportunities (Placement budget)	£36,658				
CH38	Adult Social Care Assessment and Commissioning	Placements budget reductions - An overall reduction in the placements budget of about 2% (NB: other savings from specific elements of the placements budget are listed above)	£34,392				
Total Community & Housing Savings Deleted October Cabinet 2015				0	0	0	0

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CH20	Adult Social Care	Staff reductions in Assessment and Commissioning teams. (Bring forward staff savings proposals from 2017/18 & 2018/19)		-500	-200		
CH3	Adult Social Care	Staffing reductions in Direct Provisions		-100	0		
CH38	Adult Social Care	CONTRACTS - South Thames Crossroads Caring for Carers		0	0		
CH1	Adult Social Care	CONTRACTS - Meals on Wheels (Sodexo)		0	0		
CH01	Adult Social Care	CONTRACTS - Supported accommodation mental health -Family Mosaic (Waldemar Road)		0	0		
CH02	Adult Social Care	CONTRACTS - day support Imagine Independence		0	0		
	Adult Social Care	Staffing savings- Directorate. This position is now funded from Public Health budget and no longer required.		0	0		
Total Community & Housing Savings Replacements October Cabinet 2015				-600	-200	0	0

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
CH65	Adult Social Care	Reduce management costs through "Joint Posts" in a shared service arrangement with a nearby LA/NHS Org.	£5,031	0	400		
CH66	Adult Social Care	Look at opportunities for shared services for in-house services	£3,886	0	400		
CH67	Library & Heritage	Shared Management Structure	£1,074	130	0		
CH68	Library & Heritage	Completion of Shared Library & Heritage Service Management Structure with another borough - £25k	£1,074	0	25		
CH69	Library & Heritage	Full rationalisation of staffing structures and building usage with another borough (phase 2) – Sum to be agreed	£1,074	0	23		
Total Community & Housing Savings Replacements December Cabinet 2015				130	848	0	0

Total Community & Housing Savings 2016/17				480	1,933	0	0
--	--	--	--	------------	--------------	----------	----------

				2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Total Community & Housing Full Year Effect of Savings Brought Forward				2,700	3,128	0	0

Ref	Original Saving	Description of Saving	Baseline Budget 14/15 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
	Cabinet 12 October 2016						
CH67	<u>Library & Heritage</u>	Shared Management Structure	1074	-130	0		
CH70	<u>Library & Heritage</u>	Additional staffing efficiencies and consolidation of branch managers		63			
CH71	<u>Library & Heritage</u>	Reduction in People's Network costs		40			
Total Community & Housing Savings Cabinet October 2016 Replacements				-27	0	0	0

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Ref	Original Saving		Baseline Budget 14/15 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
	Cabinet 12 December 2016	NEW SAVINGS 2017/18 Budget Process					
CH70	Home Care	With additional investment into the service we plan a full implementation of new Home Care contracts in second full year, transferring all legacy spot placements and incentivising providers to reduce packages of care.		0	0	301	
	<u>Library & Heritage</u>	Merton Arts Space income		0	0	38	
Total Community & Housing New Savings 2017/18				0	0	339	0
Total Community & Housing New Savings 2017-21				2,673	3,128	339	0
Total Community & Housing New Savings 2017-21 (cumulative)				2,673	5,801	6,140	6,140

DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2014/15

Ref	Service	Description of Saving	Baseline Budget 2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	
CH1	Commissioning	Placement budget: Further reduction of the ASC placement budget, increasing the targets on 3 already agreed and ambitious proposals as follows:	36,658	31	242	107	
CH2	Placements	Remodelling and re-procuring the domiciliary care service, following the end of the 3 year contract starting in 2012	36,658	31	242	107	
CH3	Placements	Procurement Opportunities (Placement budget)	36,658	32	244	108	
Total Commissioning & Placements					94	728	322
CH4	Access & Assessment	Staffing reductions across Access and Assessment	5,895	170	0	0	
Total Access & Assessment					170	0	0
CH5	Library & Heritage Service	Reduction in media fund	513	12	0	0	
CH6	Library & Heritage Service	Increase income	333	10	0	0	
CH7	Library & Heritage Service	Introduce self-serve libraries at off peak times	1,224	0	0	90	
Total Library & Heritage Service					22	0	90
CH8	Housing Needs & Enabling	Reduction of Homelessness Prevention Grant	400	35	56	0	
CH9	Housing Needs & Enabling	Rationalisation of admin budget	172	0	30	36	
CH10	Housing Needs & Enabling	Deletion of one staffing post	1,048	0	0	36	
Total Housing Needs & Enabling					35	86	72
Total Community and Housing Savings					321	814	484

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
CH19	Placements Income	Realignment of Placements Income Budgets . Client and CCG contribution income budgets are currently under-stated and will be adjusted to meet this income savings target.	(11,666)	220	0	0	0
CH20	Access and Assessment Employees	Staff Savings - 12 FTE to be deleted in 2016/17, 12 FTE in 17/18, 12 FTE in 18/19 - These savings will come from across Access and Assessment, covering all service areas.	6,200	0	511	500	483
CH21	Direct Provision Employees	Staff Savings - 11 FTE to be deleted	1,706	0	274	0	0
CH22	Commissioning Employees	Staff Savings - 4 FTE to be deleted	996	0	156	0	0
CH23	Directorate	Staff Savings - 0.46 FTE to be deleted	657	0	21	0	0
CH24	Learning Disabilities - High Cost Packages	Review of High Cost Packages using the progression model	1,618	0	100	0	0
CH25	Learning Disabilities - Medium Cost Packages	Review of Medium Cost Support Packages (£400 - £1,500 per week) using the progression model	7,019	0	400	0	0
CH26	Learning Disabilities - Direct Payments	Review of all Direct Payments in Learning Disabilities using the progression model.	704	0	£50	£0	£0
CH27	Mental Health - Care Packages	Review of support packages within all areas of Mental Health services.	1,554	0	76	0	0
CH28	Older People - Home Care	Review of Home Care within support packages	4,455	0	387	0	0
CH29	Older People - Managing Crisis	Managing crisis (including hospital discharge) admissions to residential care.	5,267	0	125	0	0
CH30	Older People - Direct Payments	Review of Direct Payments support packages	2,338	0	345	0	0
CH31	Physical Disabilities - Direct Payments	Review of all Direct Payments for clients with physical disabilities using the progression model.	1,414	0	134	0	0
CH32	Physical Disabilities - Home Care	Review of Home Care within support packages	595	0	48	0	0
CH33	Physical Disabilities - High Cost Packages	Review of PD Residential and 1-1 packages	856	0	60	0	0
CH34	Substance Misuse Placements	Actively manage throughput in residential rehab placements	128	0	6	0	0
CH35	CSF Supporting People contracts	We would reduce funding for contracts within the Supporting People area which support vulnerable young people	162	0	0	100	0
CH36	Single homeless contracts (YMCA, Spear, Grenfell)	Reduce funding for contracts within the Supporting People area which support single homeless people	734	0	0	56	200
CH37	Direct Provision	Residential and supported living management - staff reductions	1,266	0	0	200	
CH38	Assessment and Commissioning	Placements budget reductions - An overall reduction in the placements budget of about 2% (NB: other savings from specific elements of the placements budget are listed above)	34,392	0	17	720	0
CH39	Extra Care Sheltered Housing	A review of, and reduction in, the extra care sheltered housing provision.	753	0	0	0	450
Total Adult Social Care Savings				220	2,710	1,576	1,133
CH40	Housing Strategy	Housing Strategy officer - deletion of 1 FTE	94	0	43	0	0
CH41	Environmental Health Housing	Environmental health Technical officer deletion of 1 FTE	218	0	33	0	0
CH42	Housing Options	Housing options adviser deletion of 1.5 FTE	543	0	53	0	0

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	
CH43	Housing Needs and Enablement Service and Environmental Health Housing	Further Staff reductions. This will represent a reduction in staff from any areas of the HNES & EHH.	1,102	0	0	100	62	
Total Housing General Fund Savings						129	100	62
CH44	Library & Heritage Service	Deletion of all administrative support	59	0	26	0	0	
CH45	Library & Heritage Service	Reduction in activities programme	2	0	2	0	0	
CH46	Library & Heritage Service	Withdrawal from annual CIPFA public library user survey (PLUS)	3	0	3	0	0	
CH47	Library & Heritage Service	Reduction in volunteering contract	38	0	20	0	0	
CH48	Library & Heritage Service	Reduction in media fund	239	0	45	0	0	
CH49	Library & Heritage Service	Additional staff savings	1,070	0	0	38	0	
CH50	Library & Heritage Service	Deletion of Projects & Procurement Manager post	184	0	0	22	0	
Total Libraries Savings						96	60	-
Total Community & Housing Savings				220	2,935	1,736	1,195	

DEPARTMENT: Community and Housing

Panel	Ref	Description of Saving	Baseline Budget 15/16	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
Adult Social Care									
		Service	NHS Income						
HC&OP	CH51	<p>Description Negotiate extra NHS funding for extra costs of Hospital Discharges - Circa £150k on packages, £50k on staff.</p> <p>Service Implication This funds the increased volume of work to assess people and arrange packages of support for them.</p> <p>Staffing Implications Need to work efficiently and effectively to undertake the higher volume of work.</p> <p>Business Plan implications This support to ensure prompt discharge is consistent with the business plan commitment to support independence.</p> <p>Impact on other departments None.</p> <p>Equalities Implications None.</p> <p>TOM Implications None. This plan achieves a better alignment between funding levels and increased activity levels.</p>	(£2,596)	£200	£0	0	H	L	SI2
		Service	Supporting People Contracts						
HC&OP	CH52	<p>Description Review of remaining Supporting People Expenditure as much of it is a discretionary spending area.</p> <p>Service Implication Reduced housing related support for vulnerable people by 17% in cost terms. This affects the numbers we could support and the range of support we could provide. In turn this would reduce the housing options available to vulnerable people.</p> <p>Staffing Implications None.</p> <p>Business Plan implications The risk is that this could increase pressure on the Housing Needs budget.</p> <p>Impact on other departments There is a potential internal pressure within the department on the Housing Needs and Enabling Service</p> <p>Equalities Implications There is an equalities implication in terms of service users. An EA would be undertaken and where appropriate work will be done to mitigate the impact.</p> <p>TOM Implications None. This is consistent with the commitment in the TOM to "Review the spectrum of the accommodation offer for all types of supported living incl. shared lives for all age groups."</p>	£1,772	£0	£300	0	H	H	SP2

DEPARTMENT: Community and Housing

Panel	Ref	Description of Saving		Baseline Budget 15/16	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
		Service	Voluntary Sector Grants							
HC&OP	CH53	Description	Use funds from Public Health to fund the prevention strategy which is currently funded from grants.	£839	£0	£600	0	M	M	SG1
		Service Implication	None as the prevention activity will continue to be funded, albeit from a different source.							
		Staffing Implications	None.							
		Business Plan implications	None, as the commitment to prevention remains in place and is funded albeit from a different source.							
		Impact on other departments	Increased pressure on the Public Health (PH) Budget as funds directed from public health will no longer be available to fund other PH activities.							
		Equalities Implications	The precise equalities implications on service users will depend on the impact of public health activities no longer funded. An EA will be undertaken and when this is known and a mitigation plan will be prepared.							
		TOM Implications	None. This is consistent with the commitment in the TOM to "Continue the Ageing Well Prevention Programme, but with less funding from the Council."							

DEPARTMENT: Community and Housing

Panel	Ref	Description of Saving		Baseline Budget 15/16	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH54	Service Description	<u>Access, Assessment and Commissioning Staffing</u> Further staff reductions circa 4 FTEs in AA&C as processes improve and service user numbers reduce. FTE's affected will be 4 out remaining FTE's of 151-156.	£5,286	£0	£0	£150	H	M	SS2
		Service Implication	Reduced capacity to monitor quality within provider services and /or to undertake assessments and reviews i.e. there is a direct implication on the ability to effectively safeguard/assess/support/ promote independence.							
		Staffing Implications	Redundancies - Some staff would be subject to redundancy							
		Business Plan implications	Possible impact on our statutory duties under the Care Act 2014. We would attempt to mitigate this by investigating alternative models for quality and performance monitoring and of assessment and care management.							
		Impact on other departments	None - main impact is on service users, carers and providers							
		Equalities Implications	As staff and service delivery are affected there is an equalities implication. A detailed EA would be undertaken at the time of any restructure. In addition, part of the monitoring role relates to monitoring the ability of provider services to meet the needs of the diverse population and thus meeting our equalities duty. This may be impacted.							
		TOM Implications	Processes will need to improve so lower staff resources are able to undertake the necessary volumes of work. existing TOM commitments to flexible and mobile working and to improve assessment and care management processes ensure this is feasible.							

DEPARTMENT: Community and Housing

Panel	Ref	Description of Saving		Baseline Budget 15/16	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH55	Service Description	Assessment & Commissioning 3rd Party Payments Less 3rd party payments through "Promoting Independence" throughout the assessment, support planning and review process and across all client groups. Aim to reduce Res Care by £650k and Dom Care by £337k.	£33,798	£0	£0	£987	H	H	SNS2
		Service Implication	We anticipate this being a further reduction of circa 3% across all support packages although this will be targeted. The exact areas of reduction would be based on the previous work looking at specific areas to be delivered in advance of 2018/19. Overall service users will experience a reduced volume of service							
		Staffing Implications	Staff would be needed to conduct reviews and support plans . Staff will also need additional training, to ensure these reviews are done consistently							
		Business Plan implications	We would continue to follow the appropriate model of promoting independence for the client group.							
		Impact on other Equalities Implications	None.							
		TOM Implications	There is an equalities implication in terms of service users. An EA would be undertaken and where appropriate work will be done to mitigate the impact.							
			None. This is consistent with the TOM commitment to use review processes to "Promote an explicit hierarchy of support offered in order to promote self-support and independence.							
Sub-total Adult Social Care Options					£200	£900	£1,137			
SC	CH56	Service Description	Library & Heritage Service Introduce a coffee shop franchise across 6 libraries	£0	0	0	30	M	L	SI2
		Service Implication	Allocated space within certain libraries will be let to a coffee shop franchise to provide refreshments in libraries for customers.							
		Staffing Implications	None identified.							
		Business Plan implications	Supports improving income generation identified in Service Plan and providing additional services in libraries.							
		Impact on other departments	None identified.							
		Equalities Implications	None identified.							
		TOM Implications	Additional capacity constraints in order to manage procurement process but will be managed within existing resources. Reduction in library circulation space.							
Total Libraries					0	0	30			

DEPARTMENT: Community and Housing

Panel	Ref	Description of Saving		Baseline Budget 15/16	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
		<u>Service</u>	<u>Housing Needs</u>							
SC	CH57	Description	Staff reduction in Housing Services	929	0	50	118	H	H	SS2
		Service Implication	This makes service delivery very challenging, but will seek to preserve a greater number of front-line staff engaged with service delivery. The main impact will be upon supervisory and other management roles.							
		Staffing Implications	Deletion of 1.0 post (2017/18) out of remaining 24.03 FTE's and Deletion of 2.0 posts and Re-evaluation of 1.0 post (2018/19) out of remaining 21.53 FTE's. Redundancy costs to the council and increased workloads for remaining staff							
		Business Plan implications	The business plan implication would ensure no further loss of front line staff with a corresponding ability to continue statutory housing act functions which include: Homelessness Prevention, Private Sector tenants rights and enforcement. The additional reductions in staffing (in addition to those identified in 2016/17) would be limited to management and supervisor posts. Whilst this will be increasingly challenging for the remaining management and staff, it is anticipated that the business will continue to be delivered with some adjustments made as necessary.							
		Impact on other departments	This will have an impact on children's and adult's social care							
		Equalities Implications	BME communities are over represented in homeless episodes. However, all groups will be affected by the reduction in front line housing services.							
		TOM Implications	This is consistent with the existing TOM							
Total Housing Needs					0	50	118			
Total C&H Savings Proposals					200	950	1,285	2,435		
Total Community and Housing Targets					0	783	2,601	3,384		
(Shortfall)/Surplus					200	167	(1,316)	(949)		

**COMMUNITY AND HOUSING DEPARTMENT
REPLACEMENT FOR PREVIOUSLY AGREED SAVINGS**

Original Savings		Revised Savings				Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	New Ref
Ref	Description of Saving	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000						
CH20	Description	Adult Social Care									
	Staff reductions in Assessment and Commissioning teams. (Bring forward staff savings proposals from 2017/18 & 2018/19)	(700)	500	200	0	H	M			SS2	CH58
2015/16	Service Implications	There is a risk that customers will get a reduced and/or delayed service eg longer waiting times. This will be mitigated as part of service transformation plans as part of the Service Transformation plans within the TOM. The intention is to deliver efficient processes and build on and establish the promoting independence approach.									
	Staffing Implications	Reduction of 18-23 FTE posts is the replacement saving (Note additional 12 FTE's in Access and Assessment team £511K were previously agreed for 2016/17 savings - Ref CH20 & 4 FTE's £156k in Commissioning team Ref CH22) . FTE's affected will be 34-39 out of total 190 FTE's .									
	Business Plan Implications	In line with the TOM									
	Impact on other departments	Redundancy costs and HR, Equalities and project management support									
	Equalities Implications	See overall EA									
CH3	Description	Staffing reductions in Direct Provisions									
	Bringing forward management changes planned for 2017/18. Reduction of 2 management posts. This will enable service to retain as many front line carer posts as possible within a reduced service offer. (Note additional 11 FTE's in Direct Provision £274k were previously agreed for 2016/17 savings - Ref CH21) . Therefore FTE's affected will be 13 out of total 144.37 FTE's .	(100)	100	0	0	H	M			SS2	CH59
2014/15	Service Implications										
	Staffing Implications	Reduction of 2 management posts									
	Business Plan Implications	In line with TOM									
	Impact on other departments	Redundancy costs									
	Equalities Implications	See overall EA									

**COMMUNITY AND HOUSING DEPARTMENT
REPLACEMENT FOR PREVIOUSLY AGREED SAVINGS**

Original Savings		Revised Savings				Risk Analysis Deliverability	Risk Analysis Reputational Impact	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	New Ref
Ref	Description of Saving	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000						
CH38 2015/16	Description CONTRACTS - South Thames Crossroads Caring for Carers Service Implications Decommission the crossroads service for carers. Replace with domiciliary care service/ Direct Payment offer and commissioned holistic carers support service from voluntary sector. Staffing Implications None Business Plan Implications In line with TOM and ASC commissioning and procurement plan Impact on other departments None Equalities Implications See EA	(294)	0	0	0	M	H			SP1	CH60
CH1 2015/16	Description CONTRACTS - Meals on Wheels (Sodexo) Service Implications Decommissioning service and embed support within community, neighbourhood and voluntary support infrastructure Staffing Implications None Business Plan Implications In line with TOM and ASC commissioning and procurement plan Impact on other departments None Equalities Implications See EA	(153)	0	0	0	M	H			SP1	CH61
CH01 2013/14	Description CONTRACTS - Supported accommodation mental health -Family Mosaic (Waldemar Road) Service Implications Decommission service as a result of Provider notice to cease service in Merton Staffing Implications None Business Plan Implications In line with TOM and ASC commissioning and procurement plan Impact on other departments None Equalities Implications See EA	(106)	0	0	0	L	M			SP1	CH62

**COMMUNITY AND HOUSING DEPARTMENT
REPLACEMENT FOR PREVIOUSLY AGREED SAVINGS**

Original Savings		Revised Savings				Risk Analysis Deliverability	Risk Analysis Reputational Impact	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)	New Ref
Ref	Description of Saving	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000						
CH02 2013/14	Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	CONTRACTS - day support Imagine Independence Decommission service and recommission cost effective peer led day opportunities for people with mental health None In line with TOM None See EA	(84)	0	0	0	M	H		SP1	CH63
	Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	Staffing savings- Directorate. This position is now funded from Public Health budget and no longer required. None None None None See EA	(30)	0	0	0	L	L		SS2	CH64
Total: Community and Housing Replacement Savings			(1,467)	600	200	0					
Total: Community and Housing Deleted Savings			1,645	0	0	0					
Net Shortfall: Community and Housing Savings			178	600	200	0					

DEPARTMENT: Community and Housing

Panel	Ref	Description of Saving	Baseline Budget 15/16	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
Adult Social Care									
HC&OP	CH65	<p>Service Description</p> <p style="text-align: center;"><u>Shared Service Arrangement</u></p> <p>Reduce management costs through "<i>Joint Posts</i>" in a shared service arrangement with a nearby LA/NHS Org.</p> <p>Service Implication</p> <p>This opens up new possibilities for partnership working and economies of scale. It may lead to less strategic management capacity.</p> <p>Staffing Implications</p> <p>Possible redundancies.</p> <p>Business Plan implications</p> <p>This is consistent with aims to promote partnership working with other local authorities and integration with the NHS.</p> <p>Impact on other departments</p> <p>Access to senior ASC Managers may be harder where cross cutting work is under consideration.</p> <p>Equalities Implications</p> <p>As staff would be at risk there is an equalities implication. A detailed EA would be undertaken at the time of any restructure. In addition, part of the monitoring role relates to monitoring the ability of provider services to meet the needs of the diverse population and thus meeting our equalities duty. This may be impacted.</p> <p>TOM Implications</p> <p>This is a significant potential change to the "Organisation" Layer of the TOM.</p>	£5,031	£0	£0	£400	H	L	SS2
HC&OP	CH66	<p>Service Description</p> <p>Direct Provision</p> <p>Look at opportunities for shared services for in-house services</p> <p>Service Implication</p> <p>The services would continue but would possibly be rationalised across the Organisation.</p> <p>Staffing Implications</p> <p>Even if TUPE applies staff will need to adapt to a new organisational form and potentially terms and conditions of work could change over time.</p> <p>Business Plan implications</p> <p>None.</p> <p>Impact on other departments</p> <p>Minor only. Little will change except other departments will need to learn to interact formally with a separate legal entity or shared service.</p> <p>Equalities Implications</p> <p>These changes impact on staff. A detailed EA would be undertaken at the time of any restructure. There is also an equalities implication in terms of service users. An EA would be undertaken and where appropriate work will be done to mitigate the impact.</p> <p>TOM Implications</p> <p>This is a significant change to the "Organisation" Layer of the TOM, but the services delivered would remain essentially the same.</p>	£3,886	0	£0	£400	H	H	SPRO/SN S1
Sub-total Adult Social Care Options				£0	£0	£800			

DEPARTMENT: Community and Housing

Panel	Ref	Description of Saving	Baseline Budget 15/16	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
Library & Heritage Service									
SC	CH67	<p>Service Description</p> <p>Library & Heritage Service Shared Management Structure</p> <p>Service Implication This proposal would mean the merger of management teams across two boroughs. It would achieve savings that would not be achievable by continuing to run as a single authority. The saving will also enable some resilience and a level of capacity to be able to undertake key projects. The shared service structure should have minimal impact on the frontline and the customer experience.</p> <p>Staffing Implications There will be staffing reductions in the new structure that could lead to some redundancies along with some cultural change. TUPE will apply to some staff.</p> <p>Business Plan implications None.</p> <p>Impact on other departments Access to Library & Heritage Service managers may be more limited.</p> <p>Equalities Implications These changes impact on staff. A detailed EA would be undertaken at the time of the reorganisation.</p> <p>TOM Implications Identified as a key action within the new Library & Heritage Service TOM.</p>	£1,074	0	130	0	H	M	SS1
SC	CH68	<p>Description</p> <p>Completion of Shared Library & Heritage Service Management Structure with another borough - £25k</p> <p>Service Implication A Transformation Manager post has been included in the proposed management structure for a period of 2 years. It will enable full integration between services and will programme manage the proposed changes and ensure that new arrangements are in place whilst identifying other potential efficiency savings.</p> <p>Staffing Implications It will affect 1 FTE post that will be recruited on a fixed term basis.</p> <p>Business Plan implications None.</p> <p>Impact on other departments None.</p> <p>Equalities Implications None.</p> <p>TOM Implications Identified within the new Library & Heritage Service TOM.</p>	£1,074	0	0	25	H	M	SS2

DEPARTMENT: Community and Housing

Panel	Ref	Description of Saving	Baseline Budget 15/16	2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
SC	CH69	<p>Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p> <p>TOM Implications</p>	<p>Full rationalisation of staffing structures and building usage with another borough (phase 2) – Sum to be agreed</p> <p>The saving should enable some resilience and a level of capacity to be able to undertake key projects. The shared service structure should have minimal impact on the frontline and the customer experience.</p> <p>These changes may impact on staff.</p> <p>None.</p> <p>Access to Library & Heritage Service managers may be more limited.</p> <p>These changes impact on staff. A detailed EA would be undertaken at the time of the reorganisation.</p> <p>Identified as a key action within the new Library & Heritage Service TOM.</p>	£1,074	0	0	23	H	M	SS2
Total (Libraries)				0	130	48				
Total Housing Needs				0	0	0				
Total C&H Savings Proposals				0	130	848	978			

**COMMUNITY AND HOUSING DEPARTMENT-Libraries
REPLACEMENT FOR PREVIOUSLY AGREED SAVINGS**

Original Savings			Revised Savings										
Ref	Description of Saving	2017/18 £'000	Description of Saving	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverabi lity	Risk Analysis Reputatio nal Impact	Risk Analysis - Deliverabi lity	Risk Analysis - Reputatio nal Impact	Type of Saving (see key)	New Ref
CH67 2017/18	Library & Heritage Service-Shared Management Structure	130	<p><u>Libraries</u></p> <p>Description Additional staffing efficiencies and consolidation of branch managers</p> <p>Service Implications This proposal works in conjunction with the agreed savings of CH7 and CH49 and will further consolidate staffing across libraries whilst ensuring that all libraries remain open with current opening hours arrangements in place.</p> <p>Staffing Implications This proposal along with CH7 and CH49 will require an organisational restructure of the library service and a greater dependency on security services and volunteers. The overall FTE reduction is estimated at 10.65 FTE .</p> <p>Business Plan Implications A reduction in staffing capacity could lead to reductions in achievement against KPI's and some key projects but this is mitigated by ensuring that the focus remains on key business plan objectives including library redevelopments and the schools and libraries membership scheme.</p> <p>Impact on other departments Reduced capacity could lead to a reduction in customer support. This may have an impact on assisted digital support work but will be mitigated by reducing backroom processes and increasing voluntary support.</p> <p>Equalities Implications An Equalities Analysis has been completed and key actions identified will be implemented.</p>	0	63			H	H			SS2	CH70
CH67 2017/18	Library & Heritage Service-Shared Management Structure		<p>Description Reduction in People's Network costs</p> <p>Service Implications Reductions in line costs and contracts mean that current levels of service for public Internet computers and Wi-Fi can be delivered at a reduced cost.</p> <p>Staffing Implications Not applicable.</p> <p>Business Plan Implications Not applicable - no impact on service.</p> <p>Impact on other departments Reduction in budget will mean that there will be no budget available for any unplanned works or upgrades.</p> <p>Equalities Implications None identified.</p>	0	40			M	L			SNS1	CH71
Total: Community and Housing Replacement Savings				0	103	0	0						
Total: Community and Housing Deleted Savings				0	130	0	0						
Net Shortfall: Community and Housing Savings				0	27	0	0						

DEPARTMENT: Community and Housing 2019/20

Panel	Ref	Notes	Description of Saving	Baseline Budget 16/17	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
Adult Social Care									
			Service	Placements					
HC&OP	CH70		Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications Service	Home Care With additional investment into the service we plan a full implementation of new Home Care contracts in second full year, transferring all legacy spot placements and incentivising providers to reduce packages of care. n/a n/a n/a The care workforce is predominantly female and with some providers may have a significant number of BME staff who would be subject to transfer of employment to an employer not of their choice. n/a		£301	H	L	SP1
Sub-total Adult Social Care Options						£301			
HC&OP	CH67	Library & Heritage Service-Shared Management Structure Outstanding 17/18 £27k , plus £11k allocation 19/20	Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications Service	Merton Arts Space income Proposal to deliver income generation for the new Merton Arts Space venue in Wimbledon Library Emphasis on existing staff to be more commercially savvy to draw in additional funds Supports objectives to improve income generation None identified Merton Arts Space is a new multi-use arts and cultural space based in Wimbledon Library. The project has been funded by Arts Council England with aims to increase access to arts and cultural opportunities through libraries. The requirement to draw additional income in will mean that there is less of a balance between community and commercial bookings. Current contract end July 2017 and it is expected to create similar arrangement like Wimbletech The figures included in this savings proposal cannot be fully quantified until a full year of activities has taken place (the space has only been open for 4 months). Savings are indicative at this stage until further analysis is completed		£38	H	M	SI2
Sub-total Libraries Options						38			
Total Community & Housing 2019/20						339			
Total Balance outstanding 2017/18-Libraries						27			
Total C&H Savings Proposal 2019/20						312			
Total C&H Savings Proposals						339			
(Shortfall)/Surplus					444	0			

DEPARTMENT: Children, Schools and Families

Panel	Ref	Description of growth	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Type of Growth (see key)
C&YP		<p>Description - Demographic pressures and new burdens growth Service Implications Due to the increasing demographic growth as well as increased and new burdens on children social care and services to vulnerable children, there are a range of service and staffing pressures on CSF. It is intended through the growth process to right-size a number of these burdens whilst we continue to exercise strong demand management, ensuring a careful balance between quality and volume.</p> <p>Staffing Implications In order to maintain safe caseloads and adhere to regulatory requirements, we will need to increase social work casework and related posts. Eight additional social work posts have been funded from Corporate Contingency since 2014/15 and is not included in this growth bid. The estimated annual cost of recruiting to these posts permanently is c£400k.</p> <p>Business Plan implications The demand issues are covered in CSFs four TOM documents as well as in divisional and service plans.</p> <p>Impact on other departments We will continue to work with Corporate Services and other departments on any cross-cutting issues.</p> <p>Equalities Implications N/a</p> <p>TOM Implications The demand issues are covered in CSFs four TOM documents as well as in divisional and service plans.</p>	1,000	500	500	500	GP1
Total			1,000	500	500	500	

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

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2017/18

Panel	Ref	Description of growth	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Type of Growth (see key)	
	ERG1	<p>Service/Section Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications TOM Implications</p>	<p>Future Merton Morden & Wimbledon regeneration To deliver projects that will be transformational to the borough and the council: FutureWimbledon Morden town centre; maximise benefits for the council from transforming the way we work, operate and deliver services, including the reprocurement of the Highways contract.</p> <p>Will mitigate some previously agreed employee savings to allow delivery of services and consultancy income.</p> <p>Positive - will generate income and revenue savings for the council that reduces pressure on council tax and government grants.</p> <p>Positive</p> <p>None Enable delivery of FutureMerton TOM</p>	757	157	(150)		GS1
	ERG2	<p>Service/Section Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications TOM Implications</p>	<p>Waste Services Waste Disposal Costs To ensure the disposal cost of all waste streams is contained within the revenue allocation.</p> <p>None</p> <p>To be assessed following service changes and mobilisation of new waste collection contracts.</p> <p>None</p> <p>None - no impact on staff or residents. Consistent with TOM implications in managing our waste disposal cost, minimising waste and increasing recycling will remain the priority.</p>	825	65	35		GP1
Total			1,582	222	(115)	0		

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

DEPARTMENT: C&H Service Department

Panel	Ref	Description of growth	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Type of Growth (see key)
HC&OP		<p>Description - Service Implications Staffing Implications Business Plan implications Impact on other departments</p> <p>Equalities Implications TOM Implications</p>	8,045	252	(2,891)	0	GP1
		<p>New Growth for Adult Social Care placements budgets The adult services placement budget has been under pressure for some time. This has been managed within resources until 2014/15, and the position has worsened in 2016/17. The main causes of this pressure are increased complexity of care needs for those entering the care system, the steady growth of adults with complex physical and learning disabilities and increased costs of care. The costs of care have been driven by a number of factors including the National Living Wage, scarcity of labour and competition with private fee payers. The growth brings the placements budget back into line with forecast expenditure necessary to meet the needs of those eligible for local authority funded care. The service will be better placed to continue to meet peoples needs in challenging care markets and continue to push for improvement in the quality of care.</p> <p>N/A The growth will enable the service to meet its business plan.</p> <p>N/A Adult Social Care supports vulnerable people, of whom a significant proportion have protected characteristics. The growth in the placements budget will secure the service's ability to support people who might be disadvantaged.</p> <p>The growth is consistent with the Target Operating Model, and will enable the service to meet its ambitions and take forward projects to innovate, contain long term demand and improve care.</p>					
HC&OP		<p>Description - Service Implications Staffing Implications Business Plan implications Impact on other departments</p> <p>Equalities Implications TOM Implications</p>	1,300	0	0	0	G12
		<p>Reduction in income target for Adult Social Care placements Most adult social care is means tested. In the last two years the amount of client income received has fallen. Income was £1m less than expected in 2015/16 and is currently projected to be £1.3m short in 2017/18. Putting the budget right supports the placements budget, of which it is part, and thus supports the on-going delivery of services to people who are eligible for local authority funded care.</p> <p>N/A The growth will enable the service to meet its business plan.</p> <p>N/A Adult Social Care supports vulnerable people, of whom a significant proportion have protected characteristics. The growth in the placements budget will secure the service's ability to support people who might be disadvantaged.</p> <p>The growth is consistent with the Target Operating Model, and will enable the service to meet its ambitions and take forward projects to innovate, contain long term demand and improve care.</p>					
Total			9,345	252	(2,891)	0	

ASC Three Year budget forecast

	2016/17	2017/18	2018/19	2019/20	NOTES
	£000	£000	£000	£000	
MTFS Budget (net)	48,034	46,289	53,895	55,277	
Growth (recommended)		9,345	252	-2,891	
Client Income		0	0	0	No change assumed
BCF income			1,400	3,060	BCF as per draft finance settlement
MTFS Budget adjusted	48,034	55,634	55,547	55,446	
Outturn (net)	56,159	56,352	56,045	55,958	16/17 as at Period 7
Staffing		0	0	0	Assumes 1% as per budget
Provider inflation(all provisions)		401	532	518	Assumes 4.2% NLW and 1% other provider costs inflation
Res & Nursing OP activity		0	0	0	No change projected based on plateauing of downward trend
Transition PD/LD/MH activity		471	471	471	Transitions based on 5 year ave
Home Care activity growth		359	359	359	Assumes 4.9% growth (5 year average)
Deprivation of Liberties	-33		0	0	Improvement in DoLs spend at P8
Other care/support activity		0	0	0	No change projected (savings shown below)
Savings	226	-1,539	-1,449	-1,449	Assumes P6 16/17 position then 70%
Forecast outturn (net)	56,352	56,045	55,958	55,857	
Forecast in-year over spend	-8,318	-411	-411	-411	
Cumulative			-9,139	-9,550	

SECTION G

REVENUE ESTIMATES 2017-18

SUMMARY

FULL TIME EQUIVALENTS

Total FTE Staff

2016/17

2017/18

2,128.5

1,726.2

SERVICE AREA ANALYSIS

	2016/17 Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Corporate Services	11,359	458	(952)	10,865
Education Services				
] CSF	50,183	1,084	1,312	52,579
Children's Services				
Environment and Regeneration	21,230	708	1,246	23,184
Adult Social Care				
] C&H	56,219	929	7,170	64,318
Cultural Services				
Housing General Fund				
Single Status	100	0	1	100
National insurances changes/autoenrolment	0	0	90	90
Pay Award	883	0	(883)	0
TOTAL NET SERVICE EXPENDITURE	139,972	3,179	7,984	151,135
<i>Corporate Provisions/Appropriations</i>	7,625	0	(12,695)	(5,070)
NET EXPENDITURE	147,597	3,179	(4,711)	146,065
Funded by:				
Revenue Support Grant	(23,156)	0	7,636	(15,520)
Business Rates	(35,052)	0	(1,466)	(36,518)
New Homes Bonus	(4,192)	0	42	(4,150)
Council Tax	(78,620)	0	(3,625)	(82,244)
WPCC Levy	(300)	0	(18)	(318)
Collection Fund	(1,479)	0	(287)	(1,766)
PFI Grant	(4,797)	0	0	(4,797)
Adult Social Care Support Grant 2017/18	0	0	(751)	(751)
	(147,597)	0	1,532	(146,065)
NET	0	3,179	(3,179)	0
NB				
Public Health	416	0	(416)	0
Appropriations to/from reserves	(416)		416	0
Net Public Health	0	0	0	0

Other Variations: Contingency/Other

Major Items: Corporate Provisions	£000	fte
Corporate borrowing and Investment	(675)	0.0
Further provision for revaluation/RCCO	(1,109)	0.0
Pension Fund and Auto-enrolment	(1,057)	0.0
Contingency and centrally held provisions	(89)	0.0
Change in Grants	2	0.0
Appropriation to/from Reserves	(3,926)	0.0
Depreciation and impairment	(4,681)	0.0
Service Mitigation Fund - Appropriation to Reserve	(1,300)	0.0
Overheads - Charge to non-general fund	(133)	0.0
Transport - Additional provision	(39)	0.0
Merton Adult Education	(600)	0.0
Apprenticeship Levy	450	0.0
Balance Sheet Management CT & HB	(450)	0.0
LPFA - Provision for deficit contribution	86	0.0
Reduction in Education Services Grant	819	0.0
Change in Levies	5	0.0
TOTAL	(12,695)	0

SUMMARY - SUBJECTIVE ANALYSIS

FULL TIME EQUIVALENTS

Total FTE Staff

2016/17	2017/18
2,128.5	1,726.2

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Employees	91,524	995	(11,077)	81,442
Premises	8,376	99	(711)	7,765
Transport	14,569	122	(2,785)	11,906
Supplies and Services	164,376	875	3,078	168,328
Third Party Payments	81,400	1,081	16,663	99,145
Transfer Payments	104,112	6	(248)	103,870
Support Services	30,378	0	(2,169)	28,209
Depreciation and Impairment Losses	17,637	0	4,680	22,318
GROSS EXPENDITURE	512,373	3,179	7,431	522,983
Income				
Government Grants	(256,548)	0	(2,495)	(259,043)
Other Reimbursements and Contributions	(19,210)	0	(2,455)	(21,665)
Customer and Client Receipts	(65,432)	0	3,641	(61,791)
Interest	(46)	0	0	(46)
Recharges	(30,927)	0	2,161	(28,766)
Reserves	(238)	0	(299)	(537)
GROSS INCOME	(372,401)	0	553	(371,848)
NET EXPENDITURE	139,972	3,179	7,984	151,134
Corporate Provisions	7,625	0	(12,695)	(5,071)
NET EXPENDITURE	147,596	3,179	(4,711)	146,065
Funded by:				
Revenue Support Grant	(23,156)	0	7,636	(15,520)
Business Rates	(35,052)	0	(1,466)	(36,518)
New Homes Bonus	(4,192)	0	42	(4,150)
Council Tax	(78,620)	0	(3,625)	(82,244)
WPCC Levy	(300)	0	(18)	(318)
Collection Fund	(1,479)	0	(287)	(1,766)
PFI Grant	(4,797)	0	0	(4,797)
Adult Social Care Support Grant 2017/18	0	0	(751)	(751)
	(147,597)	0	1,531	(146,065)
NET	0	3,179	(3,179)	0

Other Variations: Contingency/Other

Major Items: Corporate Provisions	£000	fte
Corporate borrowing and Investment	(675)	0.0
Further provision for revaluation/RCCO	(1,109)	0.0
Pension Fund and Auto-enrolment	(1,057)	0.0
Contingency and centrally held provisions	(89)	0.0
Change in Grants	2	0.0
Appropriation to/from Reserves	(3,926)	0.0
Depreciation and impairment	(4,681)	0.0
Service Mitigation Fund - Appropriation to Reserve	(1,300)	0.0
Overheads - Charge to non-general fund	(133)	0.0
Transport - Additional provision	(39)	0.0
Contingency	(600)	0.0
Apprenticeship Levy	450	0.0
Balance Sheet Management CT & HB	(450)	0.0
LPFA - Provision for deficit contribution	86	0.0
Reduction in Education Services Grant	819	0.0
Change in Levies	5	0.0
TOTAL	(12,695)	0

CORPORATE ITEMS ANALYSIS

	2016/17 Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Cost of Borrowing including Minimum Revenue Provision	13,643	0	(228)	13,415
Further provision for revaluisation/RCCO	1,134	0	(1,109)	25
Pension Fund	3,932	0	(1,057)	2,875
Pensions: Auto-enrolment	300	0	0	300
Centrally held provision for Utilities inflation	300	0	0	300
Adjustment re Income re P3/P4	400	0	0	400
Overheads - Charge to non-general fund	150	0	(133)	17
Provision for excess inflation	540	0	(89)	451
Bad Debt Provision	500	0	0	500
Redundancy/Pension Strain	1,000	0	0	1,000
Transport - Additional provision	130	0	(39)	91
Contingency	1,500	0	0	1,500
Apprenticeship Levy	0	0	450	450
Merton Adult Education	600	0	(600)	0
Loss of HB Admin. Grant	200	0	0	200
Change in Corporate Specific and Special Grants	204	0	2	206
Service Mitigation Fund - Appropriation to Reserve	1,300	0	(1,300)	0
LPFA - Provision for deficit contribution	0	0	86	86
Reduction in Education Services Grant	0	0	819	819
Levies:-				
Lee Valley	204		(14)	190
London Pensions Fund	262		(2)	260
Environment Agency	162		2	164
WPCC	300		18	318
GROSS EXPENDITURE	26,760	0	(3,192)	23,568
Income				
Investment Income	(739)		(447)	(1,186)
Depreciation & Impairment	(17,638)		(4,681)	(22,318)
Appropriations to/from reserves (excluding Public Health)	393		(3,926)	(3,533)
Balance Sheet Management CT & HB	0		(450)	(450)
CHAS - IP/Dividend	(1,152)		0	(1,152)
GROSS INCOME	(19,136)	0	(9,503)	(28,639)
NET EXPENDITURE	7,625	0	(12,695)	(5,071)



2017/2018 ESTIMATES

**CORPORATE SERVICES
DEPARTMENT**

SUMMARY: CORPORATE SERVICES DEPARTMENT

FULL TIME EQUIVALENTS (FTE)

Number of Permanent Staff
 Number of Fixed term contracts
 Number of FTE Richmond TUPE staff
 Total FTE

2016/17	2017/18
474.9	471.1
57.0	25.0
6.0	6.0
537.9	502.1

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Employees	23,768	188	(145)	23,811
Premises	2,823	44	(8)	2,859
Transport	137	2	9	148
Supplies and Services	10,565	195	592	11,353
Third Party Payments	1,873	29	(54)	1,848
Transfer Payments	93,710	0	(322)	93,388
Support Services	8,789	0	(304)	8,485
Depreciation and Impairment Losses	2,322	0	(182)	2,140
GROSS EXPENDITURE	143,986	458	(412)	144,032
Income				
Government Grants	(94,878)	0	0	(94,878)
Other Reimbursements and Contributions	(1,044)	0	(59)	(1,103)
Customer and Client Receipts	(11,181)	0	(2,163)	(13,344)
Interest	0	0	0	0
Recharges	(25,524)	0	1,682	(23,842)
Reserves	0	0	0	0
GROSS INCOME	(132,628)	0	(539)	(133,167)
NET EXPENDITURE	11,359	458	(952)	10,865

SUMMARY: CORPORATE SERVICES DEPARTMENT

FULL TIME EQUIVALENTS (FTE)
Number of Permanent Staff
Number of Fixed term contracts
Number of FTE Richmond TUPE staff
Total FTE

2016/17	2017/18
474.9	471.1
57.0	25.0
6.0	6.0
537.9	502.1

SERVICE AREA ANALYSIS

	CHANGE BETWEEN YEARS			2017/18 Estimate £000
	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	
Customer Services	2,483	76	45	2,604
Infrastructure & Transactions	317	127	(237)	207
Business Improvement	(0)	29	186	214
Corporate Governance	1,252	78	(81)	1,249
Resources	2,331	96	(387)	2,041
HR	1	31	(0)	32
Corporate Items	4,976	21	(479)	4,518
TOTAL EXPENDITURE	11,359	458	(952)	10,865
Contingency / Other	0	0	0	0
Capital Financing Adjustment	0	0	0	0
Levies	0	0	0	0
NET EXPENDITURE	11,359	458	(952)	10,865

INFRASTRUCTURE & TRANSACTIONS

The Infrastructure & Transactions Division consists of Facilities Management, IT Service Delivery, Post & Print Room, Transactional services and Commercial Services which was transferred in from the Resources division.

FULL TIME EQUIVALENTS (FTE)
Number of Permanent Staff
Number of Fixed term contracts
Total FTE

2016/17	2017/18
88.7	90.7
0.0	0.0
88.7	90.7

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Employees	3,738	41	335	4,113
Premises	2,673	41	(41)	2,674
Transport	29	0	1	30
Supplies and Services	2,547	40	68	2,655
Third Party Payments	317	4	(9)	312
Transfer Payments	9	0	0	9
Support Services	875	0	36	911
Depreciation and Impairment Losses	2,322	0	(182) 0	2,140
GROSS EXPENDITURE	12,510	127	208	12,845
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(2,469)	0	(205)	(2,674)
Interest	0	0	0	0
Recharges	(9,724)	0	(240)	(9,964)
Reserves	0	0	0	0
GROSS INCOME	(12,193)	0	(445)	(12,638)
NET EXPENDITURE	317	127	(237)	207

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(219)	(3.0)
Transfer between departments	300	5.0
Technical adjustments	68	
Depreciation adjustments	(182)	
Overheads adjustments	(204)	
Use of reserves		
TOTAL	(237)	2.0

CUSTOMER SERVICES

The Customer Services Division consists of: Merton Link (including the Cash Office, Translation Services and Contact Centre), Support Team, Local Taxation (including Business Rates, Baliff Team and Recovery Team), Benefits Administration, Registrars, Debt Recovery, Corporate Communications, Web Team and Consultation & Community Engagement

FULL TIME EQUIVALENTS (FTE)

Number of Permanent Staff

Number of Fixed term contracts

Total FTE

	2016/17	2017/18
Number of Permanent Staff	134.0	133.0
Number of Fixed term contracts	9.0	9.0
Total FTE	143.0	142.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Employees	5,173	51	(72)	5,152
Premises	29	0	0	29
Transport	70	1	9	80
Supplies and Services	1,089	17	(58)	1,048
Third Party Payments	425	6	0	431
Transfer Payments	0	0	0	0
Support Services	2,410	0	(67)	2,343
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	9,196	76	(189)	9,083
Income				
Government Grants	(1,232)	0	0	(1,232)
Other Reimbursements and Contributions	(970)	0	0	(970)
Customer and Client Receipts	(2,228)	0	(80)	(2,308)
Interest	0	0	0	0
Recharges	(2,283)	0	314	(1,969)
Reserves	0	0	0	0
GROSS INCOME	(6,713)	0	234	(6,479)
NET EXPENDITURE	2,483	76	45	2,604

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(232)	(1.0)
Transfer between departments		
Technical adjustments	125	
Depreciation adjustments		
Overhead adjustments	247	
Use of Reserves	(95)	
TOTAL	45	(1.0)

CORPORATE GOVERNANCE

The Corporate Governance Division consists of the South London Legal Partnership including Wandsworth who joined the service in October 2016, Shared Internal Audit, Investigations, Democracy Services, Electoral Services and Information Governance.

FULL TIME EQUIVALENTS (FTE)
Number of Permanent Staff
Number of Fixed term contracts
Number of Richmond TUPE staff
Total FTE

2016/17	2017/18
121.0	136.2
2.0	1.0
6.0	6.0
129.0	143.2

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Employees	5,781	14	1,542	7,337
Premises	6	0	0	6
Transport	33	0	2	35
Supplies and Services	1,494	57	57	1,608
Third Party Payments	493	7	(40)	461
Transfer Payments	0	0	0	0
Support Services	492	0	56	548
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	8,299	78	1,617	9,995
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions		0	0	0
Customer and Client Receipts	(5,075)	0	(1,887)	(6,962)
Interest	0	0	0	0
Recharges	(1,973)	0	189	(1,784)
Reserves	0	0	0	0
GROSS INCOME	(7,048)	0	(1,698)	(8,746)
NET EXPENDITURE	1,252	78	(81)	1,249

Other Variations are analysed as follows:

Major Items	£000	fte
Previous years savings		
New savings	(303)	(1.6)
Transfer between departments		
Technical adjustments	(23)	15.8
Depreciation adjustments		
Overhead adjustments	245	
Use of Reserves		
TOTAL	(81)	14.2

BUSINESS IMPROVEMENT

The Business Improvement Division consists of IT Business Systems, IT Business Process Re-engineering and Continuous Improvement

FULL TIME EQUIVALENTS

Number of Permanent Staff
Number of Fixed term contracts
Total FTE

2016/17	2017/18
29.0	25.5
20.0	11.0
49.0	36.5

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Employees	2,363	14	(1,132)	1,244
Premises	0	0	0	0
Transport	3	0	0	3
Supplies and Services	1,011	15	667	1,693
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	335	0	(32)	303
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	3,712	29	(497)	3,244
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(114)	0	0	(114)
Interest	0	0	0	0
Recharges	(3,599)	0	683	(2,916)
Reserves	0	0	0	0
GROSS INCOME	(3,713)	0	683	(3,030)
NET EXPENDITURE	(0)	29	186	214

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(147)	(3.5)
Transfer between departments		
Technical adjustments	29	
Depreciation adjustments		
Overheads adjustments	651	
Use of reserves	(347)	(9.0)
TOTAL	186	(12.5)

RESOURCES

The Resources Division consists of Policy & Strategy, Business Planning, Accountancy and Business Partners . Commercial Services was transferred to the Infrastructure and Transactions division. The Pensions service is managed by LB Wandsworth.

FULL TIME EQUIVALENTS

Number of Permanent Staff
Number of Fixed term contracts
Total FTE

2016/17	2017/18
58.6	50.6
3.0	3.0
61.6	53.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Employees	3,645	34	(450)	3,229
Premises	100	1	2	103
Transport	2	0	(0)	2
Supplies and Services	3,906	59	(157)	3,807
Third Party Payments	171	3	(66)	108
Transfer Payments	0	0	0	0
Support Services	537	0	(71)	466
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	8,361	96	(743)	7,715
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(54)	0	0	(54)
Customer and Client Receipts	(726)	0	0	(726)
Interest	0	0	0	0
Recharges	(5,250)	0	356	(4,894)
Reserves	0	0	0	0
GROSS INCOME	(6,030)	0	356	(5,674)
NET EXPENDITURE	2,331	96	(387)	2,041

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(431)	(3.0)
Transfer between departments	(300)	(5.0)
Technical adjustments	111	
Depreciation adjustments		
Overhead adjustments	285	
Use of Reserves	(52)	
TOTAL	(387)	(8.0)

HR

The HR division consists of: Strategic HR, Business Partnerships, Corporate Learning & Development, Diversity, iTrent Client team, Recruitment & Resourcing, Central Operations Team. The function also interfaces with Staff Side. The HR service previously shared with the LB of Sutton was brought back in house in May 2016.

FULL TIME EQUIVALENTS (FTE)
Number of Permanent Staff
Number of Fixed term contracts
Number of FTE Sutton TUPE staff
Total FTE

2016/17	2017/18
43.5	35.0
23.0	1.0
0.0	0.0
66.5	36.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Employees	2,372	23	(368)	2,027
Premises	15	1	31	47
Transport	(0)	0	(2)	(3)
Supplies and Services	207	3	15	226
Third Party Payments	224	4	61	290
Transfer Payments	0	0	0	0
Support Services	467		(69)	398
Depreciation and Impairment Losses	0			0
GROSS EXPENDITURE	3,285	31	(331)	2,985
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(20)	0	(59)	(79)
Customer and Client Receipts	(569)	0	9	(560)
Interest	0	0	0	0
Recharges	(2,695)	0	380	(2,315)
Reserves	0	0	0	0
GROSS INCOME	(3,284)	0	331	(2,953)
NET EXPENDITURE	1	31	(0)	32

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(152)	(1.00)
Transfer between departments		
Technical adjustments	51	(7.5)
Depreciation adjustments		
Overheads adjustments	311	
Use of reserves	(210)	(22.0)
TOTAL	(0)	(30.5)

CORPORATE ITEMS

Corporate Items is composed of Housing Benefit subsidy payments and entitlements, Agency contract, Coroners Court and Severance payments. The temporary accommodation budget was transferred to Community and Housing.

FULL TIME EQUIVALENTS(FTE) Number of Permanent Staff

2016/17	2017/18
0	0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Employees*	696	12	0	708
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	310	5	0	315
Third Party Payments	243	4	0	246
Transfer Payments	93,700	0	(322)	93,379
Support Services	3,673	0	(157)	3,516
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	98,623	21	(479)	98,165
Income				
Government Grants	(93,647)	0	0	(93,647)
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Interest	0	0	0	0
Recharges	(0)	0	0	(0)
Reserves	0	0	0	0
GROSS INCOME	(93,647)	0	0	(93,647)
NET EXPENDITURE	4,976	21	(479)	4,518

Other Variations are analysed as follows:

Major Items	£000	fte
Savings		
Transfer between departments	(322)	
Technical adjustments		
Overheads adjustments	(157)	
TOTAL	(479)	0.0

* The employee budgets shown here relate to employee redundancy payments. There are no FTE's in Corporate Items



2017/2018 ESTIMATES

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

This Page contains the Budget for the whole Children, Schools and Families Department including funding provided directly to Merton's Schools

FULL TIME EQUIVALENTS

Number of Permanent Staff
 Number of DSG Staff
 Number of Fixed term contracts
 Total FTE

	2016/17	2017/18
Number of Permanent Staff	430.6	433.2
Number of DSG Staff	75.4	78.2
Number of Fixed term contracts	22.4	12.2
Total FTE	528.4	523.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000	2017/18 DSG Estimate £000	2017/18 LA Estimate £000
Expenditure						
Employees	26,573	240	630	27,443	4,715	22,728
Premises	1,548	3	(318)	1,233	77	1,156
Transport	4,301	62	(6)	4,357	78	4,279
Supplies and Services	145,293	545	4,016	149,854	134,214	15,640
Third Party Payments	28,412	228	1,674	30,314	13,274	17,040
Transfer Payments	388	6	0	394	0	394
Support Services	4,837	0	229	5,066	233	4,833
Depreciation and Impairment Losses	5,311	0	611	5,922	0	5,922
GROSS EXPENDITURE	216,663	1,084	6,836	224,583	152,591	71,992
Income						
Government Grants	(157,209)	0	(5,489)	(162,698)	(150,275)	(12,423)
Other Reimbursements and Contributions	(6,139)	0	623	(5,516)	(1,464)	(4,052)
Customer and Client Receipts	(2,848)	0	(359)	(3,207)	(315)	(2,892)
Interest	(46)	0	0	(46)	0	(46)
Recharges	0	0	0	0	0	0
Reserves	(238)	0	(299)	(537)	202	0
GROSS INCOME	(166,480)	0	(5,524)	(172,004)	(151,852)	(19,413)
NET EXPENDITURE	50,183	1,084	1,312	52,579	739	52,579

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(1,110)	(13.0)
Overhead adjustments	229	
Depreciation adjustments	612	
Technical adjustments	790	
Transfer between departments	29	
Growth	1,000	
Use of Reserves adjustment	(238)	
TOTAL	1,312	(13.0)

SUMMARY: CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

SERVICE AREA ANALYSIS	2016/17		Other	2017/18	2017/18	2017/18
	Estimate £000	Inflation £000	Variations £000	Estimate £000	DSG Estimate £000	LA Estimate £000
Senior Management	1,524	6	(310)	1,220	0	1,220
Childrens Social Care	22,638	205	1,643	24,486	3,618	20,868
Education	39,520	196	4,089	43,805	28,353	15,452
Schools	(22,494)	0	(3,722)	(26,216)	(31,232)	5,755
Other Childrens, Schools and Families	8,995	677	(388)	9,284	0	9,284
TOTAL NET EXPENDITURE	50,183	1,084	1,312	52,579	739	52,579

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Senior Management

This budget contains provision for the Senior Management of Children, Schools and Families Department.

FULL TIME EQUIVALENTS

Number of Permanent Staff
 Number of DSG Staff
 Number of Fixed term contracts
 Total FTE

2016/17	2017/18
4.0	3.0
0.0	0.0
0.0	0.0
4.0	3.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000	2017/18 DSG Estimate £000	2017/18 LA Estimate £000
Expenditure						
Employees	614	5	(112)	507	0	507
Premises	0	0	0	0	0	0
Transport	1	0	0	1	0	1
Supplies and Services	855	1	(192)	664	0	664
Third Party Payments	7	0	0	7	0	7
Transfer Payments	0	0	0	0	0	0
Support Services	47	0	(6)	41	0	41
Depreciation and Impairment Losses	0	0	0	0	0	0
GROSS EXPENDITURE	1,524	6	(310)	1,220	0	1,220
Income						
Government Grants	0	0	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0	0	0
Customer and Client Receipts	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
GROSS INCOME	0	0	0	0	0	0
NET EXPENDITURE	1,524	6	(310)	1,220	0	1,220

Other Variations are analysed as follows:

Major Items	£000	fte
Overhead adjustments	(34)	
Transfer between departments	0	
Savings	(117)	(1.0)
Technical adjustments	(159)	
TOTAL	(310)	0.0

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Children's Social Care

This budget contains the funding for central social work; family and adolescent service; Mash and child protection; permanency,

FULL TIME EQUIVALENTS

Number of Permanent Staff
Number of DSG Staff
Number of Fixed term contracts
Total FTE

2016/17	2017/18
188.5	196.0
2.0	2.0
18.2	12.2
208.7	210.2

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000	2017/18 DSG Estimate £000	2017/18 LA Estimate £000
Expenditure						
Employees	9,878	90	500	10,468	111	10,357
Premises	43	0	16	59	0	59
Transport	164	2	18	184	1	183
Supplies and Services	3,510	46	22	3,578	4	3,574
Third Party Payments	7,751	61	970	8,782	3,495	5,287
Transfer Payments	369	6	(1)	374	0	374
Support Services	2,086	0	15	2,101	7	2,094
Depreciation and Impairment Losses	0	0	0	0	0	0
GROSS EXPENDITURE	23,801	205	1,540	25,546	3,618	21,928
Income						
Government Grants	(806)	0	(19)	(825)	0	(825)
Other Reimbursements and Contributions	(236)	0	122	(114)	0	(114)
Customer and Client Receipts	(121)	0	0	(121)	0	(121)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
GROSS INCOME	(1,163)	0	103	(1,060)	0	(1,060)
NET EXPENDITURE	22,638	205	1,643	24,486	3,618	20,868

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(91)	(1.0)
Growth	1,000	
Overhead adjustments	15	
Depreciation adjustments	0	
Use of Reserves adjustment	(132)	
Technical adjustments	851	
TOTAL	1,643	(1.0)

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Education

To page contains the budgets for school improvement; early years and children's centres; education inclusion; as well as special

FULL TIME EQUIVALENTS

Number of Permanent Staff
 Number of DSG Staff
 Number of Fixed term contracts
 Total FTE

2016/17	2017/18
219.5	215.6
73.4	76.2
4.2	0.0
297.1	291.7

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000	2017/18 DSG Estimate £000	2017/18 LA Estimate £000
Expenditure						
Employees	12,465	105	145	12,715	3,836	8,879
Premises	1,450	3	(332)	1,121	29	1,092
Transport	4,132	60	(24)	4,168	76	4,092
Supplies and Services	14,402	14	3,424	17,840	15,562	2,278
Third Party Payments	9,835	14	949	10,798	9,780	1,018
Transfer Payments	19	0	0	19	0	19
Support Services	2,498	0	170	2,668	227	2,441
Depreciation and Impairment Losses	176	0	(9)	167	0	167
GROSS EXPENDITURE	44,977	196	4,323	49,496	29,510	19,986
Income						
Government Grants	(150)	0	(82)	(232)	0	(232)
Other Reimbursements and Contributions	(2,397)	0	500	(1,897)	(305)	(1,592)
Customer and Client Receipts	(2,673)	0	(352)	(3,025)	(315)	(2,710)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	(237)	0	(300)	(537)	(537)	0
GROSS INCOME	(5,457)	0	(234)	(5,691)	(1,157)	(4,534)
NET EXPENDITURE	39,520	196	4,089	43,805	28,353	15,452

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(747)	(10.6)
Overhead adjustments	198	
Transfer between departments	29	
Use of Reserves adjustment	(284)	
Depreciation adjustments	(9)	
Technical adjustments	4,902	
TOTAL	4,089	(10.6)

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Schools

This budget covers schools funding as well as some centrally retained DSG money to support the schools function.

FULL TIME EQUIVALENTS

Number of Permanent Staff
 Number of DSG Staff
 Number of Fixed term contracts
 Total FTE

2016/17	2017/18
0.0	0.0
0.0	0.0
0.0	0.0
0.0	0.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000	2017/18 DSG Estimate £000	2017/18 LA Estimate £000
Expenditure						
Employees	674	0	94	768	768	0
Premises	48	0	0	48	48	0
Transport	0	0	0	0	0	0
Supplies and Services	126,138	0	1,039	127,177	118,647	8,530
Third Party Payments	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Support Services	0	0	0	0	0	0
Depreciation and Impairment Losses	5,135	0	620	5,755	0	5,755
GROSS EXPENDITURE	131,995	0	1,753	133,748	119,463	14,285
Income						
Government Grants	(153,330)	0	(5,475)	(158,805)	(150,275)	(8,530)
Other Reimbursements and Contributions	(1,159)	0	0	(1,159)	(1,159)	0
Customer and Client Receipts	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	739	0
GROSS INCOME	(154,489)	0	(5,475)	(159,964)	(150,695)	(8,530)
NET EXPENDITURE	(22,494)	0	(3,722)	(26,216)	(31,232)	5,755

Other Variations are analysed as follows:

Major Items	£000	fte
Depreciation adjustments	621	
Use of Reserves adjustment	372	
Technical adjustments	(4,715)	
TOTAL	(3,722)	0.0

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Other Children Schools and Families Budgets

This budget covers asylum seeker costs, past and present pension and redundancy costs, ESG income and PFI unitary charges.

FULL TIME EQUIVALENTS

Number of Permanent Staff
 Number of DSG Staff
 Number of Fixed term contracts
 Total FTE

2016/17	2017/18
18.6	18.7
0.0	0.0
0.0	0.0
18.6	18.7

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000	2017/18 DSG Estimate £000	2017/18 LA Estimate £000
Expenditure						
Employees	2,942	40	4	2,986	0	2,986
Premises	7	0	(2)	5	0	5
Transport	4	0	0	4	0	4
Supplies and Services	388	484	(277)	595	0	595
Third Party Payments	10,819	153	(245)	10,727	0	10,727
Transfer Payments	0	0	0	0	0	0
Support Services	206	0	50	256	0	256
Depreciation and Impairment Losses	0	0	0	0	0	0
GROSS EXPENDITURE	14,366	677	(470)	14,573	0	14,573
Income						
Government Grants	(2,923)	0	88	(2,835)	0	(2,835)
Other Reimbursements and Contributions	(2,347)	0	0	(2,347)	0	(2,347)
Customer and Client Receipts	(55)	0	(6)	(61)	0	(61)
Interest	(46)	0	0	(46)	0	(46)
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
GROSS INCOME	(5,371)	0	82	(5,289)	0	(5,289)
NET EXPENDITURE	8,995	677	(388)	9,284	0	9,284

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(155)	(0.4)
Overhead adjustments	50	
Use of Reserves adjustment	(194)	
Technical adjustments	(89)	
TOTAL	(388)	0.0



2017/2018 ESTIMATES

ENVIRONMENT AND REGENERATION DEPARTMENT

SUMMARY: ENVIRONMENT & REGENERATION

FULL TIME EQUIVALENTS (FTE)

Permanent Staff

Fixed Term Contract

Total FTE

2016/17	2017/18
620	308
9	5
628	313

SERVICE AREA ANALYSIS

CHANGE BETWEEN YEARS

	2016/2017 Original Estimate £000	Inflation £000	Other Variations £000	2017/2018 Estimate £000
Street Scene and Waste	16,759	425	(2,683)	14,501
Public Protection and Development	(9,346)	81	978	(8,287)
Sustainable Communities	13,817	183	2,970	16,970
Senior Management and Support	0	19	(19)	0
TOTAL EXPENDITURE	21,230	708	1,246	23,184

ENVIRONMENT AND REGENERATION DEPARTMENT

Departmental Summary

FULL TIME EQUIVALENTS (FTE)

Permanent Staff

Fixed Term Contract

Total FTE

2016/17	2017/18
619.6	308.0
8.6	4.6
628.2	312.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/2017 Original Estimate £000	Inflation £000	Other Variations £000	2017/2018 Estimate £000
Expenditure				
Employees	23,153	369	(9,466)	14,056
Premises	3,034	37	(301)	2,770
Transport	8,690	37	(2,800)	5,927
Supplies and Services	3,385	58	(704)	2,739
Third Party Payments	9,899	207	7,375	17,481
Transfer Payments	2	0	0	2
Support Services	9,092	0	(1,446)	7,646
Depreciation and Impairment Losses	9,539	0	4,337	13,876
GROSS EXPENDITURE	66,794	708	(3,005)	64,497
Income				
Government Grants	(116)	0	40	(76)
Other Reimbursements and Contributions	(3,351)	0	(484)	(3,835)
Customer and Client Receipts	(39,653)	0	4,470	(35,183)
Recharges	(2,443)	0	225	(2,218)
Reserves	0	0	0	0
GROSS INCOME	(45,563)	0	4,251	(41,312)
NET EXPENDITURE	21,230	708	1,246	23,184

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(3,426)	(310)
Growth	1,582	9
Depreciation adjustments	4,336	
Overheads adjustments	(1,221)	
Transfer between departments	(23)	
Technical adjustments	537	
Use of Reserves adjustments	(523)	(5)
TOTAL	1,262	(306.3)

ENVIRONMENT AND REGENERATION DEPARTMENT

Street Scene and Waste: Transport Services, Waste Management and Operations.

FULL TIME EQUIVALENTS (FTE)

Permanent Staff

Fixed Term Contract

Total FTE

2016/17	2017/18
302	71
0	0
302	71

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/2017 Original Estimate £000	Inflation £000	Other Variations £000	2017/2018 Estimate £000
Expenditure				
Employees	9,371	223	(6,920)	2,674
Premises	254	1	(59)	196
Transport	8,092	29	(2,520)	5,601
Supplies and Services	694	9	(339)	364
Third Party Payments	6,543	163	6,283	12,989
Transfer Payments	2	0	0	2
Support Services	2,932	0	(1,614)	1,318
Depreciation and Impairment Losses	1,104	0	(182)	922
GROSS EXPENDITURE	28,992	425	(5,351)	24,066
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(874)	0	(176)	(1,050)
Customer and Client Receipts	(11,359)	0	2,844	(8,515)
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	(12,233)	0	2,668	(9,565)
NET EXPENDITURE	16,759	425	(2,683)	14,501

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(1,763)	(223.2)
Growth	825	
Depreciation adjustments	(183)	
Overheads adjustments	(1,614)	
Transfer between departments	1	
Technical adjustments	51	
Use of reserves adjustments	0	
TOTAL	(2,683)	(223.2)

ENVIRONMENT AND REGENERATION DEPARTMENT

Public Protection: Regulatory Services Partnership, Parking Control, Safer Merton.

FULL TIME EQUIVALENTS (FTE)

Permanent Staff

Fixed Term Contract

Total FTE

2016/17	2017/18
142	131
0	0
142	131

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/2017 Original Estimate £000	Inflation £000	Other Variations £000	2017/2018 Estimate £000
Expenditure				
Employees	5,663	55	(268)	5,450
Premises	621	6	19	646
Transport	170	2	(41)	131
Supplies and Services	569	9	(29)	549
Third Party Payments	615	9	(89)	535
Transfer Payments	0	0	0	0
Support Services	1,779	0	496	2,275
Depreciation and Impairment Losses	132	0	(20)	112
GROSS EXPENDITURE	9,549	81	68	9,698
Income				
Government Grants	(108)	0	32	(76)
Other Reimbursements and Contributions	(1,168)	0	(82)	(1,250)
Customer and Client Receipts	(17,618)	0	960	(16,658)
Recharges	0	0		0
Reserves	0	0		0
GROSS INCOME	(18,894)	0	910	(17,984)
NET EXPENDITURE	(9,346)	81	978	(8,287)

Other variations are analysed as follows:

Major Items	£000	fte
Savings	171	(9.0)
Depreciation adjustments	(20)	
Overheads adjustments	496	
Technical adjustments	347	
Use of Reserves adjustments		
TOTAL	994	(9.0)

ENVIRONMENT AND REGENERATION DEPARTMENT

Sustainable Communities: Traffic and Highway Services, Development Control, Building Control, Physical Regeneration, Spatial Planning and Policy, Regeneration Partnerships, Property Management, Greenspaces, Leisure and Culture Development, Transport Planning & Safety Education, Business Performance.

FULL TIME EQUIVALENTS (FTE)

Permanent Staff
Fixed Term Contract
Total FTE

2016/17	2017/18
166	98
9	5
175	103

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/2017 Original Estimate £000	Inflation £000	Other Variations £000	2017/2018 Estimate £000
Expenditure				
Employees	7,366	75	(2,271)	5,170
Premises	2,158	30	(261)	1,927
Transport	420	6	(240)	186
Supplies and Services	1,918	37	(319)	1,636
Third Party Payments	2,741	35	1,175	3,951
Transfer Payments	0	0	0	0
Support Services	4,250	0	(363)	3,887
Depreciation and Impairment Losses	8,304	0	4,539	12,843
GROSS EXPENDITURE	27,157	183	2,260	29,600
Income				
Government Grants	(8)	0	8	(0)
Other Reimbursements and Contributions	(1,309)	0	(226)	(1,535)
Customer and Client Receipts	(10,675)	0	666	(10,009)
Recharges	(1,347)	0	262	(1,085)
Reserves	(0)	0	0	(0)
GROSS INCOME	(13,340)	0	710	(12,630)
NET EXPENDITURE	13,817	183	2,970	16,970

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(1,805)	(77.0)
Growth	757	8.5
Depreciation adjustments	4,539	
Overheads adjustments	(101)	
Transfer between departments	(24)	
Technical adjustments	127	
Use of Reserves adjustments	(523)	-5.0
TOTAL	2,970	(73.5)

ENVIRONMENT AND REGENERATION DEPARTMENT

Senior Management and Support: The Department's senior management and secretarial support.

FULL TIME EQUIVALENTS (FTE)

Permanent Staff
Fixed Term Contract
Total FTE

2016/17	2017/18
9	8
0	0
9	8

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/2017 Original Estimate £000	Inflation £000	Other Variations £000	2017/2018 Estimate £000
Expenditure				
Employees	753	16	(7)	762
Premises	1	0	0	1
Transport	8	0	1	9
Supplies and Services	203	3	(17)	189
Third Party Payments	0	0	6	6
Transfer Payments	0	0	0	0
Support Services	131	0	35	166
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	1,096	19	18	1,133
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Recharges	(1,096)	0	(37)	(1,133)
Reserves	0	0	0	0
GROSS INCOME	(1,096)	0	(37)	(1,133)
NET EXPENDITURE	0	19	(19)	0

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(29)	(0.6)
Overheads adjustments	(2)	
Technical adjustments	12	
Use of Reserves adjustments	0	
TOTAL	(19)	(0.6)



2017/2018 ESTIMATES

COMMUNITY AND HOUSING DEPARTMENT

SUMMARY: COMMUNITY AND HOUSING

	2016/17	2017/18
Number of FTE Staff	417.8	374.1
Number of FTE PCT TUPE staff	16.3	13.7
Total FTE	434.1	387.8

SERVICE AREA ANALYSIS

	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Adult Social Care	51,017	792	7,189	58,998
Libraries and Heritage	2,864	43	(244)	2,662
Merton Adult Education	(68)	21	76	29
Housing General Fund	2,010	51	163	2,224
Senior Management	396	22	(14)	404
NET EXPENDITURE	56,219	929	7,170	64,318

**COMMUNITY AND HOUSING DEPARTMENT
Total**

The department includes Adult Social Care, Housing, Libraries and Merton Adult Education.

FULL TIME EQUIVALENTS

Number of FTE Staff
Number of FTE PCT TUPE staff
Total

2016/17	2017/18
417.77	374.06
16.28	13.73
434.05	387.79

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Employees	17,051	198	(1,304)	15,945
Premises	971	16	(84)	902
Transport	1,441	22	12	1,475
Supplies and Services	5,133	76	(827)	4,382
Third Party Payments	41,216	618	7,668	49,502
Transfer Payments	10,012	0	73	10,085
Support Services	7,660	0	(648)	7,012
Depreciation and Impairment Losses	465	0	(86)	379
GROSS EXPENDITURE	83,949	929	4,805	89,683
Income				
Government Grants	(4,345)	0	2,954	(1,391)
Other Reimbursements and Contributions	(8,675)	0	(2,536)	(11,211)
Customer and Client Receipts	(11,750)	0	1,693	(10,057)
Interest	0	0	0	0
Recharges	(2,960)	0	254	(2,706)
GROSS INCOME	(27,730)	0	2,365	(25,365)
NET EXPENDITURE	56,219	929	7,170	64,318

Other Variations are analysed as follows:

Major Items	£000	£000	fte
Current Year savings		(2,175)	
Salary Savings		(498)	(46.26)
Growth		9,345	
Overheads adjustments		(328)	
Depreciation adjustments		(86)	
Rebasing of Income		7	
Technical adjustments		251	
Transfers between departments		361	
Grants		89	
Other		204	
TOTAL		0	(46.26)

COMMUNITY AND HOUSING DEPARTMENT

This area includes Older People, Mental Health, Learning Disability, Physical Disability and sensory Impaired clients. It also includes No Recourse to Public Fund, aids support and substance misuse clients, concessionary fares and clients receiving other services.

FULL TIME EQUIVALENTS	2016/17	2017/18
Number of FTE Staff	316.98	308.77
Number of FTE PCT TUPE staff	16.28	13.73
Total	333.26	322.50

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Employees	12,948	112	260	13,320
Premises	363	5	(7)	361
Transport	1,406	21	15	1,442
Supplies and Services	3,976	59	(544)	3,491
Third Party Payments	38,927	595	6,775	46,297
Transfer Payments	9,763	0	(249)	9,514
Support Services	6,466	0	(494)	5,972
Depreciation and Impairment Losses	76	0	2	78
GROSS EXPENDITURE	73,925	792	5,758	80,475
Income				
Government Grants	(882)	0	865	(17)
Other Reimbursements and Contributions	(8,613)	0	(578)	(9,191)
Customer and Client Receipts	(10,453)	0	890	(9,563)
Interest	0	0	0	0
Recharges	(2,960)	0	254	(2,706)
Reserves	0	0	0	0
GROSS INCOME	(22,908)	0	1,431	(21,477)
NET EXPENDITURE	51,017	792	7,189	58,998

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(2,248)	(10.76)
Growth	9,345	
Overheads adjustments	(240)	
Depreciation adjustments	2	
Rebasing of Income	0	
Technical adjustments	112	
Transfers between departments	14	
Grants	0	
Other	204	
TOTAL	7,189	(10.76)

COMMUNITY AND HOUSING DEPARTMENT Library & Heritage Services

Services are provided through three main town centre libraries, Mitcham, Morden, Wimbledon and four neighbourhood libraries, Donald Hope, Pollards Hill, Raynes Park and West Barnes. Additional services available are home visits and school services. Also available is the Heritage Service located at Morden Library.

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE PCT TUPE staff

Total

2016/17	2017/18
43.71	33.30
0.00	0.00
43.71	33.30

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	1,348	29	(301)	1,076
Premises	403	8	74	485
Transport	4	0	(0)	4
Supplies and Services	449	5	(55)	399
Third Party Payments	27	1	(10)	18
Transfer Payments	0	0	0	0
Support Services	688	0	0	688
Depreciation and Impairment Losses	303	0	(2)	301
GROSS EXPENDITURE	3,222	43	(293)	2,971
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(42)	0	42	0
Customer and Client Receipts	(316)	0	7	(309)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	(358)	0	49	(309)
NET EXPENDITURE	2,864	43	(244)	2,662

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	(253)	(10.41)
Previous years savings	0	
Previous years growth	0	
Overheads adjustments	0	
Depreciation adjustments	(2)	
Rebasing of Income	0	
Technical adjustments	(14)	
Transfers between departments	25	
Grants	0	
Other	0	
TOTAL	(244)	(10.41)

COMMUNITY AND HOUSING DEPARTMENT Adult Education

Cabinet have approved decision to move the Adult Education model to a Commissioning model. This has become effective as of September 2016. Service Providers are South Thames College and Groundwork London

FULL TIME EQUIVALENTS

	2016/17	2017/18
Number of FTE Staff	28.26	4.66
Number of FTE PCT TUPE staff	0.00	0.00
Total	28.26	4.66

SUBJECTIVE ANALYSIS OF ESTIMATES

	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	2017/18 Current Estimate £000
Expenditure				
Employees	1,412	14	(1,120)	306
Premises	166	2	(151)	17
Transport	3	0	(3)	0
Supplies and Services	352	5	(189)	168
Third Party Payments	0	0	891	891
Transfer Payments	0	0	0	0
Support Services	179	0	(151)	28
Depreciation and Impairment Losses	86	0	(86)	0
GROSS EXPENDITURE	2,198	21	(809)	1,410
Income				
Government Grants	(1,463)	0	89	(1,374)
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(803)	0	796	(7)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	(2,266)	0	885	(1,381)
NET EXPENDITURE	(68)	21	76	29

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	0	
Salaries	(1,120)	(23.60)
Overheads adjustments	(151)	
Depreciation adjustments	(86)	
Rebasing of Income	0	
Technical adjustments	613	
Transfers between departments	0	
Grants	89	
Customer receipts	796	
Use of Reserves Adjustment	0	
TOTAL	141	(23.60)

COMMUNITY AND HOUSING DEPARTMENT

Housing

Housing Needs and Enabling Service

FULL TIME EQUIVALENTS	2016/17	2017/18
Number of FTE Staff	26.82	25.33
Number of FTE PCT TUPE staff	0.00	0.00
Total	26.82	25.33

SUBJECTIVE ANALYSIS OF ESTIMATES	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Employees	1,119	24	(129)	1,014
Premises	39	1	(1)	39
Transport	28	1	0	29
Supplies and Services	219	4	(37)	186
Third Party Payments	2,262	22	12	2,296
Transfer Payments	249	0	322	571
Support Services	292	0	(5)	287
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	4,208	51	163	4,422
Income				
Government Grants	(2,000)	0	2,000	0
Other Reimbursements and Contributions	(20)	0	(2,000)	(2,020)
Customer and Client Receipts	(178)	0	0	(178)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	(2,198)	0	0	(2,198)
NET EXPENDITURE	2,010	51	163	2,224

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	(172)	(1.49)
Previous years savings	0	
Growth	0	
Overheads adjustments	(5)	
Depreciation adjustments	0	
Rebasing of Income	0	
Technical adjustments	18	
Income Adjustment	0	
Transfers between departments	322	
Grants	0	
Other	0	
TOTAL	163	(1.49)

**COMMUNITY AND HOUSING DEPARTMENT
Adult Social Care**

Senior Management - Director & PA Only(W0AA01)

FULL TIME EQUIVALENTS	2016/17	2017/18
Number of FTE Staff	2.00	2.00
Number of FTE PCT TUPE staff	0.00	0.00
Total	2.00	2.00

SUBJECTIVE ANALYSIS OF ESTIMATES	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Employees	224	19	(15)	228
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	137	3	(1)	139
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	35	0	3	38
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	396	22	(14)	404
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	0	0	0	0
NET EXPENDITURE	396	22	(14)	404

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	0	
Previous years savings	0	
Growth	0	
Overheads adjustments	3	
Depreciation adjustments	0	
Rebasing of Income	0	
Technical adjustments	(17)	
Transfers between departments	0	
Grants	0	
Other	0	
TOTAL	(14)	0.00

COMMUNITY AND HOUSING DEPARTMENT
Public Health

Public Health services comprise • Mandatory Services : Sexual health, NHS health checks, National Child Measurement Programme, Support to Clinical Commissioning groups, and assurance of health emergency preparedness. • Universal Services : Smoking cessation, Drugs and alcohol, Obesity and Health Visiting Services.

FULL TIME EQUIVALENTS	2016/17	17/18
Number of FTE Staff	11.33	11.96
Number of FTE PCT TUPE staff	4.60	4.60
Total	15.93	16.56

SUBJECTIVE ANALYSIS OF ESTIMATES	2016/17 Original Estimate £000	Inflation £000	Other Variations £000	2017/18 Estimate £000
Expenditure				
Employees	1,090	0	27	1,117
Premises	2	0	0	2
Transport	2	0	0	2
Supplies and Services	3,750	0	(274)	3,476
Third Party Payments	6,886	0	(686)	6,200
Transfer Payments	0	0	0	0
Support Services	167	0	(16)	151
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	11,897	0	(949)	10,948
Income				
Government Grants	(11,181)	0	454	(10,727)
Other Reimbursements and Contributions	(300)	0	79	(221)
Customer and Client Receipts	0	0	0	0
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	(11,481)	0	533	(10,948)
NET EXPENDITURE	416	0	(416)	0

Other Variations are analysed as follows:

Major Items	£000	fte
Current Year savings	0	
Previous years savings	0	
Growth	0	
Salaries	27	0.63
Depreciation adjustments	0	
Overheads	(16)	
Rebasing of Income	0	
Technical adjustments	(960)	
Transfers between departments	0	
Grants reduction	454	
Other Income	79	
Use of Reserves Adjustment	0	
TOTAL	(416)	0.63

BUSINESS PLAN - GLOSSARY OF TERMS

ASSET MANAGEMENT PLAN / REVIEW

An Asset Management Plan (AMP) is a tactical plan for managing an organisation's infrastructure and other assets to deliver an agreed standard of service. The plan is reviewed annually as part of the budget cycle..

BALANCES

Balances are maintained to meet expenditure pending the receipt of income and to provide a cushion against expenditure being higher or income lower than expected. Contributions to balances can be either a planned contribution from the revenue budget or a transfer of any revenue surplus at the year end. The maintenance of an appropriate level of balances is a fundamental part of prudent financial management.

BASELINE FUNDING LEVEL

The amount of an individual council's Start-up Funding Assessment for 2013-14 provided through the local share of the Estimated Business Rates Aggregate, uprated in line with the small business rates multiplier (set at the September forecast of the Retail Price Index, unless otherwise decided).

BILLING AUTHORITIES

A unitary council, or a lower tier council in a two-tier area, which collects the council tax for its own activities, and for those of the precepting authorities in its area. The billing authority passes on the precept receipts to each precepting authority in its area. These are the 326 billing authorities that collect council tax and business rates: district councils, London boroughs, and unitary councils. Before 1 April 2009 there were 354.

BORROWING STRATEGY

A borrowing strategy set up the parameters within which money may be borrowed by the Authority. These parameters are designed to manage the risk taken by the authority within best practice.

BUDGET

Statement of the spending plans for the year.

BUDGET PROFILE

An allocated annual budget is split over the months in which it is estimated that expenditure will be incurred. For example, utility bills may well be split into four and entered into the months in which quarterly payments are due.

BUSINESS RATES

These rates, formally called non-domestic rates, are the means by which local businesses contribute to the cost of providing local council services.

BUSINESS RATE BASELINE

Determined for individual councils at the outset of the business rates retention scheme by dividing the local share of the Estimated Business Rates Aggregate (England) between billing authorities on the basis of their proportionate shares, before the payment of any major precepting authority share.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

BUSINESS RATE RETENTION SCHEME

The name given to the current system of funding local authorities through the local government finance settlement, set out in the Local Government Finance Act 2013. The local government sector retains 50% of the business rates they collect. In addition they also receive Revenue Support Grant to help support their services.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset or expenditure, which adds to, and not merely maintains, the value of an existing fixed asset.

CAPITAL FINANCING REQUIREMENT (CFR)

The total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resources i.e. a measure of the underlying borrowing need. See Minimum Revenue Provision

CAPITAL PROGRAMME

Documentation which summarises the outcome of priority allocations contained in the capital strategy and details individual schemes for approval by Council / Cabinet.

CAPITAL PROGRAMME BOARD

The Capital Programme Board ensures:

- that the overall capital investment strategy is consistent with strategic objectives, is affordable within the revenue budget strategy, examining potential funding options
- that bids are submitted in accordance with set framework and guidelines (including business cases, value for money and options appraisal) and prioritised in accordance of agreed criteria
- compiles and manages a multi-year capital programme for consideration by CMT and approval by Cabinet

CAPITAL PROJECTS / SCHEMES

Capital Projects / Schemes is the level at which Member approval is obtained.

CAPITAL RECEIPTS

Proceeds from the sale of fixed assets and repayments of capital grants and loans. These are divided into reserved and usable parts.

CAPITAL MONITORING

The monthly comparison of actual spend against the anticipated spend (profiled budget) and the revision of projected year end spend where necessary. Periodically budget managers will be required to review their in year budget requirement and re-profile their projected expenditure over subsequent financial years.

CAPITAL STRATEGY

A Capital Strategy is a core planning document designed to dovetail with the MTFs and Treasury Strategy to ensure that limited capital resources are deployed in accordance with corporate priorities / achieving our vision. The document will also detail how the proposed capital programme will be funded.

CASH FLOW MANAGEMENT

Cash flow is the movement of money into or out of a business. Cash flow management optimises activity and investment around these cash flows.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

The Institute produces standards and codes of practice that must be followed in preparing the Council's financial statements.

CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING

The Code of Practice on Local Authority Accounting ('The Code') applies International Financial Reporting Standards (IFRS) to the Local Authority context. The Code supports consistent financial reporting and Local Authorities must adhere to it when producing the annual Statement of Accounts.

COLLECTION FUND

This is a statutory 'ring fenced' account. It records income and expenditure on Council Tax, Non Domestic Rates, payments to the precepting authorities and transfer to the Council's General Fund.

COMMUNITY ORGANISATION

An organisation with benevolent or philanthropic purposes.

COMPACT

Compacts are partnership agreements between statutory bodies and the voluntary and community sector to improve their relationships and provide a framework within which the sectors can understand what to expect from each other. Compacts offer the means of supporting the development of the voluntary and community sector's capacity so that groups can do more to meet both their aims and those of their statutory partners, thereby enhancing their contribution to the local community. The national compact (between central government and the voluntary and community sector) was launched in 1998 and it is now a requirement for all local authorities and PCTs to develop a compact with the voluntary and community sector. They are not legally binding documents but the Compact is approved and signed policy and affects the conduct of all partners.

COMPREHENSIVE SPENDING REVIEW (CSR)

The CSR is a governmental process carried out by HM Treasury which sets out fixed three-year departmental expenditure limits and, through public sector service agreements, defines key service improvements.

CONTINGENCY

A contingency is the setting aside of a finite sum to offset the cost of a future event or circumstance which may or may not occur. So is a reserve. You need to make distinction clearer. A reserve is a sum in the accounts whereas a contingency is a sum in a budget and the budget does not follow accounting conventions. A contingency can also be drawn more widely. The Govt has one to cover events dear boy, events. (Macmillan)

CORE SPENDING POWER

To provide some certainty for the period 2016-17 through to 2019-20, the local authority core spending power as from the following core components:

- The Modified Settlement Funding Assessment as set out in the provisional local government finance settlement consultation.
- The council tax requirement estimated by applying the average annual growth in the council tax base between 2013-14 and 2015-16 and assuming that local authorities increase their Band D council tax in line with the OBR's forecast for CPI for each year.
- The potential additional council tax available from the adult social care council tax flexibility.
- The potential additional council tax available from a £5 cash principle for districts with a lower quartile Band D council tax level.
- The Improved Better Care Fund.
- Rural Services Delivery Grant.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

CORPORATE AND DEMOCRATIC CORE

The corporate and democratic core comprises all activities which local authorities engage in specifically because they are elected, multi-purpose authorities. It has two elements - corporate management and democratic representation and management. The activities within the corporate and democratic core are in addition to those which would be carried out by a series of independent, single purpose bodies managing the same services. There is, therefore, no logical basis for apportioning these costs to services.

CORPORATE GOVERNANCE

Corporate Governance is the system by which local authorities direct and control their functions and communicate to their communities.

COUNCIL TAX

A local tax on domestic property, set by councils – calculated by deducting any funding from reserves, income it expects to raise and general funding it will receive from the Government – in order to meet its planned spending.

COUNCIL TAX BASE

This is the number of Band D equivalent dwellings in a council area. To calculate the tax base for an area, the number of dwellings in each council tax band is reduced to take account of discounts and exemptions. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated. An adjustment is then made for the collection rate.

COUNCIL TAX BANDS

There are eight council tax bands. How much council tax each household pays depends on the value of the homes.

COUNTRY LIMITS

The current economic climate has not only affected companies and financial institutions; it has affected sovereigns (lending to countries[government bonds]) as well. This will be incorporated into counterparty selection.

CREDIT APPROVAL

The permission to borrow given to each local authority annually by the Secretary of State. Local authorities can obtain supplementary credit approvals during the year for particular projects.

CREDITORS

The individual or organisation to whom the Authority owes money. Accordingly, it does not include money on taxation to the Council.

COUNCIL'S BORROWING REQUIREMENT

Based on projected spend, this is the amount of money a local authority will need to borrow to finance this projected spend.

COUNTERPARTIES

The organisation in respect of which the Authority borrows from or invests money with. A counterparty will be removed, suspended or kept on close watch from the council's approved list if it fails to meet the Council's criteria.

CORPORATE BONDS

Is a bond that a company issues to raise money in order to expand its business.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

COUPON

Is the interest rate stated on a bond at the time it is issued.

CREDITWORTHINESS

An assessment of the likelihood that a borrower will default on their debt obligations. It is based upon factors, such as their history of repayment and their credit score. Lending institutions also consider the availability of assets and extent of liabilities to determine the probability of default.

DEBTORS

A debtor is an organisation or individual that owes the Authority money and the debt is legally enforceable

DEBT RESCHEDULING See rescheduling of debt

Where certain debt may be redeemed and a further loan obtained. This may be undertaken to provide an even spread of debt redemption date and terms, It may also be used to optimise beneficial borrowing rates in the market while maintaining activity within acceptable risk levels.

DEPRECIATION

Depreciation is a charge to the revenue account to reflect the reduction in the useful economic life of a fixed asset, reducing the value of the fixed asset in the balance sheet. It is not a charge to the General Fund as it is reversed in the Movement in Reserves Statement and replaced with the Minimum Revenue Provision.

EARMARKED CAPITAL RESOURCES / GRANTS Overlaps with reserves

Money received by the Authority which has certain conditions / restrictions (loose terminology) over its use limiting the type of expenditure that it may be applied against. IFRS refers to Stipulations and sub divides them into Conditions and Restrictions. Earmarked grants (revenue or capital) are grants which are subject to restrictions. I

ESTIMATED BUSINESS RATES AGGREGATE

The total business rates forecast at the outset of the business rate retention scheme to be collected by all billing authorities in England in 2013-14. The Estimated Business Rates Aggregate is updated year on year in line with the change in the small business multiplier (usually the September Retail Price Index).

FINANCE LEASE

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Situations that would normally lead to a lease being classified as a finance lease include the following:

- the lease transfers ownership of the asset to the lessee by the end of the lease term
- the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than fair value at the date the option becomes exercisable and that, at the inception of the lease, it is reasonably certain that the option will be exercised
- the lease term is for the major part of the economic life of the asset, even if title is not transferred
- at the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset
- the leased assets are of a specialised nature such that only the lessee can use them without major modifications being made

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

FINANCIAL INSTRUMENT

A real or virtual document representing a legal agreement involving some sort of monetary value. In today's financial marketplace, financial instruments can be classified generally as equity based, representing ownership of the asset, or debt based, representing a loan made by an investor to the owner of the asset.

FINANCIAL YEAR

The financial year runs from 1 April to the following 31 March.

FIXED ASSETS

Assets that yield benefits to the local authority and the services it provides for a period of more than one year. These assets can be tangible or intangible.

FLOOR DAMPING

A method by which stability in funding is protected through limiting the effect of wide variations in grant. A floor guarantees a lower limit to a year-on-year change in grant. The grant amounts of councils who receive changes above the floor are scaled back by a fixed proportion to help pay for the floor.

FTSE 100

This is the index of the top 100 UK listed companies by market capitalisation.

GENERAL FUND

The main fund of the Council, from which all expenditure is met and all income is paid, with the exception of those items, which by statute have to be taken to some other account.

GOVERNMENT GRANTS (Overlaps with Earmarked capital resources)

Financial assistance by government and other bodies, in the form of cash transfers to an authority, issued in return for compliance with certain conditions relating to the activities of the authority.

GROSS EXPENDITURE

The total expenditure of a fund or account.

GROUP LIMITS

This is a limit on the amount of money that may be invested with or borrowed from a particular conglomerate.

IMPAIRMENT

(Rewrite, someone should hang their head in shame for this sentence) The loss of value in a fixed asset arising from physical damage, deterioration in the quality of service provided by the asset or from a general fall in prices. When this occurs the asset must be written down to the recoverable value. The charge is then reversed out from the General Fund in the Movement in Reserves Statement and replaced with the Minimum Revenue Provision.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS)

International Financial Reporting Standards are a single set of accounting standards, developed and maintained by the IASB (International Accounting Standards Board) for the purposes of being applied on a globally consistent basis by developed, emerging and developing economies. The Code of Practice on Local Authority Accounting is based on IFRSs

INVESTMENT POLICY

The London Borough of Merton's investment policy has regard to the CLG's Guidance on Local Government Investments and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. The council's investment priorities will be security first, liquidity second, then return.

INVESTMENT STRATEGY

The investment of the Authority's cash balances to optimise its strategic and operational needs Surely we should include reference to maximising investment income and minimising cost of borrowing. Otherwise this is too vague.

INVESTMENT TREASURY INDICATOR AND LIMIT

This is a prudential indicator for funds invested for more than 364 days, designed to measure the need for early investment redemption against the Authority's liquidity requirement.

LENDERS OPTION BORROWERS OPTION (LOBO)

When borrowing or lending money, certain time related limits may be established when the arrangement is made e.g. at a certain point in time the interest rate of a loan will increase; at this point both parties have the opportunity to opt in / out of the arrangement.

LEVY

Mechanism to limit disproportionate benefit from business rates. The levy is applied proportionally on a 1:1 basis (i.e. a 1% increase in business rates income results in an council getting a 1% increase in revenue from the rates retention scheme) but with a limit on the maximum levy rate that is imposed, at 50p in the pound. Levy payments are used to fund the safety net.

LIABILITIES

A legally enforceable sum owed to a third a Party

LOCAL GOVERNMENT FINANCE SETTLEMENT

The local government finance settlement is the annual determination of funding distribution as made by the Government and debated by Parliament.

LOCAL GOVERNMENT SPENDING CONTROL TOTAL

The total amount of expenditure for Revenue Support Grant in the Department for Communities and Local Government's Local Government Departmental Expenditure Limit plus the local share of the Estimated Business Rates Aggregate that is allocated to the local government sector by Government for each year of a Spending Review.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

LOCAL SHARE

The percentage share of locally collected business rates that is retained by local government. This is set at 50%.

LOCALISM ACT 2011

It sets out a series of proposals with the potential to achieve a substantial and lasting shift in power away from central government and towards local people. They include: new freedoms and flexibilities for local government; new rights and powers for communities and individuals; reform to make the planning system more democratic and more effective

LOWER TIER COUNCILS

Councils that carry out the functions which in shire areas with two tiers of local government are carried out by shire districts. They are the same councils as billing authorities.

MERTON IMPROVEMENT BOARD

Merton Improvement Board oversees the management and monitoring of the Merton improvement programme and the promotion of best practices within the Council. Its work falls into four main areas:

- manage and monitor the Merton improvement programme including giving the “go ahead” for new projects and project closure;
- steer the implementation and future development of the Merton improvement programme;
- lead on developing and maintaining cross-cutting initiatives; and
- manage, co-ordinate and monitor business improvement activity across the council.

MINIMUM REVENUE PROVISION

A provision, via a revenue charge, in respect of historical capital expenditure which has been financed by borrowing, as required by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.

MULTIPLIER

The business rates multiplier which, when multiplied by the rateable value of a property, determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. The small business multiplier is updated annually by the Retail Price Index, unless the Government decides otherwise and the other multiplier adjusted accordingly, to fund rate relief for small businesses.

NATIONAL CONTROL TOTALS

These are the national totals for each of the individual elements within the local spending control total. They are determined as part of the Spending Review. It is also the name given to the size of each of the different elements within the Settlement Funding Assessment.

NON-DOMESTIC RATE (NDR)

A levy on businesses based on national 'rateable value' of the premises occupied. NDR is collected by the Council in line with national criteria, paid into a national pool and then redistributed to all local and police authorities on the basis of population.

NON-SPECIFIED INVESTMENTS

A body which has been provided with a government issued guarantee for wholesale deposits within specific timeframes.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

OPERATIONAL BOUNDARY

The operational boundary is a prudential indicator for monitoring the total external debt, gross of investments, and separately identifying borrowing from other long term liabilities.

OPERATING LEASE

A contract that allows for the use of an asset, but does not convey rights of ownership of the asset. An operating lease is not capitalised; it is accounted for as a rental expense in what is known as "off balance sheet financing." For the lessor, the asset being leased is accounted for as an asset and is depreciated as such.

PENSION FUND

The Local Government Pension Scheme (LGPS) is a scheme established by statute to provide death and retirement benefits for all eligible employees. The scheme's benefits are defined in the LGPS Regulations, and are geared to a scheme member's Career Average Revalued Earnings (CARE).

The scheme is financed by a combination of employee and employer contributions, together with income from a fund of investments. The employee contribution rate ranging from 5.5% to 12.5% of pensionable pay in nine salary bands. The contribution percentage that a member pays is based on their estimated actual annual pensionable salary from 1 April to 31 March each year. Whilst the employer's rate varies according to an assessment of the funds current and forecast pension/benefit costs, (the fund's liabilities), relative to its income. This assessment is undertaken, in accordance with LGPS Regulations, every three years by the Fund's appointed actuary, who sets the necessary level of employer contribution into the fund so that the fund's liabilities can be paid.

PERFORMANCE MANAGEMENT FRAMEWORK

Performance management is about how an organisation consistently plans and manages to ensure continuous improvement. Sustainable improvements in services are unlikely to happen without it. A performance framework is designed to help individuals, teams, divisions etc. understand :

- what the organisation is trying to achieve (golden thread),
- the planning, monitoring and review cycle
- their responsibilities.

PRECEPT

This is the amount of council tax income all billing and precepting authorities need to provide their services. The amounts for all authorities providing services in an area appear on one council tax bill, which is administered by the billing authority.

PRECEPTING AUTHORITY

An authority or body that does not collect council tax or business rates but is part of the business rates retention scheme. This is an authority which sets a precept to be collected by billing authorities. County councils, police authorities, the Greater London Authority, single purpose fire and rescue authorities and parish councils are all precepting authorities.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

PRIVATE FINANCE INITIATIVE (PFI)

PFI contracts are agreements with private sector organisations to refurbish, maintain and operate fixed assets on behalf of public sector organisations such as local authorities.

PROCUREMENT BOARD

The Procurement Board provides a corporate focus for procurement issues and oversees the procurement development in Merton. The Board also provides both strategic direction for, and effective governance of, the procurement arrangements across the Authority, ensuring they are effective, efficient and utilised.

PROPORTIONATE SHARE

This is the percentage of the national business rates yield which a council has collected on the basis of the average rates collected by councils over the two years to 2011-12. This percentage was applied to the local share of the 2013-14 Estimated Business Rates Aggregate to determine the billing authority business rates baseline.

PROVISIONS

Amounts set aside for any liabilities or losses which are likely to be incurred, but which are uncertain as to the amounts or the dates on which they will arise.

PRUDENTIAL CODE

The Local Government Act 2003 requires the Council to have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities. In doing so, the Council is required to set and monitor a series of Prudential Indicators, the key objectives of which are to ensure that, within a clear framework, the capital investment and borrowing plans of the council are affordable, prudent and sustainable.

RESCHEDULING OF DEBT See debt resceduling

The switching of debt between the short term and the longer term and vice versa to obtain favourable borrowing rates.

REVENUE EXPENDITURE

Expenditure incurred on day to day running costs and confined to accounts within one financial year.

REVENUE MONITORING

The monthly comparison of actual expenditure and income spend against the anticipated spend (profiled budget). A budget manager will then allow for known income/expenditure to project the year end position.

RESERVES

This is a council's accumulated surplus income (in excess of expenditure) which can be used to finance future spending. Reserves can be either capital or revenue

REVENUE SUPPORT GRANT

A Government grant which can be used to finance revenue expenditure on any service.

RINGFENCED GRANT

A grant paid to councils which has conditions attached to it, which restrict the purposes for which it may be spent.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

RISK MANAGEMENT

A risk is a threat, obstacle or, barrier, that will stop the Authority from achieving its ambitions, aims and objectives. Risk management is the process of managing the risks that may prevent delivery of desired outcomes so that the organisation can anticipate and respond positively to change. Merton's approach to risk management is to raise awareness, integrate it into day to day operations and establish a robust framework and procedures to identify, analyse, assess and manage risk.

SECTION 151 OFFICER

Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and requires one officer to be nominated to take responsibility for the administration of those affairs. The Section 151 officer is usually the local authority's treasurer and must be a qualified accountant belonging to one of the recognised chartered accountancy bodies. The Section 151 officer has a number of statutory duties, including the duty to report any unlawful financial activity involving the authority (past, present or proposed) or failure to set or keep to a balanced budget.

SECURITISATION

'Securitisation' as used in this context means the disposal of future revenues. For example, someone receiving rents from properties might transfer the entitlement to that income to a bank for (e.g.) 20 years, in exchange for an immediate lump-sum payment.

SAFETY NET

Mechanism to protect any council which sees its business rates income drop, in any year, by more than 7.5% below its baseline funding level (with baseline funding levels being uprated by the small business rates multiplier for the purposes of assessing eligibility for support).

SETS OF SERVICES

There are four sets of services, corresponding to the services supplied by the four types of local authorities (although some councils may provide more than one tier of service). These are:

- upper-tier services – those services, other than fire, supplied by county councils in two-tier areas, and described in this consultation as relating to 'social care councils'
- police services
- fire and rescue services lower-tier services – those services supplied by district councils ('non-social care councils' in the consultation) in two-tier areas.

SETTLEMENT CORE FUNDING

The definition of settlement core funding for this purpose takes into account the main resources available to councils, which for this purpose comprise:

- council tax income from 2015-16 (including any Council Tax Freeze Grant)
- the Settlement Funding Assessment, comprising:
 - estimated business rates income (baseline funding level under the rates retention scheme)
 - Revenue Support Grant.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

SETTLEMENT FUNDING ASSESSMENT

Previously referred to as Start-Up Funding Assessment. It comprises at a national level the total Revenue Support Grant and the local share of Estimated Business Rates Aggregate for the year in question. On an individual council level it comprises each council's Revenue Support Grant for the year in question and its baseline funding level, updated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided

SPECIFIC GRANT

Grants paid under various specific powers, but excluding Revenue Support Grant or area-based grant. Some specific grants are ringfenced.

SPECIFIED BODY

This is the term used for a body or bodies which are directly funded from Revenue Support Grant, and which provide services centrally for local government as a whole.

SPECIFIED INVESTMENTS

These are to be sterling investments of a maturity period of not more than 364 days, or those which could be for a longer period but where the Council has the right to be repaid within 364 days if it wishes. These are low risk assets where the possibility of loss of principal or investment income is considered negligible.

SUPER OUTPUT AREA

A Super Output Area (SOA) is a geographical area designed for the collection and publication of small area statistics. It is used on the Neighbourhood Statistics site, and has a wider application throughout national statistics. SOAs give an improved basis for comparison throughout the country because the units are more similar in size of population than, for example, electoral wards

SUPPORT SERVICES

These are services that are not statutory local authority services but which give support to those services.

TARIFFS AND TOP UPS

Calculated by comparing at the outset of the business rate retention scheme an individual council's business rates baseline against its baseline funding level. Tariffs and top ups are self-funding, fixed at the start of the scheme and updated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.

TAX INCREMENTAL FINANCING

The Local Government Finance Bill was passed in December 2011 and introduces a rate retention scheme enabling local authorities to retain a proportion of the business rates generated in their area. The Bill also includes a framework for the localisation of support for council tax in England, which alongside other council tax measures will give councils increased financial autonomy and a greater stake in the economic future of their local area, while providing continuation of council tax support for the most vulnerable in society. In determining the affordability of borrowing for capital purposes, authorities currently take account of their current income streams and forecast future income.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

TREASURY MANAGEMENT

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

TREASURY MANAGEMENT PRACTICES / TREASURY MANAGEMENT CODE OF PRACTICE

The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code for Capital Finance in Local Authorities. In doing so, the Council is required to set and monitor a series of Prudential Indicators, the key objectives of which are to ensure that, within a clear framework, the capital investment plans of the council are affordable, prudent and sustainable.

USEFUL LIFE

This is the period over which the local authority derives benefit from the use of a fixed asset.

BUSINESS PLAN – LIST OF ACRONYMS

<u>Acronym</u>	<u>Definition</u>
AD	Assistant Director
ADASS	Association of Directors of Adult Social Services
Apps	Applications
ASB	Anti Social Behaviour
ASC	Adult Social Care
ASH	Our miscellaneous income, invoicing and recovery system
BC	Building Control
BESD	Behavioural Emotional and Social Difficulties
BME	Black Minority Ethnic
C & YP	Children and Young People
CAF	Common Assessment framework
CAMHS	Child and Adolescent Mental Health Services
CC	Children's Centre
CCTV	Close Circuit Television
CEN	Creative Environmental Networks
CEO	Civil Enforcement Officer
CFR	Capital Financing Requirement
CIPFA	Chartered Institute of Public Finance and Accountancy
CMT	Corporate Management Team
CNEA	Clean Neighbourhood and Environment Act
COM	Current Operating Model
CPD	Centre for Professional Development
CPD	Continuing Professional Development
CPZ	Controlled Parking Zone
CRB	Criminal Records Bureau
CRM	Customer Relationship Management
CSC	Children's Social Care
CSF	Children Schools & Families
CYP	Children and Young People
CYPP	Children and Young peoples Plan
DC	Development Control
DEFRA	Department for Environment Food and Rural Affairs
DFG	Disabled Facilities grant
DMT	Departmental Management Team
DSG	Dedicated Schools Grant
E&R	Environment and Regeneration
EA	Equality Analysis
EAL	English as an Additional Language
EH	Environmental Health
EIA	Equalities Impact Assessment
EIG	Early Intervention Grant
ERTG	Enforcement Review Task Group
ESOL	English for Speakers of Other Languages
EU	European Union
EY	Early Years
FACS	Fair Access to Care Services
FM	Facilities Management
FOI	Freedom Of Information
FPN	Fixed Penalty Notice
FTE	Full Time Equivalent
GLA	Greater London Authority
HB	Housing Benefits
HC&OP	Healthier Communities and older People

BUSINESS PLAN – LIST OF ACRONYMS Continued.....

<u>Acronym</u>	<u>Definition</u>
HCA	Homes and Community Agency
HNES	Housing Needs and Enabling Services
HRRC	Household Reuse and Recycling Centre
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standard
IP	Intellectual Property
IT	Information Technology
iTrent	The Council's payroll system
JD	Job Description
K	£ Thousand
L & D	Learning and Development
LA	Local Authority
LAC	Looked After Children
LALO	Local Authority Liaison Officer
LATS	Landfill Allowances and Trading Scheme
LB	London Borough
LBM	London Borough of Merton
LCGS	London Councils Grant Scheme
LDD	Learning Development and Diversity
LGA	Local Government Association
LLC	Local Land Charges
LSC	Learning Skills Council
LSCB	Local Safeguarding Children's Board
LSP	Local Strategic Partnership
LOBO	Lenders Option Borrowers Option
MAE	Merton Adult Education
MARAC/D	Multi Agency Risk Assessment Case Conference / Domestic Violence
MCIL	Merton Centre for Independent Living
MIS	Management Information System
MP	Member of Parliament
MRP	Minimum Revenue Provision
MSLT1&2	Merton's Senior Leadership Team Levels 1 and 2
MTFS	Medium Term Financial Strategy
MVSC	Merton Voluntary Service Council
NEET	Not in Education Employment or Training
NDR	Non Domestic Rate
O&S	Overview and Scrutiny
OJEU	Official Journal of the European Union
OT	Occupational Therapy
PATAS	Parking And Traffic Appeals Service
PC	Police Constable
PCN	Penalty Charge Notice
PCT	Primary Care Trust
PFI	Private Finance Initiative
PM&R	Pavement Maintenance and Repair
PPD	Public Protection and Development

BUSINESS PLAN – LIST OF ACRONYMS Continued.....

<u>Acronym</u>	<u>Definition</u>
PPP	Policy Planning and Performance
PRS	Private Rented Sector
PVI	Private Voluntary and Independent
QA	Quality Assurance
SC	Sustainable Communities
SEN	Special Educational Needs
SEND	Special Educational Needs and Disabilities
SFA	Skills Funding Agency
SLA	Service Level Agreement
SLWP	South West London Partnership
SME	Subject Matter Expert
SMT SOAs	Senior Management team Super Output Areas
SSQ	School Standards and Quality
SW	South West
SWLSG	South West London and St George's Mental Health NHS Trust
TBC	To Be Confirmed
TEC	Transport and Environment Committee
TFL	Transport For London
TOM	Target Operating Model
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations
VAT	Value Added Tax
VLE	Virtual Learning Environment
VS	Voluntary Sector
YOT	Youth Offending Team