

MERTON COUNCIL

Business Plan

2016 / 2020



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INTRODUCTION

Welcome to Merton Council's Business Plan for 2016/20, which brings together financial information in the form of the council's budget and the Medium Term Financial Strategy, along with the service planning of all of the council's operational services over the next four years. Although it is a four year plan, it will be refreshed every year to ensure we are on target and to take account of changing needs and priorities.

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

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

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

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

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

Each major work area in the council completes a service plan, to give a high level overview of its financial position, what it exists to do, what it hopes to achieve 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 2016/20 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.

The Community Plan has been developed by the Merton Partnership and sets the overall direction and vision for the borough until 2019.

COMMUNITY PLAN

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, to co-ordinate the delivery of local services. Originally formed to deliver the stretch targets required to generate additional Local Area Agreement funding, the Partnership developed the Community Plan in 2009 setting out the overall direction and vision for the borough until 2019. The document sits above each partner's own Business Plan. The Community Plan was refreshed by the partnership in 2013.

The Merton Partnership has an Executive Board structure:

The **Merton Partnership** is chaired by the Leader of the Council. The Merton Partnership set the strategic direction of the Merton Partnership and hosts an annual themed conference.

The **Executive Board** meets bi-monthly and is chaired by the Leader of the Council. The role of the Executive Board is to operationally manage the delivery of the priorities and targets of the Merton Partnership, as set out in the Community Plan and Neighbourhood Renewal Strategy.

There are four **Thematic Subgroups** which co-ordinate the activities of relevant members of the Partnership to ensure that the strategy agreed by the Executive Board is carried out through the relevant Boards and Trusts. These thematic subgroups mirror the themes of the Community Plan:

- **Children's Trust**

Merton's Children's Trust arrangements began development in 2005 and bring together all partners involved in services to children and families in Merton. A wide range of groups and partnerships are accountable for their performance and activities to the Children's Trust Board. The Children's Trust is designed to deliver the outcomes set out in Merton's Children & Young People Plan (CYPP) 2016-19, namely:

- Deliver early help and improve outcomes for those subject to the effects of disadvantage
- Safeguarding children and young people
- Looked After Children and Care Leavers
- Closing the gap in educational outcomes and opportunity
- Engage and enable young people to achieve better outcomes
- Children with special educational needs and disabilities

- **Health and Wellbeing Board**

Health and Wellbeing Boards have been created to deliver strategic, local leadership in health and wellbeing. The work of HWBs are central to informing the commissioning of health and social care services in Merton and have a core role in encouraging joined-up services across the NHS, social care, public health and other local partners.

Merton Health and Wellbeing Board's (HWB) full statutory responsibilities have now been in place since April 2013 and a Shadow Health and Wellbeing Board has been working in Merton since 2011.

The HWB brings together the Council, Merton Clinical Commissioning Group, HealthWatch and the voluntary and community sector with a shared focus on improving the health and wellbeing in Merton. Specifically:

- Improving health outcomes
- Reducing health inequalities
- Independent living
- Supported living

- **Safer and Stronger Communities**

The Safer and Stronger Thematic Partnership incorporates the statutory Community Safety Partnership (CSP) and is responsible for setting and overseeing the strategic direction for community safety and the community cohesion agenda in the borough, and to fulfil the statutory requirements of the CSP in Merton.

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 locality. Key themes are:

- Reduce the fear of crime
- Reduce alcohol related violence and support those who are effected by alcohol misuse
- Reduce anti-social behaviour and the effects of serious anti-social behaviour on communities as well as supporting individuals to find positive outcomes for local disputes
- Reduce acquisitive crime by working with our communities to ensure that they keep their valuables safe
- Reduce repeat victimisation of domestic violence victims
- Develop the council's local leadership role and the capacity of the community and voluntary sector
- Empower local people to have a greater choice and influence over local decision-making and a greater role in public service delivery
- Increase community cohesion and integration

- **Sustainable Communities and Transport**

The Sustainable Communities and Transport thematic partnership has been 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 in particular.

The Board promotes investment into the borough to create new jobs as well as looking to improve skills levels and the capacity of residents to benefit from these jobs and those across the region. The Board seeks to improve the condition and supply of housing including affordable housing. The Board works to promote the development of sustainable transport particularly active transport (cycling and walking) as well as public transport in and around Merton. Key themes are:

- Work to support economic growth, by increasing jobs and skills
- Work to improve the financial resilience of Merton's residents
- Work to increase the supply of housing
- Work towards carbon reduction
- Work to increase investment
- Work to improve sustainable transport provision

In addition to the four thematic partnerships, Merton Council has added the theme of

Corporate Capacity, which includes:

- Our systems for ensuring sound financial management and high standards of governance
- The effective recruitment, development and management of staff
- Having the right information and communications technology infrastructure in place to support service delivery and efficiency
- Value for money and continual review to improve processes
- Customer access, customer services and customer care
- Equalities, diversity and community cohesion
- Transparent information and service provision

NATIONAL POLICIES

The new Conservative government elected in 2015 has set out a policy direction that will have a major impact on Council services over the lifetime of this Business Plan. The Spending Review 2015 contained a number of major announcements that will affect local government and much of the detail of how these will be implemented are yet to be clarified. Key announcements included:

- Resources for local government are likely to reduce by around 30% between 2015 and 2020 according to London Councils. DCLG has experienced one of the largest cuts of any Whitehall department over this period. It should be noted that this cut is on top of a similar funding reduction between 2010 and 2015;
- The Revenue Support Grant will be phased out by 2020;
- Local authorities will be able to retain 100% of business rates by the end of this Parliament (currently 50% of business rates are retained locally split between the Mayor and London boroughs). Further detail of how this proposal will be implemented, including additional responsibilities for local government, will be consulted on in 2016;
- Devolution to the Mayor and London boroughs of some employment support and trials around some health related services;
- Further cuts to welfare benefits are likely to result in additional demand for Council services;
- Introduction of the Right to Buy for housing association tenants funded from the sale of Council housing;
- An annual 1% reduction in rents paid by social housing tenants;
- An apprenticeship levy on employers, including local authority, to fund the national apprenticeship programme.

ABOUT THE COUNCIL - An overview of the council

KEY FACTS

- The Council comprises 60 elected councillors, representing 20 wards and four political groups. The current political composition of the Council as at February 2016 is:
 - Labour: 36 councillors
 - Conservative: 20 councillors
 - Merton Park Ward Independent Residents: Three councillors
 - Liberal Democrats: One councillor
- Full Council usually meets five times a year, and is responsible for agreeing the council tax and setting the overall direction of the council.
- A Cabinet of nine Labour councillors makes the majority of decisions throughout the year, with Overview and Scrutiny arrangements to hold Cabinet to account.
- Regulatory committees are appointed by Council and carry out planning and licensing functions.
- The council had a revenue budget of £155m in 2015/16 with around 44% of this being spent on social care.
- 4,040FTE (as at Dec 15) or 5,301 headcount (as at Dec 15) employees provide a range of public services, from street cleaners and town planners to teachers and social workers, who work in the four departments, including Merton's schools:
 - Children, Schools and Families (CSF)
 - Environment and Regeneration (E&R)
 - Community and Housing (C&H)
 - Corporate Services (CS)

ABOUT THE BOROUGH

Merton is an outer London borough situated to the south west of central London. The demographics of the borough and some of its defining characteristics are listed below. Merton has a population projected in 2013 to be 202,750 persons living in nearly 79,000 occupied households. Population density tends to be higher in the west wards of the borough than in the east wards. Just over half the borough is female (50.7%) and the borough has a similar age profile to London as a whole. The GLA population projection data for 2013 shows the Merton's BAME population to be 74,650 (36.8%) At Census 2011, the percentage for BAME groups was 35.1%. This was lower than the percentage for London (40.2%).

- Predominantly suburban in character, with high levels of commuter flows in and out of central London.
- Good connections with the London transport network. The District and Northern lines both run through the borough, Tramlink provides connections between Wimbledon and Croydon via Mitcham and Morden, while numerous over ground stations and bus routes provide easy access to central London and neighbouring boroughs.
- Significant amounts of green space – 18% of the borough is open space, compared to a London average of 10%. This comprises over 65 parks and open spaces (including Wimbledon and Mitcham commons), 28 conservation areas, 11 nature reserves and 17 allotment sites.
- 124 languages are spoken in Merton's 43 primary schools, eight secondary schools (including two academies), three special schools, one Pupil Referral Unit and 11 children's centres.

- Increasing numbers of groups with particular needs, for example older people, BME communities and the increased number of young people with special educational needs or disabilities.
- Seven libraries provide internet access, summer reading schemes and homework clubs as well as traditional book, CD, DVD and video lending.
- Three leisure centres provide a wide range of facilities in Mitcham, Morden and Wimbledon.
- Merton plays host to one of the country's most famous sporting events – the Wimbledon fortnight held at the All England Lawn Tennis and Croquet Club.
- Council tax is currently set at £1,397.25 (2015/16) for a band D property (including the Greater London Authority precept), the average level for outer London boroughs.
- Merton is consistently amongst the top four safest boroughs in London which is a tribute to the excellent partnerships between the council, Metropolitan Police Service, Safer Merton Partnership and the community.

The 2015 Indices of Multiple Deprivation (IMD) show that Merton ranks as 'very low' in terms of overall social deprivation compared to other London boroughs, 7th least deprived out of the 33 London boroughs and ranked 212 out of 354 (where 1 is the most deprived) for the rest of England. This overall lack of deprivation does, however, hide stark inequalities in the borough between deprived wards in the east of the borough (Mitcham) and the more affluent wards in the west (Wimbledon). Deprivation is evident in the eastern wards of Figge's Marsh, Cricket Green, Lavender, Graveney and Ravensbury and to a lesser extent in the western wards of Trinity, Abbey and Hillside:

- The average house price for Merton in 2014 was £385,000 a increase of +16% on 2013 (£320,000). The average house price in London £365,000 (2014) an increase of +17%.
- The average median income for Merton is £31,938 (2014). When we compare house prices with average income, like most borough in London and the south east of England we can see there is a large gap between income and housing affordability.
- 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 especially Wimbledon Park, Village, and Hillside wards. These wards have a median income range of £41-£50k. By comparison many wards such as Figge's Marsh, Pollards Hill, St. Helier, and Cricket Green have a median income range of £24k-28k.
- The east of the borough has much higher levels of serious illness and early deaths from illnesses such cancer and heart disease.
- Life expectancy for men ranges from 76.5 years in Ravensbury Ward in the more deprived east to 84.6 years in Wimbledon Village in the least deprived west, a gap of 8.1 years
- 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.
- In three wards in the east of the borough, over a third of the population have no qualifications.
- Free school meals eligibility is rising in Merton schools (Merton average 2015, 15.7% – school census 2015).

CORPORATE STRATEGIES

The council has many corporate and service-specific strategies and plans that support the work not only of the council, but also the Merton Partnership and 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.

<ul style="list-style-type: none"> • Adult Treatment Plan • Air Quality Action Plan • Anti-Social Behaviour Strategy • Asset Management Plan • Autism Strategy • Capital Programme • Care Leavers Strategy • Carers Strategy • Children and Young Peoples' Plan • Civil Contingencies Plan • Climate Change Strategy • Commercial and Trading Standards Delivery • Community Plan • Core Planning Strategy • Corporate Procurement Strategy • Culture and Sport Framework • Customer Contact Strategy • Crime and Disorder (partnership plan) • Dementia Strategy • Early Intervention and Prevention Strategy • East Merton and Mitcham • Equalities Strategy • Neighbourhood Renewal Strategy • Economic Development Strategy • Employment and Skills Action Plan • Ethnic Minority Housing Strategy • Gypsy and Traveller Strategy • Heritage Strategy • Homelessness Strategy • Housing Strategy • ICT Policy • Tenancy Strategy • Information Governance Policy • Local Development Framework • Local Implementation Plan • Local Transport Plan 	<ul style="list-style-type: none"> • Looked After Children's Strategy • Looked After Children's Placement Sufficiency Statement • Medium Term Financial Strategy • Older People's Housing Strategy • Open Spaces Strategy • Performance Management Framework • Risk Management Strategy • Road Safety Plan • Safeguarding Adults Policy • Safeguarding Children's Board Annual Plan • School Improvement Strategy • Social Inclusion Strategy • Special Educational Needs and Inclusion Strategy, including ASD Strategy • Treasury Management Strategy • Unitary Development Plan • Voluntary Sector Strategy • Waste Management Plan • Workforce Strategy
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Section A

Financial Resources

A) MEDIUM TERM FINANCIAL STRATEGY 2016/20

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 2016/17 to 2019/20 starts from the approved budget 2015/16 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 2015 was as follows:-

Table 1: Initial Re-priced MTFS

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Departmental Base Budget '15/16	150,913	150,913	150,913	150,913
Departmental Budget Changes	(14,592)	(15,063)	(12,557)	(7,481)
Re-Priced Departmental Budget	136,321	135,850	138,356	143,432
Treasury/Capital financing	14,029	15,828	17,091	18,220
Other Corporate items	(8,894)	(8,539)	(7,860)	(9,048)
Levies	632	632	632	632
Sub-total: Corporate provisions	5,767	7,921	9,863	9,804
Use of Reserves	643	(6,727)	(474)	0
BUDGET REQUIREMENT	142,731	137,044	147,745	153,236
TOTAL FUNDING	(142,731)	(137,044)	(133,378)	(131,519)
GAP (Cumulative)	0	0	14,367	21,717

- 1.3 Reports were made to Cabinet on 14 September 2015, 19 October 2015, 7 December 2015, 18 January 2016 and 15 February 2016 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 over 2016-20. In addition to the normal review of the base position, an appraisal of options and variables was undertaken during 2015/16 which enabled the impact of different scenarios to be modeled.

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 2016-2020. 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 2016/17.
- 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 2015 and January 2016 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 2016/17 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 2016-20.
- 1.6.2 Cabinet on 19 October 2015 and 7 December 2015 considered revisions to current savings proposals . The overall impact of these amendments on the MTFS is as follows:-

Table 2: Net Revisions to current savings

Net Revisions to current savings (cumulative)	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Corporate Services	582	458	0	0
Children, Schools & Families	0	0	0	0
Environment and Regeneration	744	0	0	0
Community and Housing	178	648	0	0
Net Cumulative total	1,504	1,106	0	0

- 1.6.3 The current MTFs includes the following amounts in respect of the full year effects of previous year's savings:-

Table 3: Full Year Effects of previous years savings

Full Year Effects of previous years savings	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
Corporate Services	2,840	1,656	165	0	4,661
Children, Schools & Families	2,191	621	0	0	2,812
Environment and Regeneration	5,514	935	(212)	0	6,237
Community and Housing	5,357	2,220	1,195	0	8,772
Total	15,902	5,432	1,148	0	22,482
Total - Cumulative	15,902	21,334	22,482	22,482	

- 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.

1.7 Growth

- 1.7.1 There is no additional growth included in the MTFs at the current time.

1.8 **Better Care Fund (BCF) and Implementation of Care Act Funding**

- 1.8.1 The BCF creates a local single pooled budget to incentivise the NHS and local government to work more closely together around people, placing their well-being as the focus of health and care services. This funding is ring-fenced to Adult Social Care.

- 1.8.2 It has been assumed that the amount available to Adult Social Care will be the same for 2016/17.

2. **Local Government Finance Settlement 2016-17**

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 17 December 2015 and confirmed in the Final Local Government Finance Settlement figures which were published on 8 February 2016.

- 2.1.2 The details in the final Settlement were very similar to the provisional Settlement with some extra funding. Merton will receive RSG transition grant of £0.567m in 2016/17 and £0.557m in 2017/18.

- 2.1.3 The main information for Merton from the Settlement compared with national and London averages is summarised in the following tables,-

Table 4: Key information from the Local Government Finance Settlement

	Adjusted SFA	Settlement Funding Assessment				Cumulative % change in SFA from 2015-16 to 2019-20				Real terms cumulative
	2015-16	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20	% change
Merton	64.9	55.5	48.5	44.6	40.7	-14.5%	-25.3%	-31.3%	-37.3%	-41.8%
London Boroughs	3,833.4	3,398.5	3,076.8	2,896.8	2,717.7	-11.3%	-19.7%	-24.4%	-29.1%	-34.2%
England	21,249.9	18,601.5	16,621.6	15,536.0	14,499.7	-12.5%	-21.8%	-26.9%	-31.8%	-36.7%

Settlement Core Funding

	Adjusted SCF	Settlement Core Funding				Cumulative % change in Settlement Core Funding from 2015-16 to 2019-20				Real terms cumulative
	2015-16	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20	% change
Merton	142.0	132.6	125.6	121.7	117.8	-6.6%	-11.6%	-14.3%	-17.0%	-23.0%
London Boroughs	6,561.8	6,127.0	5,805.3	5,625.3	5,446.2	-6.6%	-11.5%	-14.3%	-17.0%	-22.9%
England	43,281.1	40,632.6	38,652.8	37,567.2	36,527.9	-6.1%	-10.7%	-13.2%	-15.6%	-21.6%

Defined by DCLG as: 2015-16 CT requirement (incl. CTFG) + SFA

Core Spending Power

	Adjusted CSP	Core Spending Power				Cumulative % change in Core Spending Power from 2015-16 to 2019-20				Real terms cumulative
	2015-16	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20	% change
Merton	145.8	141.4	139.2	140.0	143.2	-3.0%	-4.5%	-3.9%	-1.8%	-8.8%
London Boroughs	6,815.9	6,608.3	6,504.8	6,538.1	6,688.4	-3.0%	-4.6%	-4.1%	-1.9%	-8.9%
England	44,501.3	43,254.8	42,690.1	43,170.3	44,278.9	-2.8%	-4.1%	-3.0%	-0.5%	-7.6%

Defined by DCLG as: SFA + CT requirement* + NHB + BCF + Rural Services Grant

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.

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, uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.

Core Spending Power

Defined by the DCLG as Settlement Funding Assessment plus Council Tax Requirement plus Better Care Fund plus Rural Services Grant.

2.1.4 Further details on the Settlement are provided in Appendix 1.

2.1.5 Business Rates (NNDR)

The Local Government Finance Settlement provides an indicative figure for the amount of business rates (NNDR) Merton could expect to have available in 2016/17. This is based on a baseline amount notified in 2013/14 when the Business Rates Retention Scheme was first introduced, uprated for inflation. However, the actual amount available to use is based on the latest NNDR information available to the Council as identified in its NNDR1 return which

was completed and provided to the DCLG by the deadline of 31 January 2016. The Business Rates implications are summarised in the following table:-

Table 5: Implications of NNDR1 2016/17 for Merton in 2016/17

	MTFS (January 2016) £000	NNDR1 £000	Difference £000
NNDR 2016/17	26,422	26,324	(98)
- Top-Up 2016/17	8,010	7,906	(104)
Collection Fund Surplus/(Deficit) 2015/16	34,432	34,230	(202)
	(1,469)	(1,721)	(252)
	32,963	32,509	(454)
Section 31 Grant	0	822	822
Total	32,963	33,331	368

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 2016/17. 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

In the Summer Budget 2015 the government announced that public sector pay awards will be funded for a pay award of 1% for 4 years from 2016/17 onwards. The provision in the MTFS is as follows:-

Table 6: Provision for Pay Inflation

	2016/17	2017/18	2018/19	2019/20
Revised pay inflation (%)	1.0%	1.0%	1.0%	1.0%
Provision for Pay inflation (cumulative £000)	883	1,767	2,650	3,534

The Local Government Employers made their final offer on 9 December 2015 concerning a pay deal that would cover the two years from April 2016.

For the lowest paid (those on spinal points 6-17) this would mean a pay rise of between 6.6% and 1.01% in the first year, and between 3.4% and 1.3% in the second. Those on spinal points 18-49 would receive 1% in year one and the same again the following year. The increases at the bottom end of the pay scale are designed to meet the employers' legal obligations to comply with the Chancellor's 'national living wage' (that will be £7.20 an hour next April and £9 an hour by the end of the Parliament). The employers also refused the unions' demand that other workforce terms and conditions such as annual leave and sick pay be protected. However they did agree to a joint

review of term-time working for school support staff if their pay offer were to be accepted. The employers say that the pay offer would increase the total local government pay bill by 2.4% (£364.2m).over the two years.

3.2.3 Prices

The Consumer Prices Index (CPI) rose by 0.2% in the year to December 2015, compared with a 0.1% rise in the year to November 2015. Although this is the first month since January 2015 for which the rate has exceeded 0.1%, this continues the trend since early 2015 of the rate being very close to zero. Movements in transport costs, particularly air fares and to a lesser extent motor fuels, were the main contributors to the rise in the rate. Downward pressures from prices for alcohol and tobacco along with food and non-alcoholic beverages partially offset the rise. CPIH grew by 0.5% in the year to December 2015, up from 0.4% in November 2015. RPI annual inflation stood at 1.2% in December 2015, up from 1.1% in November 2015.

Outlook for inflation:

On 14 January 2016, the Bank of England's Monetary Policy Committee (MPC) voted by a majority of 8-1 to maintain the Bank Base Rate at 0.5%. The Committee voted unanimously to continue with its programme of asset purchases totalling £375 billion, financed by the issuance of central bank reserves.

In the minutes of the MPC published on 14 January 2016, it was noted that "twelve-month CPI inflation rose to 0.1% in November and is likely to rise modestly further in the coming months as some of the large falls in energy and food prices a year earlier drop out of the annual comparison. But the 40% decline in dollar oil prices means that the increase in inflation is now expected to be slightly more gradual in the near term than forecast in the Committee's November Inflation Report projections. Although a large part of the current deviation of CPI inflation from the 2% target reflects unusually large drags from energy and food prices, core inflation also remains relatively subdued – a consequence of the past appreciation of sterling, weak global inflation and restrained domestic cost growth."

The quarterly inflation report for November 2015 set out the MPC's most recent detailed assessment of the economic outlook . In the minutes on 14 January 2016 the MPC commented that "at that time, the Committee's central view was that, if Bank Rate were to follow the gently rising path implied by the prevailing market yields, CPI inflation would slightly exceed the 2% target in two years' time and then rise further above it, reflecting modest excess demand. The MPC judged that the risks to this projection lay a little to the downside in the first two years, reflecting global factors. Since then, the data regarding international activity have evolved broadly as expected ,,,, Domestically, the most recent data suggest that, after faster growth over the previous two years, output growth was steady during 2015 at rates a little below pre-crisis norms. Although indicators of private domestic spending appear healthy, business surveys imply that the near-term outlook for aggregate activity is slightly weaker than in the MPC's November central projection... Despite continued reductions in the rate of unemployment, pay growth remains restrained and appears to have dipped slightly in the most recent data. Overall, while domestic cost growth over the past year has been below that necessary for inflation to return sustainably to the 2% target, its pace can be expected to increase over time."

The MPC believe that “given the likely persistence of the headwinds weighing on the economy, when Bank Rate does begin to rise, it is expected to do so only gradually and to a level lower than in recent cycles. This guidance is an expectation, not a promise. The actual path that Bank Rate will follow over the next few years will depend on the economic circumstances.”

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 7: Forecasts for the UK Economy

Source: HM Treasury - Forecasts for the UK Economy (January 2016)			
	Lowest %	Highest %	Average %
2015 (Quarter 4)			
CPI	0.0	0.5	0.1
RPI	0.8	1.3	1.0
LFS Unemployment Rate	5.0	5.5	5.2
2016 (Quarter 4)			
CPI	0.7	2.3	1.3
RPI	1.8	3.9	2.4
LFS Unemployment Rate	4.7	5.9	5.1

The current assumptions regarding price inflation incorporated into the MTFS are

Table 8: Price inflation assumptions in MTFS

	2016/17	2017/18	2018/19	2019/20
Price inflation in MTFS (%)	0.5%	1.5%	1.5%	1.5%
Revised estimate (cumulative £000)	741	2,964	5,187	7,410

Given the downward trend for inflation and analysts recent forecasts for the coming months, 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.

3.2.4 Inflation > 1.5% on volatile budgets

There is also a corporate provision which is held to assist services that may experience price increases greatly in excess of the 0.5% and 1.5% inflation allowance provided when setting the budget. This will only be released for specific demonstrable demand but there are likely to be some requests to meet the National Living Wage on some contracts. There is no further change proposed.

Table 9: Inflation exceeding 1.5%

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Inflation exceeding 1.5%	540	536	536	536

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 not change significantly by 2019/20.

3.2.5 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).

3.3.2.1 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 2014/15 include the following surplus/deficit for Council Tax and NNDR as at 31 March 2015:-

Table 10: Collection Fund Surplus/Deficit as at 31 March 2015

	Surplus/ (deficit) as at 31/03/15 Outturn	Surplus/ (deficit) as at 31/03/15 Outturn	Total surplus/ (deficit) as at 31/03/15
	Council Tax	NNDR	
	£000	£000	£000
Central Government	N/A	(3,102)	(3,102)
GLA	1,274	(1,241)	33
Merton	4,716	(1,862)	2,854
Total	5,990	(6,205)	(215)

3.4.3 A review of the Collection Fund, related bad debt provisions, write offs and anticipated collection rates in 2016/17 has been undertaken. With respect to Business Rates, the NNDR1 return has been submitted (31 January 2016 deadline) which analyses the estimated Business Rates for 2016/17, estimated deficit as at 31st March 2016 and estimated Section 31 Grant for 2016/17, and the allocations between Merton, Central Government, and the GLA

3.4.4 As a result of the further analysis, the estimated surplus/deficit on the Collection Fund as at 31st March 2016 is as follows:-

Table 11: Collection Fund Surplus/Deficit as at 31 March 2016

	Surplus/ (deficit) as at 31/03/16 Estimate	Surplus/ (deficit) as at 31/03/16 Estimate	Total surplus/ (deficit) as at 31/03/16
	Council Tax	NNDR	
	£000	£000	£000
Central Government	N/A	(2,868)	(2,868)
GLA	853	(1,147)	(294)
Merton	3,200	(1,721)	1,479
Total	4,053	(5,736)	(1,683)

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 2016/17 as set out in the following table:-

Table 12: Freedom Passes and Taxicards 2016/17

<u>Budget 2015/16</u>	£000
Freedom Passes	9,009
Taxicards	170
Total Budget 2015/16	9,179
Increase allowed for in MTFS in 2016/17	450
Total Provision 2016/17 in draft MTFS	9,629
<u>Latest Details from London Councils</u>	
Charge to Merton for Freedom Passes	(9,298)
Charge to Merton for Taxicards	(93)
Latest Estimated Cost for 2016/17	(9,391)
Estimated Surplus Provision in MTFS	(238)

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 2015/16, there is a need for temporary resources, potentially up to £0.460m 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 2016/17, 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 2016-20:-

Table 13: Revenuisation

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Revenuisation	3,410	2,385	2,380	2,380

The expenditure charged to capital during 2016/17 will be closely monitored and will be reported through the monitoring report.

3.9 Pensions

- 3.9.1 The pension scheme is due for revaluation based on data at 31st March 2016. This will be implemented at 1st April 2017. Given the current volatility of markets it is not feasible to predict what the variation from the figures currently in the MTFS will be so these have been left unchanged.
- 3.9.2 Those staff employed since 1st April 2013 who have opted out will need to be re-enrolled 1st April 2016. This will be contained within existing budgets and should be relatively small. On the 1st October 2017 all staff who were not in the pension scheme at 1st April 2013 and not currently in the pension fund will need to be auto enrolled with the option of then opting out. The salary of staff not in the fund total £5.7m. This has a potential full year cost of £787k and a part year cost in 2017/18 of £394k. Assuming an 80% retention rate this would cost £315,000 in 2017/18 and £630,000 in a full year. These figures have been built into the MTFS.

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 2016-20 and Service Planning

- 4.1 In allocating savings targets for each Department, the Council has 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 1.5 : 1.5 : 1.0 : 0.75 have been applied which reduces the impact on Adult Social Care, Children's Social Care and vulnerable groups. Cabinet on 14 September 2015 agreed departmental targets to be met from savings and income proposals as follows:-

Table 14: Savings targets agreed by Cabinet

SERVICE DEPARTMENT'S SAVINGS TARGETS FOR 2016-2020 BUSINESS PLANNING PROCESS	Total £000
Corporate Services	2,338
Children, Schools & Families	2,580
Environment & Regeneration	6,568
Community & Housing	3,815
Total Savings/Income Proposals	15,301

- 4.2 Service departments reviewed their budgets and formulated proposals to address their targets. These were considered by Cabinet on 19 October 2015 and 7 December 2015 and referred to Overview and Scrutiny Panels and the Commission for scrutiny in November 2015 (October proposals) and January 2016 (all proposals).
- 4.3 The total savings agreed by each department are summarised in the following table:-

Table 15: Savings Proposals agreed by Council 2 March 2016

	Targets £'000	Proposals October £'000	Proposals December £'000	Balance £'000
Corporate Services	2,338	(438)	(659)	1,241
Children, Schools & Families	2,580	(555)	(390)	1,635
Environment & Regeneration	6,568	(2,537)	(533)	3,498
Community & Housing	3,815	(2,435)	0	1,380
Total	15,301	(5,965)	(1,582)	7,754

- 4.4 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 future year's budget processes to be made good.

5. Building in the Implications of 2015/16 Spending Pressures

- 5.1 As at 31st December 2015, there was a forecast overspend for the Council of £2.605m for 2015/16.
- 5.2 The overspend of £2.605m was made up as follows :-

- departmental overspend £5.051m
- corporate underspend (£2.446m)
- £2.605m

5.3 Where appropriate, ongoing implications of 2015/16 projected variations have been incorporated into the Medium Term Financial Strategy for 2016-20.

5.4 In terms of addressing issues which have been identified as pressures that need to be addressed in 2016/17 the following adjustments have been made to the MTFs:-

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Merton Adult Education	600	0	0	0
Loss of Housing Benefit Admin. Grant	200	200	200	200

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 2016-20 which is discussed in Section 4 and estimated revenue funding is built into the MTFS for the level of borrowing that is expected.
- 6.2 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 2016-20.
- 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 2016/17 and beyond.
- 6.4 The revenue budget implications for capital financing costs and investment income arising from the capital programme 2016-20 are summarised in the following table:-

Table 16: Details of Budgets for capital financing costs

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
MRP	6,948	6,802	6,660	7,262
Interest	6,696	6,296	6,136	6,316
Capital financing costs	13,644	13,098	12,796	13,578
Investment Income	(739)	(728)	(596)	(487)
Net	12,905	12,370	12,200	13,091

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 been updated. The overall range of levels of balances is summarised below and compares with current GF balances of £15.152m as shown in the final accounts for 2014/15. However, this will need to be adjusted for outturn, which with a projected overspend of £2.6m, leaves a balance of £12.5m.

Table 17: Indicative range of balances

	Min	Medium	Max
	£m	£m	£m
Level of balances	12.01	17.59	23.29

- 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 through, in particular in relation to appeals. There is now an amount calculated for Merton called the safety net, below which income must fall before Merton becomes entitled to funding from central government. This approach is set out below, using an amount of 5 per cent.

Table 18: Indicative level of balances

	£m
Net spending	7.4
Safety Net	2.5
Appeals	5.1
Level of balances	15.0

- 7.3 The average level of General Fund balances for outer London boroughs for 2014/15 was £17.6m, with a low of £8.0m and a high of £42.0m.
- 7.4 There was a regular quarterly update on the use of earmarked reserves for 2015/16 reported through to Cabinet as part of the financial monitoring report. A summary forecast of the use of reserves over the MTFS period has been undertaken and is shown in Appendix 4. This shows the level of earmarked reserves falling from £30.2m to £6.5m by 31 March 2020.
- 7.5 The average level of earmarked reserves for outer London boroughs for 2014/15 was £64.2m, with a low of £20.2m and a high of £123.3m. Merton, with £43.9m (excluding schools) is ranked 8th 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 2016/17 were produced and included in the MTFS.
- 8.2 The overall changes in formula grant compared to 2015/16, the original MTFS estimate for 2016/17 and the funding announced in the Final Local Government Finance Settlement are summarised in the following table:-

Table 19: Changes in Local Government Finance Settlement

	2015/16 £000	Original 2016/17 £000	Final 2016/17 £000
RSG	30,425	23,161	22,589
RSG – Transition Grant	0	0	567
NNDR	33,686	34,432	34,230*
NNDR - Section 31 Grant	1,134	0	822*
Total	65,245	57,593	57,641

* Based on NNDR1

9. Council Tax Strategy

9.1 In the Annual Residents Survey 2014, the residents' personal concerns over the level of council tax continued to reduce and stood at 21%. The Residents' Survey for 2014 took place from 15 September 2014 until 24 October 2014. Due to the withdrawal of the contractor from delivering the Survey of Londoners package it was not possible to run the usual survey in 2015.

9.2 Council Tax and Council Tax Freeze Grant

9.2.1 There will be no Council Tax Freeze Grant in 2016/17. The Government have rolled the Council Tax Freeze Grant for 2015/16 into RSG for those authorities that qualified for the scheme in 2015/16.

9.2.2 The Settlement sets out the Government's council tax referendum principles for 2016/17. As for previous years, the core threshold for triggering the requirement for a local referendum is 2%.

9.2.3 The Settlement also confirmed the policy outlined in the Spending Review 2015 which enables authorities with adult social care responsibilities to increase Council Tax by up to 2% each year between 2016/17 to 2019/20 to fund adult social care services. Therefore, the effective threshold for local referendums for London boroughs is 4% for 2016/17.

10. Council Tax Base

10.1 Cabinet on 18 January 2016 agreed the Council Tax Base calculation for 2016/17. Details of the calculation were included in reports to Cabinet and Council on the Business Plan 2016-20..

10.2 For 2016/17 the Council Tax Base has been calculated as:-

Table 20: Council Tax Base 2016/17

Council Tax Base 2016/17	71,327.0
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10.3 A separate council tax base calculation has been produced for the properties covered by the Wimbledon and Putney Common Conservators (WPCC) area. For 2016/17 the Council Tax Base for Wimbledon and Putney Commons Conservators has been calculated as:-

Table 21: WPCC Council Tax Base 2016/17

WPCC Council Tax Base 2016/17	11,127.2
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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 2016/17 GLA budget and precept were agreed by the London Assembly on 22 February 2016. This was a reduction in the Mayor's Band D council tax precept of £19.00 (6.4 percent) from £295.00 to £276.00 in 2016-17 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 2016/17 are set out in the following table:-

Table 22: Other Levies

	2015/16 £000	2016/17 £000	2016/17 Change %
London Pension Fund Authority	264	262	(1.0)%
Lee Valley Regional Park	209	204	(2.5)%
Environment Agency	159	162	1.9%

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 2016/17 will be £300,042, an increase of £7,096 from the 2015/16 levy of £292,946.

Table 23: Wimbledon and Putney Commons Conservators Precept

	2015/16 £000	2016/17 £000	Change %
Wimbledon & Putney Commons Conservators	293	300	2.4%

11.4.2 The average Band D cost to a council taxpayer in the WPCC area has changed from £26.93 in 2015/16 to £26.97 in 2016/17.

12. Council Tax Calculation

12.1 It is a statutory requirement that the council sets a balanced budget in 2016/17.

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 24: Average Band D Council Tax

Average Council Tax Calculation at Band D	2015/16 £m	2016/17 £m
Budget Requirement	155.016	147.596
RSG + Business Rates + Transition	(64.111)	(57.386)
Section 31 Grant (NNDR)	(1.134)	(0.822)
New Homes Bonus	(2.642)	(4.192)
PFI Grant	(4.797)	(4.797)
Council Tax Freeze Grant	(0.861)	0
Collection Fund Surplus	(4.420)	(1.479)
Council Tax Requirement	77.051	78.920
Council Tax Base	69,638.0	71,327.0
Average Council Tax	1,106.45	1,106.45

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

Table 25: Council Tax calculation

Council Tax Calculation Band D	2015/16 £m	2016/17 £m
Budget requirement	155.016	147.596
WPCC	(0.293)	(0.300)
RSG + Business Rates (inc. S.31 grant) + Transition	(65.245)	(58.208)
New Homes Bonus	(2.642)	(4.192)
PFI Grant	(4.797)	(4.797)
Council Tax Freeze Grant	(0.861)	0
Collection Fund Surplus	(4.420)	(1.479)
Balance to be met from Council Tax	76.758	78.620
Implied Council Tax (Band D)	1,102.25	1,102.25

- 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 26: Band D Council Tax

Council Tax at Band D	2015/16 £	2016/17 £	% change from 2015/16
Merton (exc. WPCC)	1,102.25	1,102.25	0.0%
GLA Precept (Provisional)	295.00	276.0	(6.4)%
Implied Council Tax at Band D	1,397.25	1,378.25	(1.4)%

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 Committee to Cabinet and Council. Developing a corporate business plan and setting a balanced budget 2016-20 and beyond has been highlighted as a key strategic risk on the corporate risk register.
- 13.2 Currently £8.3 million of savings are being progressed for 2015-16, coupled with a further £30m of savings identified for 2016-20. 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 27: Cumulative MTFS Gap 2016-2020

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
MTFS gap (cumulative)	0	0	0	3.469

- 14.2 There is the offer for authorities to apply for a four year budget and Councils have until 14 October 2016 to respond. There is a high level of uncertainty about RSG and Business Rates funding in the future, particularly with the review of Business Rates and their retention by local authorities. Current forecasts for the gap beyond 2019/20 indicate that it will be significant.
- 14.3 The MTFS 2016-20 was approved by Council on 2 March 2016 and is set out in Appendix 3.

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
- Adult Social Care Precept
- Use of balances

16. Appendices

Appendix 1: Local Government Finance Settlement 2016/17

Appendix 2: Summary of Corporate Items 2016-20

Appendix 3: Medium Term Financial Strategy 2016-20

Appendix 4: Forecast use of Reserves 2016-20

Local Government Finance Settlement 2016-17 – Main Issues

The provisional 2016-17 Local Government Finance Settlement was announced on 17 December 2015 with the Final Settlement being issued on 8 February 2016. The Settlement provides final core funding allocations (Settlement Funding Assessment – SFA) for 2016/17 and provisional figures for 2017//18 to 2019/20, for local authorities for the four year period 2016-17 to 2019-20. Councils accepting the provisional figures for the four years will have to publish an efficiency plan and have until 14 October 2016 to decide.

Key Changes between the Provisional Settlement to the Final Settlement

- No council will receive less funding in 2016-17 than outlined in the provisional settlement.
- Over £400 million additional funding has been provisionally allocated: this is “new” money from HM Treasury
- Transitional funding for the first two years of £150 million a year for councils with the “sharpest reductions in Revenue Support Grant”. Merton will receive £0.567m in 2016/17 and £0.557m in 2017/18.
- No authority will have “negative RSG” before 100 per cent retention of business rates
- An increase in Rural Services Grant from £20 million to £85 million in 2016-17.
- District councils will be able to raise a de minimis £5 more a year in Council Tax without triggering a referendum (generating an additional £109 million over the SR period).
- A “Fair Funding” review of needs assessments will be carried out ahead of 100 percent business rates retention.
- Government will consult on allowing well-performing planning departments to increase their fees in line with inflation.
- New Homes Bonus allocations have reduced by £1m since the provisional Settlement

Other Key Points from the Settlement

- The government is proposing a new method for distributing Revenue Support Grant taking into account the relative distribution of each authority’s 2015-16 RSG, Baseline Funding and Council Tax.

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- Overall, the Settlement Funding Assessment for England will fall by 12.5% in 2016-17 (11.3% for London Boroughs), and by 30.8% by 2019-20 (28.2% for London Boroughs).
- Core funding from government to London boroughs will have fallen by 63% in real terms between 2010-11 and 2019-20.
- There will be no Council Tax Freeze Grant in 2016-17. Funding for previous years' grants will continue.
- The council tax referendum threshold will remain at 2%, and as announced in the Spending Review, upper tier authorities will be allowed to raise a further 2% to spend on social care.
- In 2016-17, £1.5bn of New Homes Bonus (NHB) will be awarded nationally. London's share is £308m (21%). The Government is consulting on options to reform the NHB – moving from a 6 year to a 4 year rolling scheme and sharpening the incentives (meaning a reduction to annual award) that will save £800m in 2019-20 to partly fund the “improved” Better Care Fund (BCF)
- The new BCF funding will be £105m in 2017-18 rising to £1.5bn by 2019-20.
- Education Support Grant (ESG) will be cut from £564m to £514m nationally (8.8%) and from £94m to £86m across London (8.8%)

Four year settlement

Unlike previous years, the Settlement includes figures for four years (2016-17 to 2019-20). The Government have presented this as an ‘offer’ to local government with the only clear proviso in the consultation being that any council accepting the offer will have to publish an efficiency plan. There are no details about what this would include or when councils will have to submit these plans. However the Government, in the consultation, has indicated that Councils should use their multi-year settlements to “strengthen financial management and efficiency, including by maximising value in arrangements with suppliers and making strategic use of reserves in the interests of residents”. In the final Settlement announcement, Councils were notified that they have until 14 October 2016 to agree funding for the remaining years of the Spending Review period (2017/18 to 2019/20)

Spending Power

There has been a definitional change to revenue spending power compared with previous years. From 2016-17 onwards it will be known as “Core Spending Power” and is defined as the sum of:

- Settlement Funding Assessment
- Estimated Council Tax excluding Parish Precepts
- Potential additional Council Tax revenue from Adult Social Care flexibility

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- Potential additional Council Tax revenue from £5 referendum principle for districts with lower quartile Band D Council Tax levels
- Proposed Improved Better Care Fund (from 2017-18 onwards)
- New Homes Bonus; and
- Rural Services Delivery Grant.

Core Spending Power for England will reduce by 2.8% in 2016-17 (from £6.8 billion to £6.6 billion), and by 0.5% (7.6% in real terms) over the four year period. It will reduce by 3.0% in 2016-17 and by 1.9% over the four (8.9% in real terms) across London boroughs.

Changes to the distribution of central resources

The main changes to local government funding in 2016-17 include:

- £1.275 billion to be held back to fund the New Homes Bonus
- £50 million to be held back for the business rates safety net; and
- Additional funding of £20 million for the most rural authorities.

There are a number of transfers of funding into the 2016-17 settlement including:

- £307.7 million funding for the Care Act 2014, alongside existing provision for the 2014 Act.
- Council Tax Freeze Grant, ensuring those councils that chose to freeze their council tax in 2015-16 continue to receive the benefit of the funding in future years
- Efficiency Support Grant for 2015-16, ensuring those councils that received it continue to benefit
- £10 million funding, combined with the existing £20.6 million of funding within the settlement, for lead local flood authorities and £1.9 million for lead local flood authorities to act as statutory consultees in planning Sustainable Drainage Systems to also be rolled into the settlement. This funding will also be supplemented by a new section 31 grant

The settlement also incorporates funding additional to the settlement which includes:

- Compensation to continue in 2016-17 for the 2% cap on the small business rates multiplier announced at the 2013 and 2014 Autumn Statements, calculated on the basis of the reduction to estimated retained income, as in 2014-15, and;
- Unspecified funding for the Improvement & Development Agency (IDeA) which is still to be agreed.

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New RSG distribution

The settlement includes an important change to the way central resources will be allocated in order to ensure that “local councils delivering similar services receive a similar percentage change in ‘settlement core funding’ for those services”. Unlike the last 3 years, when the Government ‘protected’ rolled-in grants on the funding trajectories set out in Spending Review 2010 thereby focusing larger proportionate cuts on upper and lower tier funding element, the new funding distribution method for RSG takes into account the wider resources available to councils including Council tax (including CTFG grants), locally retained business rates and RSG, when distributing RSG. There is no proposed damping or scaling.

Settlement Funding Assessment

The Government has confirmed the local government control total (i.e. total Settlement Funding Assessment) to be £18.6 billion in 2016-17. This comprises £7.2 billion of Revenue Support Grant (RSG) and £11.4 billion of Baseline Funding (i.e. the amount the government expects to be retained locally under the business rates retention net of tariffs and top-ups).

At a national level, Settlement Funding Assessment (SFA) will reduce from £21.3 billion in 2015-16 to £18.6 billion in 2016-17 (12.5%). For the period to 2019/20 the reduction is 30.8% (35.7% real terms) For London boroughs SFA reduces by 11.3% (from £3.8 billion to £3.4 billion) in 2016-17. This is split between an increase of £17 million or 0.8% in baseline funding and a reduction in RSG of £452 million or 24.7%. For London in the period to 2019/20 the reduction is 28.2% and this is a real terms decrease of 33.4%.

Business rates reform

The government's intends, as outlined in the Spending Review, to reform the business rates retention system and move to 100 per cent retention by 2020. The relevant new information relating to business rates devolution from the settlement consultation is that the Government will:

- Conduct a review of what the needs assessment formula will be;
- consider giving more responsibility to councils in England and to Wales, to support older people with care needs, including people who under the current system would be supported through Attendance Allowance and is planning to consult in 2016 on this proposal, including on the right model of devolution and the level of flexibility that councils would need in order to effectively deliver this additional responsibility;
- seek the “earliest opportunity” to legislate on this in 2016/17;
- set up systems to involve councils, businesses and others in the process early in 2016; and
- consult on the implementation of the 100% business rates retention scheme in summer 2016, following a period of extensive engagement with councils and their representatives in the preceding months.

The business rates multiplier will increase by 0.8% (the impact of September's RPI inflation on the Small Business Rates Multiplier). All tariff and top-up payments, business rates baselines and funding baselines will therefore increase by 0.8%. The size and extent of safety net payments for 2016-17 are not yet known – these will be determined by local forecasts reported in the NNDR1 returns in January 2016. The retrospective levy payments due from tariff authorities for 2015-16 will be calculated after the current financial year using the final NNDR3 returns. The safety net threshold will remain at 7.5% meaning authorities are guaranteed 92.5% of their baseline funding. The trigger point for a safety net payment is different for each authority as it depends on the relative size of funding and business rates baselines.

Special and specific grants

The provisional settlement provided details of three special and specific grants (included within the Core Spending Power allocations spread sheet): the proposed Improved Better Care Fund (from 2017-18 onwards); New Homes Bonus allocations; and Rural Services Delivery Grant. London boroughs will receive £312 million from revenue grants in 2016-17, rising to £437 million in 2019-20.

New Homes Bonus

The Spending Review set out the overall envelope for New Homes Bonus payments over the period to 2019-20 as being £1.485 billion for 2016-17, reducing to £900 million by 2019-20. The Government has published provisional allocations for 2016-17 – the final year of the 6 year rolling New Homes Bonus (NHB) scheme.

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London boroughs' share of the national total has stayed broadly the same at 21%, receiving £308 million of the £1.46 billion national total. The Autumn Statement 2013 announced that local authorities in London would be required to pool £70 million of New Homes Bonus in 2015-16 to support of the work of London's Local Enterprise Partnership. The LEP top slice will not continue in 2016-17.

Alongside the settlement consultation there is a separate consultation on reforms to NHB that were announced at the Spending Review. This consultation seeks views on the options for change to two aspects of the Bonus: reducing overall costs by moving from 6 years to 4 of payments and reform of the Bonus in order to better reflect local authorities' performance on housing growth (i.e. "to sharpen the incentive"). It also considers options for staying within the funding envelope in the event of a sudden surge in housing growth. Further work will be done to understand the implications of these options. The core spending power figures include an estimate for NHB allocations in each of the years to 2019-20. For 2016-17, the funding line includes both New Homes Bonus allocations and returned funding which are the actual allocations. For 2017-18 onwards, the national totals set at the Spending Review are used and are apportioned between local authorities according to local authority shares in 2016-17. These should therefore be treated with caution.

Better Care Fund

Together with the additional council tax flexibility for adult social care, the Government is providing £1.5 billion additional funding for authorities to spend on adult social care by 2019-20, to be included in an improved Better Care Fund. Government proposes to allocate this funding through a separate grant to local government using a methodology which benefits those councils who benefit less from the additional council tax flexibility for social care. For exemplification of core spending power projections to 2020, the methodology adopted is essentially one of allocations of the improved Better Care Fund being adjusted so that where an authority could receive more from the additional council tax flexibility than its share of the national amount of the 2013 adult social care relative needs formula, its allocation is set to zero rather than a notional figure. This affects 12 London boroughs in 2017-18, two in 2018-19 and one (Richmond-upon-Thames) in 2019-20. The Government will invite views on the approach and there will be a separate, formal consultation on the Government's proposed distribution methodology

Independent Living Fund

The settlement did not mention the Independent Living Fund. It must be concluded that the current intention is not to maintain funding for the ILF from 2016-17 onwards.

Council Tax

The provisional settlement sets out the Government's council tax referendum principles for 2016-17. Once again, the core threshold for local referendums will be at 2%. It also confirms the policy outlined in Spending Review 2015 that councils with adult social care responsibilities (upper tier authorities) will be able

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to increase council tax by up to 2% for each year between 2016-17 and 2019-20 to fund adult social care services. The effective threshold for local referendums for London boroughs is 4% for 2016-17. The threshold for the (51) lowest district councils will be £5 a year. Adult social care authorities can increase their council tax by up to 2% more than the core referendum principle on the following basis: 'Spending on ASC in 2016-17 is £X higher than it would have been, where X= revenue from additional ASC council tax flexibility'.

Section 151 officers in ASC authorities are required to provide information demonstrating that an amount equivalent to the additional council tax has been allocated to adult social care. This must be done within 7 days of their authority setting its budget and council tax for 2016-17.

ASC authorities must confirm the level of their average Band D (excluding parish precepts) council tax increase for 2016-17, and the proportion of it attributable to funding for adult social care on the Council Tax Requirement form that must be returned to DCLG within 7 days of their council tax having been set.

The amounts allocated to adult social care must be reflected in Revenue Account returns sent to DCLG in April/May 2016; and in the Revenue Outturn forms which will be submitted to DCLG in May 2017.

This information will be required each year that the scheme is in operation. From 2017-18 onwards, the requirement will also encompass the cumulative year-on-year revenue being allocated to adult social care

There is no Council Tax Freeze Grant in 2016-17. The Government intends to roll the 2015-16 Council Tax Freeze grant into RSG (paid only to those authorities who qualified for the scheme in 2015-16) in the same way as the grant in previous years.

School Revenue Funding Settlement: 2015 to 2016

The School Revenue Funding Settlement: 2016 to 2017 was also published on 17th December 2015, confirming details of the Dedicated Schools Grant (DSG), Education Services Grant (ESG) and pupil premium.

Education Services Grant

The overall ESG will be cut by 7.5% from £815 million in 2015-16 to £750 million in 16/17. This is "a first step towards achieving the savings announced in the spending review" of £600 million. The amount paid directly to local authorities will fall 8.8% from £564 million in 2015-16 to £514 million in 2016-17, including an 8.5% cut from £93.6m to £85.7m in London. The remainder is paid directly to academies, which will continue to receive protection against large falls in ESG.7. The retained duties rate of £15 per pupil will be maintained, but general funding rates will be reduced by 11.5% across all school types.

Dedicated Schools Grant (DSG)

The DSG continues to be set out in three notional blocks: the early years block, the schools block and the high needs block. Total DSG will be £40.2 billion in 2016-17, with London receiving 18.5% (£7.4 billion).

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Schools block

Per pupil units of funding will be the same as in 15/16, with a slight adjustment for former non-recoupment academies. The minimum funding guarantee will continue to be set at -1.5% per pupil before the pupil premium is applied⁸. The government will consult on proposals for a new national funding formula in the New Year.

High needs block

£92.5million of extra funding on top of the 2015/16 baseline has been provided for the high needs block, distributed using age 2-19 population projections for 2016.⁹

Early years block

Early years per child rates are the same as in 2015-16. The amount per pupil for the early years pupil premium will also remain the same.

Pupil premium

Pupil premium rates for 2016-17 will be the same as in 2015-16, with final allocations published in June 2016.

The provisional Settlement outlined provisional core funding allocations (Settlement Funding Assessment (SFA) for local authorities for the four year period 2016-17 to 2019-20. Four year funding is an offer to local authorities subject to authorities publishing an efficiency plan. Details of what is required in the plan and the deadlines required are still to be provided. The Settlement Funding Assessment is the total of Revenue Support Grant (RSG) and Baseline Funding (BF) from Business Rates. Councils have until 14 October 2016 to agree funding for the remaining years of the Spending Review period (2017/18 to 2019/20)

OTHER CORPORATE ITEMS COUNCIL 2 MARCH 2016

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £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	204	206	209	209
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	1,264	264	264	264
WPCC Levy	300	300	300	300
Depreciation/Impairment	(17,637)	(17,637)	(17,637)	(17,637)
Transport	0	0	0	0
Redundancy/Pension Strain	1,000	1,000	1,000	1,000
Overheads Charge to Non-GF	224	224	224	224
Local Election 2018	0	0	350	0
Apprenticeship Levy	0	450	450	450
Merton Adult Education - Year 1 contribution	600	0	0	0
P3/P4	400	400	400	400
Provision for Excess Inflation > 1.5%	540	536	536	536
Other Corporate items	(11,920)	(13,072)	(12,719)	(13,069)

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MEDIUM TERM FINANCIAL STRATEGY 2016-20:				
	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Departmental Base Budget 2015/16	150,913	150,913	150,913	150,913
Inflation (Pay, Prices)	1,624	4,731	7,837	10,944
Autoenrolment/Nat. ins changes	1,480	2,315	2,630	2,630
FYE – Previous Years Savings	(15,686)	(20,861)	(22,009)	(22,009)
Amendments to previously agreed savings	1,504	1,106	0	0
Transport from corporate provision	1,192	1,192	1,192	1,192
Change in Net Appropriations to/(from) Reserves	(2,817)	(5,398)	(5,884)	(5,595)
Revenuisation	20	30	27	27
Taxi card/Concessionary Fares	212	662	1,112	1,562
Change in depreciation/Impairment (Contra Other Corporate items)	1,132	1,132	1,132	1,132
Other	1,821	1,891	1,964	2,040
Re-Priced Departmental Budget	141,395	137,713	138,914	142,835
Treasury/Capital financing	12,905	12,370	12,200	13,091
Pensions	4,395	4,592	4,799	5,015
Other Corporate items	(11,920)	(13,072)	(12,719)	(13,069)
Levies	628	628	628	628
Sub-total: Corporate provisions	6,008	4,518	4,908	5,665
Sub-total: Repriced Departmental Budget + Corporate Provisions	147,403	142,231	143,822	148,500
Savings/Income Proposals 2016/17	(200)	(4,057)	(7,547)	(7,547)
Sub-total	147,203	138,174	136,275	140,953
Appropriation to/from departmental reserves	(2,000)	(719)	(233)	(522)
Appropriation to/from Balancing the Budget Reserve	2,394	1,785	(2,919)	(7,818)
BUDGET REQUIREMENT	147,597	139,240	133,123	132,614
Funded by:				
Revenue Support Grant	(23,156)	(15,520)	(10,071)	(5,076)
Business Rates (inc. Section 31 grant)	(35,052)	(34,847)	(35,553)	(36,295)
C. Tax Freeze Grant 2015/16	0	0	0	0
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	(4,192)	(4,763)	(2,993)	(2,871)
Council Tax inc. WPC	(78,920)	(79,313)	(79,708)	(80,105)
Collection Fund – (Surplus)/Deficit	(1,479)	0	0	0
TOTAL FUNDING	(147,597)	(139,240)	(133,123)	(129,145)
GAP including Use of Reserves (Cumulative)	0	0	0	3,469

Reserves

Forecast Movement in Reserves 2016/17	Actual Bal at 31/3/15 £'000	Net Movt. in year £'000	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
General Fund Reserve	15,151	(2,605)	12,546	0	12,546	0	12,546	0	12,546	0	12,546
Earmarked Reserves	30,198	(3,565)	26,632	(3,079)	23,554	(4,060)	19,494	(4,869)	14,625	(8,081)	6,544
Grants & Contributions	3,335	(2,377)	958	(566)	392	(40)	352	(19)	333	(19)	314
Total Available Gen. Fund Rev. Reser	48,683	(8,547)	40,136	(3,645)	36,492	(4,100)	32,392	(4,888)	27,504	(8,100)	19,404
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	50,637	(8,547)	42,090	(3,645)	38,446	(4,100)	34,346	(4,888)	29,458	(8,100)	21,358
Schools Balances & Reserves	17,395	258	17,652	(724)	16,928	(546)	16,382	(714)	15,668	(891)	14,777
Capital Reserves											
Capital Grants	5,409	(4,131)	1,278	(1,038)	240	(240)	0	0	0	0	0
Capital Contributions	185	(48)	137	(40)	97	(37)	60	0	60	0	60
Capital Receipts	31,263	(8,530)	22,733	(20,899)	1,834	(1,834)	0	0	0	0	0
Total	36,857	(12,709)	24,148	(21,977)	2,171	(2,111)	60	0	60	0	60
Revenue Reserves	68,032	(8,289)	59,743	(4,369)	55,374	(4,646)	50,728	(5,602)	45,126	(8,991)	36,135
Capital Reserves	36,857	(12,709)	24,148	(21,977)	2,171	(2,111)	60	0	60	0	60
Overall Useable Reserves	104,889	(20,998)	83,891	(26,346)	57,545	(6,757)	50,788	(5,602)	45,186	(8,991)	36,195

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Analysis	Actual Bal at 31/3/15 £'000	Net Movt. in year £'000	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
Earmarked Reserves											
Outstanding Council Programme Board	9,515	(3,987)	5,528	(3,250)	2,278	(234)	2,044	(11)	2,033	0	2,033
For use in future years for budget	5,752	806	6,558	2,394	8,952	1,785	10,737	(2,919)	7,818	(7,818)	0
Revenue Reserves for Capital / Revn.	6,062	1,313	7,375	(571)	6,804	(4,582)	2,222	(1,105)	1,117	0	1,117
Energy renewable reserve	1,441	0	1,441	(1,141)	300	0	300	0	300	0	300
Repairs & Renewal Fund	1,424	(200)	1,224	(500)	724	(500)	224	(224)	0	0	0
Transforming families reserve	414	(298)	116	(116)	0	0	0	0	0	0	0
Pension Fund additional contribution	63	0	63	0	63	0	63	0	63	0	63
Local Land Charges Reserve	1,419	113	1,532	0	1,532	0	1,532	0	1,532	0	1,532
Apprenticeships	648	(347)	301	(210)	91	(91)	(0)	0	(0)	0	(0)
Community Care Reserve	1,385	(250)	1,135	(250)	885	(250)	635	(250)	385	(250)	135
Local Welfare Support Reserve	614	(100)	514	(200)	314	(200)	114	(195)	(81)	0	(81)
Economic Development Strategy	1,148	(609)	539	(539)	0	0	0	0	0	0	0
Wimbledon Tennis Courts Renewal	77	25	102	25	127	25	152	(152)	(0)	0	(0)
Governor Support Reserve	52	(44)	8	(8)	0	0	0	0	0	0	0
Corporate Services Reserves	183	13	196	(13)	183	(13)	170	(13)	157	(13)	144
Savings Mitigation Fund	0	0	0	1,300	1,300	0	1,300	0	1,300	0	1,300
Earmarked Reserves	30,198	(3,565)	26,632	(3,079)	23,554	(4,060)	19,494	(4,869)	14,625	(8,081)	6,544
Adult Social care contributions	425	(375)	50	(50)	0	0	0	0	0	0	0
Culture and Environment contributions	447	(243)	204	(156)	48	0	48	0	48	0	48
Culture and Environment grant	363	(36)	327	(110)	217	(19)	198	(19)	179	(19)	160
Childrens & Education grant	650	(584)	66	(66)	0	0	0	0	0	0	0
Housing Planning Development grant	189	(84)	105	(84)	21	(21)	0	0	0	0	0
Housing GF grants	106	0	106	0	106	0	106	0	106	0	106
Public Health	1,154	(1,054)	100	(100)	0	0	0	0	0	0	0
Grants & Contributions	3,335	(2,377)	958	(566)	392	(40)	352	(19)	333	(19)	314
Total	33,533	(5,942)	27,591	(3,645)	23,946	0	23,946	0	23,946	0	23,946
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	3,585	297	3,882	(950)	2,932	(500)	2,432	(500)	1,932	(389)	1,543
Refund of School PFI contributions	400	(300)	100	0	100	0	100	0	100	0	100
Schools Reserve	52	(52)	0	0	0	0	0	0	0	0	0
Schools own reserves	8,992	78	9,071	0	9,071	0	9,071	0	9,071	0	9,071
Schools PFI Fund	4,366	235	4,600	226	4,826	(46)	4,780	(214)	4,566	(502)	4,064
Schools Reserves	17,395	258	17,652	(724)	16,928	(546)	16,382	(714)	15,668	(891)	14,777

CAPITAL STRATEGY 2016/20

1 Introduction

1.1 Merton's Capital Strategy for 2016-20 has been aligned and integrated with the Business Plan for the period 2016-20. 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 2016/20 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 2016-2020

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 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 have been 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 Environmental 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 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 to £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 draft council 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 and 2015/16, 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 2019/20). 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:

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
MRP	6,948	6,802	6,660	7,262
Interest	6,696	6,296	6,136	6,316
Capital financing costs	13,644	13,098	12,796	13,578
Investment Income	(739)	(727)	(596)	(487)
Net	12,905	12,370	12,200	13,091

6 Capital resources 2016-20

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
- 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.

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 primarily based on the Corporate Asset Management Plan 2011-15 (currently being updated), from which is derived 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 2016-2020

8.1.1 New draft guidance has been issued from the DCLG on the flexible use of capital receipts which comes into effect from 1 April 2016. 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:

- To fund one off severance costs and other reconfiguration costs of reconfiguration that will save resources.
- Investment in the revenue costs of IT based change programmes that reduce service spending.
- Funding the development costs of shared services.
- Financing common approaches for procurement across neighbouring authorities.

- Setting alternative delivery models e.g. housing companies to generate income.

Any strategy to utilise new capital receipts above that applied to fund the capital programme, will under this new treatment, require full council approval.

8.1.2 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:-

<u>Anticipated Capital Receipts</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Sale of Assets	0	0	0	0
Right to buy/VAT Shelter	1,800	1,200	900	900
Total	1,800	1,200	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 1%, as such an increase in receipts of £1m would be expected to generate a £10,000 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	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
Capital Expenditure	37,184	39,296	38,743	32,070	12,307
Slippage*	(1,860)	(3,811)	1,229	2,399	1,325
Total Capital Expenditure	35,324	35,485	39,972	34,469	13,632
Financed by:					
Capital Receipts	14,654	22,699	3,034	900	900
Capital Grants & Contributions	19,097	10,925	9,751	9,108	4,971
Capital Reserves	-	-	-	-	-
Revenue Provisions	1,574	1,635	5,786	20	2
Other Financing Sources	-	-	-	-	-
Net financing need for the year	0	226	21,401	24,441	7,759

8.1.3 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 2016-20, 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

	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s
Transport for London LIP (earmarked) Capital	2,755	2,765	3,865	TBA
Total: E&R	2,755	2,765	3,865	TBA

TBA – To Be Advised

9.2 Children, Schools and Families

CSF	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s
Maintenance (non-ringfenced)	TBA	TBA	TBA	TBA
Basic Need (non-ringfenced)	4,448	6,063	TBA	TBA
Total Grant Funding	4,448	6,063	TBA	TBA
Devolved Formula Capital (Earmarked)	TBA	TBA	TBA	TBA
TOTAL: CS&F	4,448	6,063	TBA	TBA
Balance added for outstanding grant allocations - CSF	552	437	5,000	4,955

TBA – To Be Advised

Note: Basic Need has been announced up to 2017/18 and the Capital Maintenance allocation has not been announced for 2016/17.

9.3 Community and Housing

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Better Care Fund – Minimum Allocation for Disabled Facilities Grant)	TBA	TBA	TBA	TBA
Social Care Capital	TBA	TBA	TBA	TBA
Total C&H	TBA	TBA	TBA	TBA

The Adult Social Care Grant is to be part of a pooled budget with the Merton Clinical Commissioning Group, no decisions have been made as yet as to how this will be utilised

9.4 Summary of Grant Funding 2016-2020

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	2016/17 £0	2017/18 £0	2018/19 £0	2019/20 £0
Environment and Regeneration	2,755	2,765	3,865	TBA
Children, Schools and Families	4,448	6,063	TBA	TBA
Community and Housing	TBA	TBA	TBA	TBA
Total Grant Funding	7,203	8,828	3,865	TBA
Balance added for outstanding grant allocations - CSF	552	437	5,000	4,955

10 Summary of Total Resources 2016-20:

10.1 Summary

10.1.1 The total anticipated resources over the plan period 2016-20, including existing grant funding and anticipated CS&F grants, is summarised in the following table:-

	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s
Grant & Contributions	10,925	9,751	9,108	4,971
Council Funding	24,560	30,221	25,361	8,661
Total	35,485	39,972	34,469	13,632

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 2020 to 2025. Additional detail is provided as Annex 5:

Indicative Capital Programme 2020 to 2025

Merton	Updated Budget 20/21 £000s	Updated Budget 21/22 £000s	Updated Budget 22/23 £000s	Updated Budget 23/24 £000s	Updated Budget 24/25 £000s
Corporate Services	3,235	6,312	1,935	1,965	2,817
Community and Housing	630	280	280	280	280
Children, Schools & Families	6,650	4,658	650	755	650
Environment & Regeneration	4,217	4,252	4,217	4,217	4,277
Total Merton	14,732	15,502	7,082	7,217	8,024

* 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 £242,000 for assets with a life of 5 years to £62,000 for an asset life of 50 years.

11 Capital Bids and Prioritisation Criteria

11.1 Prioritisation of schemes 2019/20

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 2016-20, on the basis of these criteria by the board to cabinet was £13.4 million 2016-20 (excluding TfL).

12 Detailed Capital Programme 2016-20

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. It is nearing the end of a major project for the restacking of offices in the Civic Centre to enable the economic concentration of staff and services on the borough's main civic site and the biggest remaining component of this is the replacement of the Civic Centre lifts. 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 2016-20 programme has been revised to that shown in the table below:

Children, Schools & Families	Updated Budget 16/17 £000s	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s
Primary School Expansions	4,102	0	0	0
Secondary School Expansions	7,945	14,230	8,690	4,200
SEN	1,095	4,844	3,650	0
Other	856	754	650	755
Children, Schools & Families	13,998	19,828	12,990	4,955

Annex 4 provides detail of the movement in the programme from that currently approved. This is the most significant item in the council's capital programme and as such is set out in detail below:

CSF capital programme 2016-20

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 2016/17 provides the finance to complete the expansions of Dundonald and Singlegate Primary Schools. 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 2016/20 includes £34.6 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 2016/20 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 15 main areas:

Environment & Regeneration	Updated Budget 16/17 £000s	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s
Footways Planned Works	1,000	1,000	1,000	1,000
Greenspaces	486	250	350	385
Highways General Planned Works	419	419	422	427
Highways Planned Road Works	1,500	1,500	1,500	1,250
Leisure Centres	5,431	5,228	2,047	300
Other E&R	45	0	0	0
On and Off Street Parking	35	0	0	0
Regeneration Partnerships	2,656	1,370	2,000	0
Street Lighting	462	290	509	290
Street Scene	60	60	60	60
Transport for London	1,755	1,844	1,864	0
Traffic and Parking Management	1,201	156	175	175
Transport and Plant	562	500	5,500	350
Waste Operations	46	46	46	40
Environment & Regeneration	15,658	12,664	15,474	4,277

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 16/17 £000s	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s
Surface Water Drainage	69	69	72	77
Highways bridges & structures	260	260	260	260
Maintain AntiSkid and Coloured	90	90	90	90
Total Highways General Planned Works	419	419	422	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 16/17 £000s	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s
Leisure Centre Plant & Machine	300	300	300	300
Morden Leisure Centre	5,131	4,928	247	0
Wimbledon Park Lake De-Silting	0	0	1,500	0
Total Leisure Centres	5,431	5,228	2,047	300

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 16/17 £000s	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s
Regeneration Partnerships				
Industrial Estate Investment	0	450	0	0
Mitcham Major schemes - TfL	1,000	700	0	0
S106 Wim Broadway CA	46			
Town Centre Investment	1,037	0	0	0
Morden shopping parades	518	0	0	0
Brighter Business	55	0	0	0
Morden - TfL	0	220	2,000	0
Total Regeneration Partnerships	2,656	1,370	2,000	0

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 2016/20 comprises:

Community and Housing	Updated Budget 16/17 £000s	Updated Budget 17/18 £000s	Updated Budget 18/19 £000s	Updated Budget 19/20 £000s
Adult Social Care				
CareFirst report Development	14			
Excel Add-Ins	3			
Captive E-Learning CareFirst	8			
Adult Social care Collections	10			
Telehealth	44	0	0	0
Total Adult Social Care	79	0	0	0
Housing				
191-193 Western Road	115	0	0	0
Western Road	760	0	0	0
Disabled Facilities Grant	840	755	629	280
Small Repairs Grant	0	0	0	0
Total Housing	1,715	755	629	280
Libraries				
Colliers Wood Library Re-Fit	200	0	0	0
West Barnes Library Re-Fit	0	200	0	0
Library Management System	0	100	0	0
Library Self Service	80	0	0	0
Total Libraries	280	300	0	0
TOTAL	2,074	1,055	629	280

12.5 Overall Programme

12.5.1 The approved Capital Programme for 2016/20 follows at Annex 1, Annex 3 provides an additional breakdown detail of the approved schemes. The summary is as follows:

Merton	Updated Budget 16/17	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20
Corporate Services	7,565,460	5,196,000	2,977,000	2,795,000
Community and Housing	2,074,100	1,055,000	628,900	280,000
Children, Schools & Families	13,998,230	19,828,860	12,989,950	4,955,000
Environment & Regeneration	15,658,050	12,663,520	15,473,700	4,277,000
Total Merton	39,295,840	38,743,380	32,069,550	12,307,000

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 2015/16 is approved, the 2016/17 Capital Programme will be adjusted accordingly.

- 12.5.4 Annex 1 Capital Investment Programme - Schemes for Approval
- Annexe 2 Funding the Capital Programme 2016-20
- Annexe 3 Detailed Capital Programme 2016-20
- Annexe 4 Analysis of Growth/(Reduction) from current approved programme
- Annexe 5 Indicative Capital Programme 2020-25

CAPITAL INVESTMENT PROGRAMME - SCHEMES FOR APPROVAL - ANNEX 1

Merton	Updated Budget 16/17	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20
Corporate Services	7,565,460	5,196,000	2,977,000	2,795,000
Community and Housing	2,074,100	1,055,000	628,900	280,000
Children, Schools & Families	13,998,230	19,828,860	12,989,950	4,955,000
Environment & Regeneration	15,658,050	12,663,520	15,473,700	4,277,000
Total Merton	39,295,840	38,743,380	32,069,550	12,307,000

Merton	Updated Budget 16/17	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20
Total Corporate Budgets	982,000	0	0	0
Total Business Improvement	2,227,190	175,000	442,000	190,000
Total Resources	215,000	0	0	0
Total Information Technology	1,525,000	2,021,000	785,000	1,230,000
Total Facilities Management	2,616,270	3,000,000	1,750,000	1,375,000
Total Corporate Services	7,565,460	5,196,000	2,977,000	2,795,000
Community and Housing				
Adult Social Care	79,100	0	0	0
Housing				
Western Road	875,000	0	0	0
Disabled Facilities	840,000	755,000	628,900	280,000
Libraries	280,000	300,000	0	0
Total Community and Housing	2,074,100	1,055,000	628,900	280,000
Children, Schools and Families				
Primary School Expansions	4,101,720	0	0	0
Secondary School Expansions	7,945,200	14,230,050	8,689,950	4,200,000
SEN	1,095,320	4,844,360	3,650,000	0
Other	855,990	754,450	650,000	755,000
Children, Schools & Families	13,998,230	19,828,860	12,989,950	4,955,000

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

	Updated Budget 16/17	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20
Environment & Regeneration				
Footways Planned Works	1,000,000	1,000,000	1,000,000	1,000,000
Greenspaces	486,200	250,000	350,000	385,000
Highways General Planned Works	419,000	419,000	422,000	427,000
Highways Planned Road Works	1,500,000	1,500,000	1,500,000	1,250,000
Leisure Centres	5,430,970	5,228,220	2,047,400	300,000
Other E&R	45,000	0	0	0
On and Off Street Parking	35,000	0	0	0
Regeneration Partnerships	2,656,480	1,370,000	2,000,000	0
Street Lighting	462,000	290,000	509,000	290,000
Street Scene	60,000	60,000	60,000	60,000
Transport for London	1,754,800	1,844,800	1,864,800	0
Traffic and Parking Management	1,201,500	156,000	175,000	175,000
Transport and Plant	561,600	500,000	5,500,000	350,000
Waste Operations	45,500	45,500	45,500	40,000
Environment & Regeneration	15,658,050	12,663,520	15,473,700	4,277,000

Please Note

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- 3) Excludes expenditure budgets relating to Transport for London Grant from 19/20 as grant funding has not been announced.
- 4) Excludes expenditure budgets relating to Devolved Formula Capital for schools from 2016/17 as grant funding has not been announced.
- 5) Figures show the anticipated net cost of the provision of a new secondary school

FUNDING THE CAPITAL PROGRAMME 2015-20**ANNEX 2**

Merton	Capital Programme £000s	Funded by Merton £000s	Funded by grant and capital contributions £000s
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2015/16 Current Budget	29,912	10,674	19,237
Potential Slippage b/f	7,272	6,348	924
2015/16 Revised Budget	37,184	17,022	20,161
Potential Slippage c/f	(1,859)	(795)	(1,064)
Total Spend 2015/16	35,324	16,227	19,097

2016/17 Current Budget	39,296	28,168	11,128
Potential Slippage b/f	1,859	795	1,064
2016/17 Revised Budget	41,155	28,963	12,192
Potential Slippage c/f	(5,670)	(4,403)	(1,267)
Total Spend 2016/17	35,485	24,560	10,925

2017/18 Current Budget	38,743	29,889	8,855
Potential Slippage b/f	5,670	4,403	1,267
2017/18 Revised Budget	44,413	34,292	10,122
Potential Slippage c/f	(4,442)	(4,071)	(371)
Total Spend 2017/18	39,972	30,221	9,751

2018/19 Current Budget	32,070	23,119	8,950
Potential Slippage b/f	4,442	4,071	371
2018/19 Revised Budget	36,511	27,190	9,321
Potential Slippage c/f	(2,042)	(1,829)	(213)
Total Spend 2018/19	34,469	25,361	9,108

2019/20 Current Budget	12,307	7,402	4,905
Potential Slippage b/f	2,042	1,829	213
2019/20 Revised Budget	14,349	9,231	5,118
Potential Slippage c/f	(717)	(570)	(147)
Total Spend 2019/20	13,632	8,661	4,971

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

DETAILED CAPITAL PROGRAMME 2016-20

ANNEX 3

Corporate Services	Scrutiny	Updated Budget 16/17	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20
Corporate Budgets					
Acquisitions Budget	O&SC	500,000	0	0	0
Capital Bidding Fund	O&SC	482,000	0	0	0
Total Corporate Budgets		982,000	0	0	0
Business Improvements					
Replace doc management system	O&SC	398,000	0	0	0
Planweb/Stratus Update	O&SC	0	0	42,000	0
Planning & Public Protection Sys	O&SC	500,000	0	0	0
Mapinfo System	O&SC	50,000	0	0	0
Aligned Assets	O&SC	0	75,000	0	0
Customer Contact Programme	O&SC	570,000	0	0	0
Data Labling	O&SC	133,850	0	0	0
Electronic Asset Management	O&SC	50,000	0	0	190,000
Revenue & Benefits	O&SC	0	0	400,000	0
Capita Housing	O&SC	0	100,000	0	0
Replacement SC System	O&SC	525,340	0	0	0
Total Business Improvement		2,227,190	175,000	442,000	190,000
Resources					
Replacement of Civica Icon	O&SC	106,800	0	0	0
Improving Information Systems	O&SC	108,200	0	0	0
Total Resources		215,000	0	0	0
Information Technology					
Planned Replacement Programme	O&SC	1,125,000	1,746,000	510,000	430,000
ITSD Enhancements	O&SC	200,000	200,000	275,000	200,000
Multi-Functioning Device (MFD)	O&SC	200,000	75,000	0	600,000
Total Information Technology		1,525,000	2,021,000	785,000	1,230,000
Facilities Management					
Invest to Save Schemes	O&SC	1,300,000	300,000	300,000	300,000
Water Safety Works	O&SC	150,000	150,000	100,000	0
Asbestos Safety Works	O&SC	250,000	250,000	250,000	0
Capital Works - Facilities	O&SC	300,000	300,000	300,000	700,000
Civic Centre Passenger Lifts	O&SC	116,270	0	0	0
Civic Centre Boilers	O&SC	0	0	300,000	0
Data Centre Support Equipment	O&SC	0	0	300,000	0
Civic Centre Staff Entrance Improvements	O&SC	0	0	200,000	0
Photovoltaics (PV) & Energy Conservation in Schools	O&SC	500,000	2,000,000	0	0
Civic Centre Lightning Upgrade	O&SC	0	0	0	300,000
Civic Centre Block Paving	O&SC	0	0	0	75,000
Total Facilities Management		2,616,270	3,000,000	1,750,000	1,375,000
TOTAL		7,565,460	5,196,000	2,977,000	2,795,000

Community and Housing	Scrutiny	Updated Budget 16/17	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20
Adult Social Care					
CareFirst report Development	HC&OP	14,000	0	0	0
Excel Add-Ins	HC&OP	3,000	0	0	0
Captive E-Learning CareFirst	HC&OP	8,350	0	0	0
Adult Social care Collections	HC&OP	10,000	0	0	0
Telehealth	HC&OP	43,750	0	0	0
Total Adult Social Care		79,100	0	0	0
Housing					
191-193 Western Road	HC&OP	115,000	0	0	0
Western Road *	HC&OP	760,000	0	0	0
Disabled Facilities Grant	HC&OP	840,000	755,000	628,900	280,000
Small Repairs Grant	HC&OP	0	0	0	0
Total Housing		1,715,000	755,000	628,900	280,000
Libraries					
Colliers Wood Library Re-Fit	SC	200,000	0	0	0
West Barnes Library Re-Fit	SC	0	200,000	0	0
Library Management System	SC	0	100,000	0	0
Library Self Service	SC	80,000	0	0	0
Total Libraries		280,000	300,000	0	0
TOTAL		2,074,100	1,055,000	628,900	280,000

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- 3) Excludes expenditure budgets relating to Transport for London Grant from 19/20 as grant funding has not been announced.
- 4) Excludes expenditure budgets relating to Devolved Formula Capital for schools from 2016/17 as grant funding has not been announced.
- 5) Figures show the anticipated net cost of the provision of a new secondary school

Children, Schools and Families	Scrutiny	Updated Budget 16/17	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20
Primary School Expansions					
Dundonald expansion	C&YP	2,926,910	0	0	0
Singlegate expansion	C&YP	1,174,810	0	0	0
Total Primary School Expansions		4,101,720	0	0	0
Scheme 1 Phased Extra 2fe	C&YP	2,181,400	2,181,310	0	0
Scheme 2 Phased Extra 2fe	C&YP	151,000	2,948,740	2,681,000	0
Scheme 3 Phased Extra 2fe	C&YP	542,800	2,000,000	0	0
Scheme 5 Contingency	C&YP	0	100,000	1,530,000	4,200,000
Scheme 4 New School Extra 6fe	C&YP	5,070,000	7,000,000	4,478,950	0
Total Secondary School Expansions		7,945,200	14,230,050	8,689,950	4,200,000
Perseid	C&YP	200,000	850,000	650,000	0
Further SEN Provision	C&YP	295,320	3,434,360	3,000,000	
Secondary School Autism Unit	C&YP	600,000	560,000	0	0
Total SEN		1,095,320	4,844,360	3,650,000	0
Other					
Schs Cap Maint & Accessibility	C&YP	751,540	650,000	650,000	650,000
Schools Equipment Loans	C&YP	104,450	104,450	0	0
Admissions IT System	C&YP	0	0	0	105,000
Total Other		855,990	754,450	650,000	755,000
TOTAL		13,998,230	19,828,860	12,989,950	4,955,000

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Environment and Regeneration	Scrutiny	Updated Budget 16/17	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20
Footways Planned Works					
Repairs to Footways	SC	1,000,000	1,000,000	1,000,000	1,000,000
Total Footways Planned Works		1,000,000	1,000,000	1,000,000	1,000,000
Greenspaces					
Parks Investment	SC	276,000	216,000	322,500	325,000
Canons Parks for People Dev HLF	SC	113,000	0	0	0
Pay and Display Machines	SC	0	0	0	60,000
Parks Bins - Finance Lease	SC	34,000	34,000	27,500	0
Living Wandle Ravensbury Park	SC	63,200	0	0	0
Total Greenspaces		486,200	250,000	350,000	385,000
Highways General Planned Works					
Surface Water Drainage	SC	69,000	69,000	72,000	77,000
Highways bridges & structures	SC	260,000	260,000	260,000	260,000
Maintain AntiSkid and Coloured	SC	90,000	90,000	90,000	90,000
Total Highways General Planned Works		419,000	419,000	422,000	427,000
Highways Planned Road Works					
Borough Roads Maintenance	SC	1,500,000	1,500,000	1,500,000	1,250,000
Total Highways Planned Road Works		1,500,000	1,500,000	1,500,000	1,250,000
Leisure Centres					
Leisure Centre Plant & Machine	SC	300,000	300,000	300,000	300,000
Morden Leisure Centre	SC	5,130,970	4,928,220	247,400	0
Wimbledon Park Lake De-Silting	SC	0	0	1,500,000	0
Total Leisure Centres		5,430,970	5,228,220	2,047,400	300,000
Other E&R					
Mortuary Provision	SC	45,000	0	0	0
Total Other E&R		45,000	0	0	0
On and Off Street Parking					
Replacing Handheld Computers	SC	35,000	0	0	0
Total On and Off Street Parking		35,000	0	0	0

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- 5) Figures show the anticipated net cost of the provision of a new secondary school

Environment and Regeneration	Scrutiny	Updated Budget 16/17	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20
Regeneration Partnerships					
Industrial Estate Investment	SC	0	450,000	0	0
Mitcham Major schemes - TfL	SC	1,000,000	700,000	0	0
S106 Wim broadwy CA	SC	46,480	0	0	0
Town Centre Investment	SC	1,037,000	0	0	0
Morden shopping parades	SC	518,000	0	0	0
Brighter Business	SC	55,000	0	0	0
Morden - TfL	SC	0	220,000	2,000,000	0
Total Regeneration Partnerships		2,656,480	1,370,000	2,000,000	0
Street Lighting					
Street Lighting Replacement Pr	SC	462,000	290,000	509,000	290,000
Total Street Lighting		462,000	290,000	509,000	290,000
Street Scene					
Street Tree Programme	SC	60,000	60,000	60,000	60,000
Total Street Scene		60,000	60,000	60,000	60,000
Transport for London					
Unallocated	SC	1,754,800	1,844,800	1,864,800	0
Total Transport for London		1,754,800	1,844,800	1,864,800	0
Traffic and Parking Management					
Traffic Schemes	SC	150,000	156,000	175,000	175,000
Tackling Traffic Congestion		532,500	0	0	0
CCTV (match funding)	SC/O&S	399,000	0	0	0
£1 Coinage Changs P&D Machines	SC	120,000	0	0	0
Total Traffic and Parking Management		1,201,500	156,000	175,000	175,000
Transport and Plant					
Replacement of Fleet Vehicles	SC	500,000	500,000	500,000	350,000
Shared Space	SC	20,000	0	0	0
B610 Wim Town Centre trans imp	SC	41,600	0	0	0
Transportation Enhancements	SC	0	0	5,000,000	0
Total Transport and Plant		561,600	500,000	5,500,000	350,000
Waste Operations					
Alley Gating Scheme - Fly Tip	SC	40,000	40,000	40,000	40,000
Waste Bins - Finance Lease	SC	5,500	5,500	5,500	0
Total Waste Operations		45,500	45,500	45,500	40,000
TOTAL		15,658,050	12,663,520	15,473,700	4,277,000

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- 4) Excludes expenditure budgets relating to Devolved Formula Capital for schools from 2016/17 as grant funding has not been announced.
- 5) Figures show the anticipated net cost of the provision of a new secondary school

	Scrutiny	Updated Budget 16/17	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20
Corporate Services					
Business Improvements					
Planweb/Stratus Update	O&SC	0	0	42,000	0
Planning & Public Protection Sys	O&SC	500,000	0	0	0
Mapinfo System	O&SC	50,000	0	0	0
Aligned Assets	O&SC	0	75,000	0	0
Electronic Asset Management	O&SC	0	0	0	190,000
Revenue & Benefits	O&SC	0	0	400,000	0
Capita Housing	O&SC	0	100,000	0	0
Total Business Improvement		550,000	175,000	442,000	190,000
Information Technology					
Planned Replacement Programme	O&SC	(287,000)	60,000	(447,000)	(145,000)
ITSD Enhancements	O&SC	(50,000)	80,000	225,000	200,000
Multi-Functioning Device (MFD)	O&SC	0	0	0	600,000
Total Information Technology		(337,000)	140,000	(222,000)	655,000
Facilities Management					
Water Safety Works	O&SC	0	0	0	(75,000)
Asbestos Safety Works	O&SC	0	0	0	(250,000)
Capital Works - Facilities	O&SC	0	0	0	400,000
Photovoltaics (PV) and Energy Conservation in Schools	O&SC	500,000	2,000,000	0	0
Civic Centre Lightning Upgrade	O&SC	0	0	0	300,000
Civic Centre Block Paving	O&SC	0	0	0	75,000
Total Facilities Management		500,000	2,000,000	0	450,000
TOTAL		713,000	2,315,000	220,000	1,295,000

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** Negative growth in the capital programme is as a result of reduction when compared to the approved (16/19) and indicative (19/20) programme.

ANALYSIS OF GROWTH 2016-20**ANNEX 4**

Community and Housing	Scrutiny	Updated Budget 16/17	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20
Housing					
Small Repairs Grant	SC	(60,000)	(60,000)	(60,000)	(60,000)
Total Housing		(60,000)	(60,000)	(60,000)	(60,000)
Libraries					
West Barnes Library Re-Fit	SC	0	200,000	0	0
Library Management System	SC	0	100,000	0	0
Total Libraries		0	300,000	0	0
TOTAL		(60,000)	240,000	(60,000)	(60,000)

ANALYSIS OF GROWTH 2016-20**Annex 4**

Children, Schools and Families	Scrutiny	Updated Budget 16/17	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20
Primary School Expansions					
Beecholme	C&YP	(2,575,000)	(2,075,000)	0	0
23 FE School Expansion 1fe Expansion	C&YP	(100,000)	(555,000)	(2,575,000)	(1,600,000)
26 FE School Expansion - Temp C/rooms	C&YP	0	(618,780)	0	0
27 FE School Expansion - Temp C/rooms	C&YP	0	(300,000)	0	0
28 FE School Expansion – Temp C/rooms	C&YP	0	(300,000)	0	0
Total Primary School Expansions		(2,675,000)	(3,848,780)	(2,575,000)	(1,600,000)
Secondary					
Scheme 1 Phased Extra 4fe	C&YP	(682,600)	2,181,310	(3,677,560)	0
Scheme 2 Phased Extra 4fe	C&YP	(2,780,000)	2,948,740	410,880	0
Scheme 3 Phased Extra 2fe	C&YP	(2,362,200)	2,000,000	0	0
Scheme 5 Phased Extra 2fe	C&YP	(95,000)	(1,400,000)	2,360	4,200,000
Scheme 6 Phased Extra 2fe	C&YP	(1,900,000)	(3,000,000)	(2,000,000)	0
Scheme 4 New School Extra 6fe	C&YP	(110,000)	0	0	0
Total Secondary School Expansions		(7,929,800)	2,730,050	(5,264,320)	4,200,000
Secondary School Expansions					
Cricket Green	C&YP	(2,057,210)	(1,500,000)	0	0
Perseid	C&YP	200,000	850,000	(200,000)	(850,000)
Further SEN Provision	C&YP	295,320	3,434,360	3,000,000	0
Perseid - Further 28 Places Primary	C&YP	(1,600,000)	(1,500,000)	0	0
Secondary School Autism Unit	C&YP	(560,000)	560,000	0	0
Total SEN		(3,721,890)	1,844,360	2,800,000	(850,000)
Other					
Inflation Contingency	C&YP	(2,433,860)	(1,875,580)	(2,074,530)	(165,600)
Admissions IT System	C&YP	0	0	0	105,000
Total Other		(2,433,860)	(1,875,580)	(2,074,530)	(60,600)
TOTAL		(16,760,550)	(1,149,950)	(7,113,850)	1,689,400

ANALYSIS OF GROWTH 2016-20

ANNEX 4

Environment and Regeneration	Scrutiny	Updated Budget 16/17	Updated Budget 17/18	Updated Budget 18/19	Updated Budget 19/20
Greenspaces					
Parks Investment	SC	0	0	0	(25,000)
Pay and Display Machines	SC	0	0	0	60,000
Total Greenspaces		0	0	0	35,000
Highways General Planned Works					
Surface Water Drainage	SC	0	0	3,000	8,000
Total Highways General Planned Works		0	0	3,000	8,000
Highways Planned Road Works					
Borough Roads Maintenance	SC	0	0	0	(250,000)
Total Highways Planned Road Works		0	0	0	(250,000)
Other E&R					
Mortuary Provision	SC	45,000	0	0	0
Total Other E&R		45,000	0	0	0
On and Off Street Parking					
Replacing Handheld Computers	SC	35,000	0	0	0
Total On and Off Street Parking		35,000	0	0	0
Regeneration					
Mitcham Major schemes - TfL	SC	(1,484,000)	700,000	0	0
Wimbledon - TfL	SC	(3,200,000)	0	0	0
Morden - TfL	SC	(300,000)	(2,780,000)	2,000,000	0
Total Regeneration		(4,984,000)	(2,080,000)	2,000,000	0
Street Lighting					
Street Lighting Replacement Pr	SC	0	0	0	(219,000)
Total Street Lighting		0	0	0	(219,000)
Street Scene					
Street Tree Programme	SC	0	0	(40,000)	(40,000)
Total Street Scene		0	0	(40,000)	(40,000)
Transport and Plant					
Replacement of Fleet Vehicles	SC	0	0	0	(150,000)
Total Transport and Plant		0	0	0	(150,000)
Transport for London					
TfL Allocation		(71,200)	18,800	1,864,800	0
Total Transport for London		(71,200)	18,800	1,864,800	0
Waste Operations					
Alley Gating Scheme - Fly Tip	SC	20,000	20,000	20,000	20,000
Total Waste Operations		20,000	20,000	20,000	20,000
TOTAL		(4,955,200)	(2,041,200)	3,847,800	(596,000)

INDICATIVE CAPITAL PROGRAMME 2020-25

ANNEX 5

Corporate Services	Scrutiny	Updated Budget 20/21	Updated Budget 21/22	Updated Budget 22/23	Updated Budget 23/24	Updated Budget 24/25
Business Improvements						
Planweb/Stratus Update	O&SC	0	42,000	0	0	42,000
Planning & Public Protection Sys	O&SC	0	500,000	0	0	0
Mapinfo System	O&SC	0	50,000	0	0	0
Aligned Assets	O&SC	0	0	75,000	0	0
Customer Contact Programme	O&SC	200,000	1,800,000	0	0	0
Data Labling	O&SC	0	0	0	0	0
Electronic Asset Management	O&SC	0	0	0	190,000	0
Revenue & Benefits	O&SC	0	0	0	0	400,000
Capita Housing	O&SC	0	0	100,000	0	0
Replacement SC System	O&SC	150,000	1,950,000	0	0	0
Total Business Improvement		350,000	4,342,000	175,000	190,000	442,000
Resources						
Replacement of Civica Icon	O&SC	125,000	0	0	0	0
Improving Information Systems	O&SC	700,000	0	0	0	0
Total Resources		825,000	0	0	0	0
Information Technology						
Planned Replacement Programme	O&SC	860,000	770,000	560,000	575,000	575,000
ITSD Enhancements	O&SC	200,000	200,000	200,000	200,000	200,000
Multi-Functioning Device (MFD)	O&SC	0	0	0	0	600,000
Total Information Technology		1,060,000	970,000	760,000	775,000	1,375,000
Invest to Save Schemes	O&SC	300,000	300,000	300,000	300,000	300,000
Capital Works - Facilities	O&SC	700,000	700,000	700,000	700,000	700,000
Total Facilities Management		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL		3,235,000	6,312,000	1,935,000	1,965,000	2,817,000

Community and Housing	Scrutiny	Updated Budget 20/21	Updated Budget 21/22	Updated Budget 22/23	Updated Budget 23/24	Updated Budget 24/25
Housing						
Disabled Facilities Grant	HC&OP	280,000	280,000	280,000	280,000	280,000
Total Housing		280,000	280,000	280,000	280,000	280,000
Libraries						
Library Self Service	SC	350,000	0	0	0	0
Total Libraries		350,000	0	0	0	0
TOTAL		630,000	280,000	280,000	280,000	280,000

INDICATIVE CAPITAL PROGRAMME 2020-25
ANNEX 5

Children, Schools and Families	Scrutiny	Updated Budget 20/21	Updated Budget 21/22	Updated Budget 22/23	Updated Budget 23/24	Updated Budget 24/25
Secondary School Expansions						
Scheme 4 New School Extra 6fe	C&YP	6,000,000	4,008,000	0	0	0
Total Secondary School Expansions		6,000,000	4,008,000	0	0	0
Other						
Schs Cap Maint & Accessibility	C&YP	650,000	650,000	650,000	650,000	650,000
Admissions IT System	C&YP	0	0	0	105,000	0
Total Other		650,000	650,000	650,000	755,000	650,000
TOTAL		6,650,000	4,658,000	650,000	755,000	650,000

Environment and Regeneration	Scrutiny	Updated Budget 20/21	Updated Budget 21/22	Updated Budget 22/23	Updated Budget 23/24	Updated Budget 24/25
Footways Planned Works						
Repairs to Footways	SC	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Footways Planned Works		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Greenspaces						
Parks Investment	SC	325,000	325,000	325,000	325,000	325,000
Pay and Display Machines	SC	0	0	0	0	60,000
Total Greenspaces		325,000	325,000	325,000	325,000	385,000
Highways General Planned Works						
Surface Water Drainage	SC	77,000	77,000	77,000	77,000	77,000
Highways bridges & structures	SC	260,000	260,000	260,000	260,000	260,000
Maintain AntiSkid and Coloured	SC	90,000	90,000	90,000	90,000	90,000
Total Highways General Planned Works		427,000	427,000	427,000	427,000	427,000
Highways Planned Road Works						
Borough Roads Maintenance	SC	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Total Highways Planned Road Works		1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Leisure Centres						
Leisure Centre Plant & Machine	SC	300,000	300,000	300,000	300,000	300,000
Total Leisure Centres		300,000	300,000	300,000	300,000	300,000
On and Off Street Parking						
Replacing Handheld Computers	SC	0	35,000	0	0	0
Total On and Off Street Parking		0	35,000	0	0	0

INDICATIVE CAPITAL PROGRAMME 2020-25**ANNEX 5**

Environment and Regeneration	Scrutiny	Updated Budget 20/21	Updated Budget 21/22	Updated Budget 22/23	Updated Budget 23/24	Updated Budget 24/25
Street Lighting						
Street Lighting Replacement Pr	SC	290,000	290,000	290,000	290,000	290,000
Total Street Lighting		290,000	290,000	290,000	290,000	290,000
Street Scene						
Street Tree Programme	SC	60,000	60,000	60,000	60,000	60,000
Total Street Scene		60,000	60,000	60,000	60,000	60,000
Traffic and Parking Management						
Traffic Schemes	SC	175,000	175,000	175,000	175,000	175,000
Total Traffic and Parking Management		175,000	175,000	175,000	175,000	175,000
Transport and Plant						
Replacement of Fleet Vehicles	SC	350,000	350,000	350,000	350,000	350,000
Total Transport and Plant		350,000	350,000	350,000	350,000	350,000
Waste Operations						
Alley Gating Scheme - Fly Tip	SC	40,000	40,000	40,000	40,000	40,000
Total Waste Operations		40,000	40,000	40,000	40,000	40,000
TOTAL		4,217,000	4,252,000	4,217,000	4,217,000	4,277,000

* 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 (15/18)and indicative (18/19) programme.

Please Note

- 1) At present the programme contains no provision for the transport implementation costs of the South London Partnership.
- 2) Excludes expenditure budgets relating to Disabled Facilities Grant
- 3) Excludes expenditure budgets relating to Transport for London Grant .
- 4) Excludes expenditure budgets relating to Devolved Formula Capital for schools.
- 5) Excludes re-provision costs for Customer Contact and Social Care Information Technology Systems

LONDON BOROUGH OF MERTON TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION

1.1 Background

London Borough of Merton's treasury management activities include the management of its 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 2016/17 to 2018/19
- b) Approve the Minimum Revenue Provision (MRP) policy for 2016/17; and
- c) To agree the Treasury Management Strategy for 2016/17.

1.2 Statutory Requirement

The Local Government Act 2003 (the Act) as amended and supporting regulations, require the Council to 'have regard to' the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code and the CIPFA Treasury Management Code of practice to set Prudential and Treasury Indicators for the next three years and to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Act 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 adequate liquidity and security before investment return.

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 2016/17

The strategy for 2016/17 covers two main areas:

Capital Issues

- To determine the Council's capital plans and prudential indicators for 2016/17 to 2018/19;
- To approve the Minimum Revenue Provision (MRP) policy for 2016/17.

Treasury Management Issues

- To agree the Council's treasury management strategy for 2016/17
 - current treasury position as at 31 January 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 31 January 2016.

Year End Resources	2014/15 Actual £'000	31 January 2015 Actual £'000	31 March 2015/16 Estimate £'000	31 March 2016/17 Estimate £'000
Investments	86,100	98,550	79,600	72,200
Interest on investments	842	286	797	747
Borrowing				
Long-term Borrowing	116,976	116,976	116,976	116,976
Short-term Borrowing				
Total External Debt	116,976	116,976	116,976	116,976
Interest on External Debt				
Long-term	6,686	6,686	6,682	6,696
Short-term	1	1		
Total Interest on External Debt	6,687	6,687	6,682	6,696

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

3. CAPITAL PRUDENTIAL INDICATORS 2016/17 - 2019/20

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 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.

The 2015/16 figures have been adjusted for finance lease implications.

Members are asked to approve the capital expenditure forecasts:

Capital Expenditure	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
Children Schools & Families	23,495	14,619	13,998	19,829	12,990	4,955
Community & Housing	1,257	1,611	2,074	1,055	629	280
Corporate Services	2,742	6,831	7,565	5,196	2,977	2,795
Environment & Regeneration	9,149	14,123	15,658	12,664	15,474	4,277
	-	-	-	-	-	-
Total	36,643	37,184	39,296	38,743	32,070	12,307

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 31 January 2016.

Capital Expenditure	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
Capital Expenditure	36,643	37,184	39,296	38,743	32,070	12,307
Slippage*	-	-1,860	-3,811	1,229	2,399	1,325
Total Capital Expenditure	36,643	35,324	35,485	39,972	34,469	13,632
Financed by:						
Capital Receipts	0	14,654	22,699	3,034	900	900
Capital Grants & Contributions	29,676	19,097	10,925	9,751	9,108	4,971
Capital Reserves	-	-	-	-	-	-
Revenue Provisions	-	1,574	1,635	5,786	20	2
Other Financing Sources	-	-	-	-	-	-
Net financing need for the year	6,967	0	226	21,401	24,441	7,759

*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 2016/17 is expected. Public Health capital projects are fully funded therefore have no CFR implications. The 2015/16 forecast movement in CFR shows a decrease of £9,246k because the expenditure to be funded from borrowing in 2015/16 is less than the amount of MRP charged in the year.

The current projection as at 31 January 2016 for 2015/16 year end is an estimated cash balance of £79.6m. The current cashflow forecast has been based on assumptions in the MTF5 and capital programme spend forecast after slippage. The 2015/16 forecast £35.32m, 2016/17 £35.49m, and 2017/18 £39.97m 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 end of 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 below:

	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
Capital Financing Requirement						
CFR (non-housing)	207,826	198,580	190,058	203,150	219,342	218,361
Total CFR	207,826	198,580	190,058	203,150	219,342	218,361
Movement in CFR	(4,140)	(9,246)	(8,521)	13,092	16,192	(981)
Movement in CFR represented by						
Net financing need for the year (above)	1,089	0	226	21,401	24,441	7,759
Less Capital MRP/VRP	3,987	7,396	6,948	6,802	6,660	7,262
Less Other MRP/VRP (leasing, PFI)	685	1,253	1,159	821	855	690
Less Other MRP/VRP – PFI – Partial termination	557	597	640	686	735	788
Less Other financing movements <ul style="list-style-type: none"> • Adjustment of PFI Liability • Adjustment of MRP 						
Movement in CFR	(4,140)	(9,246)	(8,521)	13,092	16,192	(981)

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

	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
Net Revenue Financing Costs	18,385	16,044	15,540	14,665	14,388	15,317
Net Financing Stream	162,542	155,016	147,597	139,240	133,123	129,145
Ratio of Financing Costs to Net Revenue Stream (Non HRA)	11.31%	10.35%	10.53%	10.53%	10.81%	11.86%

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.

	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Incremental Change in Capital Financing Costs (£000)	1,830	-2,341	-504	-876	-277	930
Council Tax Base	68,087	69,638	71,327	71,684	72,042	72,402
Incremental Impact on Council Tax - Band D*** (£)	£26.88	-£33.61	-£7.07	-£12.22	-£3.85	£12.84
Council Tax - Band D (£)	1,106.56	1,106.45	1,106.45	1,106.45	1,106.45	1,106.45

***2015/16 is actual council tax amounts, 2016/17 is proposed. However the Council tax base for future years is an average of future years.

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
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 2016	0.50	2.00	2.60	3.40	3.20
June 2016	0.50	2.10	2.70	3.40	3.20
Sept 2016	0.50	2.20	2.80	3.50	3.30
Dec 2016	0.75	2.30	2.90	3.60	3.40
March 2017	0.75	2.40	3.00	3.70	3.50
June 2017	1.00	2.50	3.10	3.70	3.60
Sept 2017	1.00	2.60	3.20	3.80	3.70
Dec 2017	1.25	2.70	3.30	3.90	3.80
March 2018	1.25	2.80	3.40	4.00	3.90
June 2018	1.50	2.90	3.50	4.00	3.90
Sept 2018	1.50	3.00	3.60	4.10	4.00
Dec 2018	1.75	3.10	3.60	4.10	4.00
Mar 2019	1.75	3.20	3.70	4.10	4.00

Source: Capita Asset Services

The Bank of England November 2015 Inflation Report included a forecast for GDP growth to be around 2.5 – 2.7% over the next three years, driven mainly by strong consumer demand supported by a recovery in wage inflation, declining CPI inflation, and investment expenditure. However, the Report highlighted weakness in some global economic data and volatile financial markets, and their potential impact on growth.

Also, the Inflation Report was notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013.

However, the first round of falls in oil, gas and food prices over late 2014 and also in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but a second, more recent round of falls in fuel and commodity prices will delay a significant tick up in inflation from around zero: this is now expected to get back to around 1% by the end of 2016 and not get to near 2% until the second half of 2017, though the forecasts in the Report itself were for an even slower rate of increase. However, more falls in the price

of oil and imports from emerging countries in early 2016 will further delay the pick up in inflation.

Therefore, there is considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to start increasing rates.

Weakening UK GDP growth during 2015 and the deterioration of prospects in the international scene, especially for emerging market countries, have consequently led to forecasts for when the first increase in Bank Rate would occur being pushed back to quarter 4 of 2016. There is downside risk to this forecast in the form of it being pushed further back.

The US economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015, but then pulled back to 2.0% in quarter 3. The run of strong monthly increases in non-farm payrolls figures for growth in employment in 2015 prepared the way for the Fed to embark on its long awaited first increase in rates by 0.25% at its December meeting.

The accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by the Bank of England Monetary Policy Committee (MPC).

In the Eurozone, the European Central Bank (ECB) rolled out a massive €1.1 trillion programme of quantitative easing, in January 2015, to buy up high credit quality government and other debt of selected Eurozone countries.

This programme of €60bn of monthly purchases started in March 2015 and it was intended to run initially to September 2016. At the ECB's December 2015 meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases.

The ECB also cut its deposit facility rate by 10bps from -0.2% to -0.3%. This programme of monetary easing has had a limited positive effect in helping recovery in consumer and business confidence and a start to some improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.3% y/y) but then eased back to +0.4% (+1.6% y/y) in quarter 2 and to +0.3% (+1.6%) in quarter 3.

Financial markets were disappointed by the ECB's lack of decisive action in December and it is likely that it will need to boost its QE programme if it is to succeed in significantly improving growth in the Eurozone and getting inflation up from the current level of around zero to its target of 2%.

5.2 Borrowing Strategy

Current Borrowing Portfolio Position

The table below shows the CFR as at 31 January 2015 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 2015/16.

	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
External Debt at 1 April	116,976	116,976	116,976	116,976	113,010	113,010
Expected change in Debt (repayment and new debt)****	0	0	0	3,966	0	0
Closing External Debt	116,976	116,976	116,976	113,010	113,010	113,010
PFI Balance b/f	20,449	19,524	18,664	17,959	17,164	16,480
In year movement	-925	-860	-705	-795	-684	-1,554
Closing Balance PFI	19,524	18,664	17,959	17,164	16,480	14,926
PFI Partial Termination Balance b/f	15,767	15,210	14,613	13,973	13,287	12,552
In year movement	-557	-597	-640	-686	-735	-788
Closing Balance Partial Termination PFI	15,210	14,613	13,973	13,287	12,552	11,764
TOTAL PFI	34,734	33,277	31,932	30,451	29,032	26,690
Finance Leases at 1 April	140	328	299	88	33	6
Expected Change in Finance Leases	188	-29	-211	-55	-27	0
Closing Balance Finance Leases	328	299	88	33	6	6
Salix Loan	41	33	26	19	12	6
Salix in year movement	-8	-7	-7	-7	-6	-4
Closing Balance Salix	33	26	19	12	6	2
Actual gross debt at 31 March	152,071	150,578	149,015	143,506	142,054	139,708
Capital Financing Requirement	207,826	198,580	190,058	203,150	219,342	218,361
Under/(over) borrowing	-55,755	-48,002	-41,043	-59,644	-77,288	-78,653

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

The table above shows the CFR forecast for 2015/16 and 2016/17. 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 and 2019/20 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.

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.

Council's Year End Balance Sheet Position at 31 March 2015

	2013/14	2014/15	Change
	£'000	£'000	£'000
CFR	214,060	207,826	6,234
PFI and LEASES	-36,831	-35,062	-1,769
Underlying Borrowing Requirement	177,229	172,764	4,465
External Borrowing	116,676	116,976	-300
Under borrowing / Internal borrowing to date	-60,253	-55,755	-4,498

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 2016/17 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 2015 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 0.50% with rates not expected to rise to 0.75% before Q4 2016.

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 fall well below its borrowing trigger rate 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 2016/17 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	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
External Debt	116,976	116,976	116,976	113,010	113,010	113,010
Other Long-term Liabilities	35,062	33,602	32,039	30,496	29,044	26,698
Operational Boundary	152,038	150,578	149,015	143,506	142,054	139,708

Authorised Limit for External Borrowing

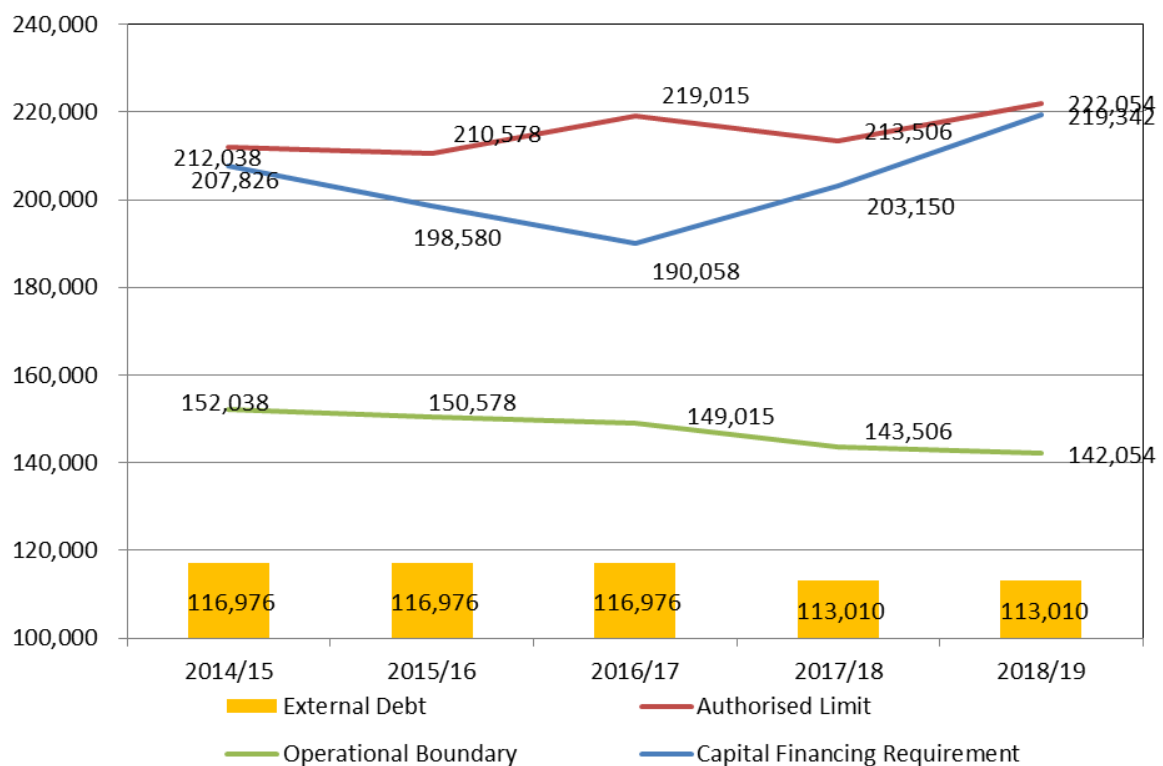
This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. It represents a limit beyond which external borrowing must not go over in the 3 years, and this limit when set is to be revised

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:

	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
External Debt	152,038	150,578	149,015	143,506	142,054	139,708
Other Long-term Liabilities	60,000	60,000	70,000	70,000	80,000	80,000
Authorised Limit	212,038	210,578	219,015	213,506	222,054	219,708

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.



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

	2015/16	2016/17	2017/18	2018/19	2019/20
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 2016/17			Maturity Structure of variable interest rate borrowing 2016/17		
	Actual at 31/01/2016	Lower	Upper	Actual 31/01/2016	Lower	Upper
Under 12 months	1.71%	0%	60%	0%	0%	50%
12 months to 2 years	1.68%	0%	60%	0%	0%	50%
2 years to 5 years	0.00%	0%	60%	0%	0%	50%
5 years to 10 years	26.08%	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

	2014/15 Actual %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %	2019/20 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%	5.72%	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.

Should interest rates reach 3.00% or less for PWLB 25 year loan then, 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
2016/17	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.
2017-18	No more than 50% of under borrowing requirement	
2018-19	No more than 50% of under borrowing requirement	
2019-20	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 table below shows the maturity profile of the Council's current debt as at 31 January 2016.

Duration	£'000	% of Debt Portfolio
less than 1 year	0	0.00
1 - 2 years	3,966	3.39
2 - 5 years	0	0.00
5 -10 years	30,510	26.08
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

The Council tests the markets for redemption opportunities should they exist. The PWLB loans portfolio was elected for the early redemption review as at 16

January 2016. A total loan value of £52m would incur redemption costs of £21million 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.

- **National Infrastructure Bill and Proposed Changes to the Governance of the Public Works Loans Board (PWLB)**
It is expected that the role of the PWLB Commissioners will be removed and the PWLB in time will be renamed but not abolished. There is an expectation that the current lending arrangements will remain in place going forward. The background to the development is that there is a bill currently going through the House of Lords called the National Infrastructure Bill.

- 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 0.50% till Q4 2016. The forecast rates have been built on the basis that bank rate is expected to remain unchanged until around the fourth quarter of 2016, 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 2015 Actual £'m	2015/16 Estimate £'m	2016/17 Estimate £'m	2017/18 Estimate £'m	2018/19 Estimate £'m	2019/20 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.

CHAS 2013 Limited is a wholly owned subsidiary of L.B Merton. It is a service offering Health and Safety pre-qualification assessments to nationally recognised standards. The company uses the Council's bank account, although steps have been taken to open a separate bank account for the company in 2016/17.

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 2012.

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 2016/17

Appendix 6 – Prudential Indicators for 2015/16 to 2018/19

Appendix 7 – Glossary

Appendix 8 – Cashflow Forecast

13. Background Papers

- CIPFA Prudential Code for Capital Finance in Local Authorities 2013 Edition
- 2015/16 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 2016/20

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

PWLB loan Early Redemption Estimates at 16 January 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 16 Jan 2016 (£)	Premium/Discount (£)	Total Due (£)
1000484711	PWLB	31/10/2015	13/11/2000	24	31/10/2024	5,000,000	5.000	8.9	30/04/2016	1.460	54,109.59	1,454,093.81	6,508,203.40
1000484981	PWLB	31/10/2015	30/11/2000	24	31/10/2024	1,500,000	4.750	8.9	30/04/2016	1.460	15,421.23	405,421.07	1,920,842.30
1005489969	PWLB	20/11/2015	20/05/2005	30	20/05/2035	2,500,000	4.450	19.4	20/05/2016	2.250	17,982.88	858,551.09	3,376,533.97
1005490706	PWLB	21/11/2015	21/11/2005	26	21/11/2031	1,000,000	4.250	15.1	21/05/2016	2.0600	6,753.42	294,711.13	1,301,464.55
1005490967	PWLB	25/07/2015	10/01/2006	50	25/07/2055	10,000,000	3.950	39.6	25/01/2016	2.240	191,547.95	4,468,188.25	14,659,736.20
1005490976	PWLB	25/07/2015	10/01/2006	50	25/07/2055	5,000,000	3.950	39.6	25/01/2016	2.240	95,773.97	2,234,094.12	7,329,868.09
1006491475	PWLB	28/10/2015	28/04/2006	45.5	28/10/2051	7,000,000	4.400	35.9	30/04/2016	2.280	69,194.52	3,616,323.89	10,685,518.41
1097480120	PWLB	30/09/2015	15/10/1997	25.5	31/03/2023	310,000	6.625	7.2	31/03/2016	1.270	6,189.38	113,850.47	430,039.85
1097480121	PWLB	30/09/2015	15/10/1997	26.5	31/03/2024	12,000,000	6.500	8.2	31/03/2016	1.400	235,068.49	4,724,495.53	16,959,564.02
1097480232	PWLB	30/09/2015	11/11/1997	26.5	31/03/2024	1,700,000	6.750	8.2	31/03/2016	1.400	34,582.19	702,112.53	2,436,694.72
1098480925	PWLB	31/10/2015	30/04/1998	26	30/04/2024	6,000,000	5.875	8.3	30/04/2016	1.400	76,294.52	2,093,010.68	8,169,305.20
						52,010,000					802,918.14	20,964,852.57	73,777,770.71

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 20 January 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 2016/17**

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 uncompounded, 7-day LIBID compounded weekly, 1-month LIBID and 3-month LIBID compounded quarterly

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

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

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

2.3.1 Money-broking Services

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

2.3.2 Consultants / Advisers Services

The Council's treasury management adviser is 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 2015/16 TO 2018/19

PRUDENTIAL INDICATORS	2015/16 Probable Outturn £'000	2016/17 Forecast £'000	2017/18 Forecast £'000	2018/19 Forecast £'000
1. CAPITAL EXPENDITURE				
a) Capital Expenditure (includes expenditure funded by supported, unsupported borrowing and other sources)				
i) General Fund estimated as at 31/12/15	35,324	35,485	39,972	34,469
Total as at 31/12/15	35,324	35,485	39,972	34,469
b) In year Capital Financing Requirement (CFR)				
i) General Fund (Gross of MRP costs)	0	226	21,401	24,441
Total in year CFR	0	226	21,401	24,441
c) Capital Financing Requirement as at 31 March (Balance Sheet figures)				
i) General Fund (Net of MRP costs)	198,580	190,058	203,150	197,373
Total	198,580	190,058	203,150	219,342

2. AFFORDABILITY				
a) Ratio of Financing Costs to net Revenue Streams				
i) General Fund	10.35%	10.53%	10.53%	10.81%
b) General Fund Impact of Prudential (Unsupported) Borrowing on Band D Council Tax Levels (per annum)				
i) In year Increase	-£33.61	-£7.07	-£12.22	-£3.85
ii) Cumulative Increase (includes MRP costs)		-£40.68	-£52.90	-£56.75
3. LONG-TERM EXTERNAL DEBT				
a) Debt Brought Forward 1 April	116,976	116,976	116,976	113,010
Debt Carried Forward 31 March	116,976	116,976	113,010	113,010
Additional Borrowing	0	0	(3,966)	0
b) Operational Boundary for External Debt (Excludes Revenue Borrowing)				
i) Borrowing	150,578	149,015	143,506	142,054
ii) Other Long-term Liabilities	33,602	32,039	30,496	29,044
c) Total Operating Debt (Excludes Revenue Borrowing)	184,180	181,054	174,002	171,098
Add margin for cashflow contingency	26,398	37,961	39,504	50,956
Affordable Borrowing Limit (Includes Revenue Borrowing)	210,578	219,015	213,506	222,054
Authorised Limit for External Debt (Includes Revenue Borrowing)				
• Borrowing	150,578	149,015	143,506	142,054
• Other Long-term Liabilities	60,000	70,000	70,000	80,000

Authorised Borrowing Limit	210,578	219,015	213,506	222,054
4. TREASURY MANAGEMENT				
a) Borrowing Limit – Upper Limit for Fixed Interest Rate Exposure Expressed as: Net Principal re Fixed Rate Borrowing/Investments	210,578	219,015	213,506	222,054
b) Borrowing Limit – Upper Limit for Variable Interest Rate Exposure Expressed as: 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 2016/17	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	2013/14	2014/15	2015/16 Year to Date (Three quarters to Dec 2015)	2015/16 Jan - March	2015/16 Year end Forecast as at Dec 2015	2016/17	2017/18	2018/19
	Actual £000	Actual £000	Actual £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
Payments								
Payroll Related Payments (including Schools)-net pay	102,341	104,256	79,817	26,606	106,423	109,615	112,904	116,291
Payroll related-HMRC	37,906	37,321	27,409	9,136	36,545	37,642	38,771	39,934
Payroll related-Teachers Pensions Authority	12,232	13,010	6,319	2,106	8,425	8,678	8,938	9,207
Payroll related-pension fund and disbursements and including back funding and added years	22,710	36,259	11,470	3,823	15,293	15,752	16,225	16,711
Service payments- (Premises, Transport, Supplies and Services and Third Party payments) and payments to preceptors	341,332	339,403	298,670	156,498	455,168	457,610	476,217	482,939
Transfer Payments-Housing Benefits	91,560	92,065	70,885	23,628	94,513	97,349	100,269	103,277
Bank Charges & Related Expenditure	280	252	179	60	239	246	253	261
NET Business Rates Retention Scheme (RSG)	30,490	31,348	11,131	3,710	14,841	15,287	15,745	16,218
Business Rates and CTax Refunds	4,191	5,601	4,631	1,544	6,175	6,360	6,551	6,747
Capital Payments	31,624	37,118	23,305	7,768	31,073	32,006	32,966	33,955
Total Payments	674,666	696,633	533,816	234,880	768,696	780,544	808,839	825,540
Receipts								
Business Rates Receipts	-90,044	-91,292	-75,669	-25,223	-100,892	-103,919	-107,036	-110,247
Council Tax Receipts	-101,963	-103,301	-88,853	-29,618	-118,471	-122,025	-125,686	-129,456
DWP - Housing Benefit Subsidy & Admin Grant & Discretionary Housing Payment grant&S31 Grant)	-105,598	-87,289	-71,225	-23,742	-94,967	-97,816	-100,750	-103,773
Grants (Including Public Health Grants)	-221,440	-228,412	-197,069	-65,690	-262,759	-270,641	-278,761	-287,123
Other receipts-fees and charges	-61,310	-73,621	-56,570	-18,857	-75,426	-77,689	-80,020	-82,420
Payroll Recoupment	-80,631	-82,897	-62,052	-20,684	-82,736	-85,218	-87,775	-90,408
VAT Reimbursement	-19,251	-24,247	-15,689	-5,230	-20,919	-21,546	-22,193	-22,858
Total Receipts	-680,237	-691,059	-567,127	-189,042	-756,169	-778,854	-802,220	-826,286
1. Net Cashflow (Revenue and Capital Cash)	-5,571	5,574	-33,311	45,837	12,527	1,689	6,619	-746
Interest Received on investments	-1,607	-798	-435	-145	-580	-580	-430	-333
Interest on Pooled Property Investment	0	0	-213	-71	-284	-284	-284	-284
Interest Paid on Debt inc DME		-66	2,953	984	3,937	3,937	3,804	3,804
2. Interest-net (Net cash flow)	-1,607	-864	2,305	768	3,073	3,073	3,090	3,187
B/F Cash Deposits Balance (SoA Note 9 Financial Instruments)	80,000	80,000	86,100	103,035	86,100	58,538	53,775	44,066
B/F Bank Balance (SoA Note 14 Cash and cash equivalents)	-530	-182	-252	-3,091	-252	-200	-200	-200
B/F ST Borrowing (SoA Note 9 Financial Instruments)	-8,000	-1,170	-11,910	5,000	-11,910	0	0	0
B/Fwd Total	71,470	78,648	73,938	104,944	73,938	58,338	53,575	43,866
Change in cash and investments (1+2)	-7,178	4,710	-31,006	46,606	15,600	4,763	9,709	2,441
C/F Cash Deposits Balance (SoA Note 14 Financial Instruments)	80,000	86,100	103,035	58,538	58,538	53,775	44,066	41,625
C/F Bank Balance (SoA Note 14 Cash and Cash Equivalents)	-182	-252	-3,091	-200	-200	-200	-200	-200
C/F ST Borrowing (SoA Note 9 Financial Instruments)	-1,170	-11,910	5,000	0	0	0	0	0
B/Fwd Total	78,648	73,938	104,944	58,338	58,338	53,575	43,866	41,425
	0	0	0	-0	0	0	0	0

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 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.

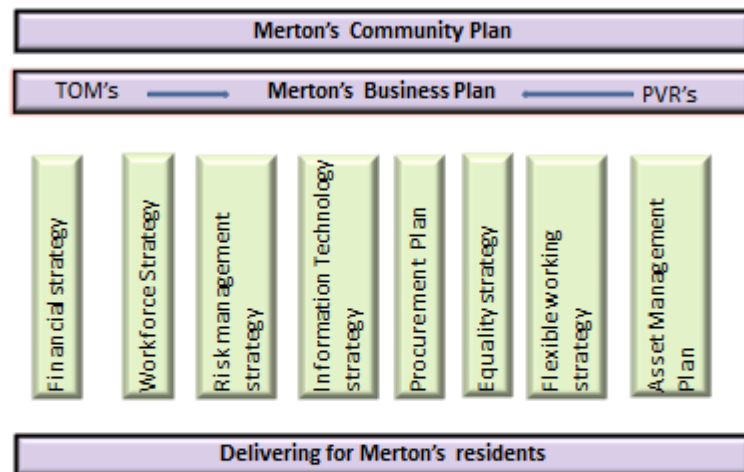
Ged Curran
Chief Executive

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 1,787 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 1:12 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 £9.15 per hour from 1 April 2015. 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

B. 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 3 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 2016-20
- Community Plan
- Merton 2015 and beyond (good to great)

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:

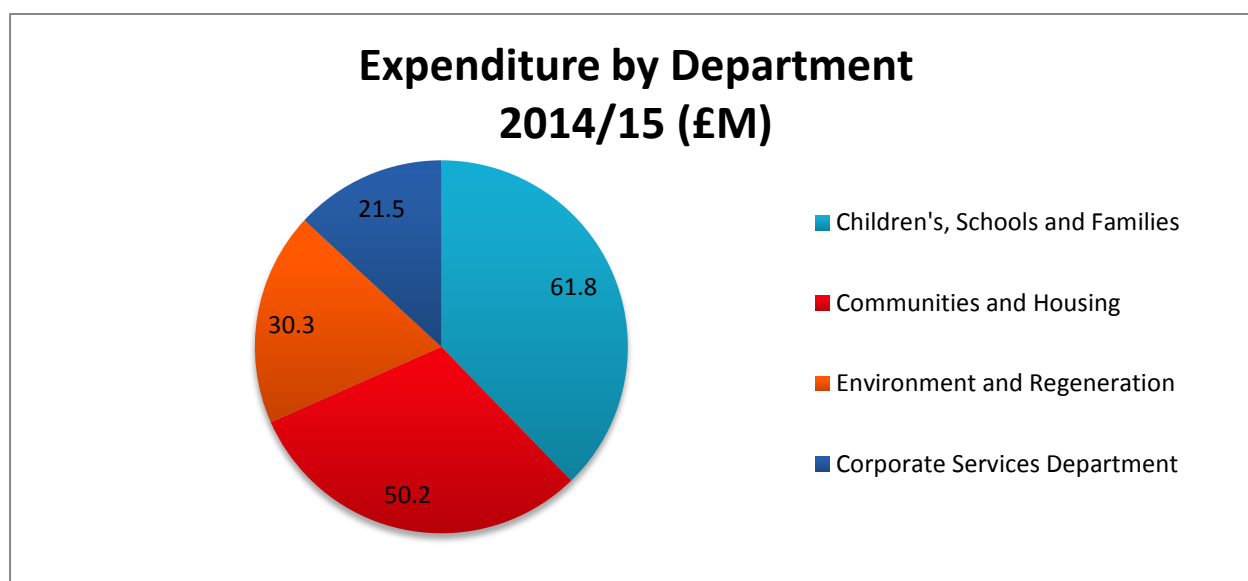
- Demonstrate continuous improvement and achieve value for money through the efficient procurement of goods and services
- Encourage communication and interaction with local and national suppliers to understand their views
- Develop relationships between the Council, the business community and the broader 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 £170M each year on goods and services on behalf of Merton's residents. 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 to 31st March 2015



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 has been 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. CST is part of the Resources division of Corporate Services department.

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.

A number of improvements have been made, including a strengthened Procurement Board, an enhanced Contracts Register and the implementation of a new E-Tendering system. May 2013 saw the launch of the Procurement Forum, which is designed to bring together all officers who are involved in procurement and commissioning, to disseminate information from the Procurement Board, to embed best practice and to ensure that officers are kept abreast of all relevant procurement matters including changes in law. This will also be used to discuss opportunities for cross cutting and joint procurement will be investigated.

Furthermore, in January 2012 the Council adopted a new 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 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 we face, 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 (FOI'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 lastly by Merton's own rules for procurement which are the Contract Standing Orders. These laws and processes 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 for procurement have been revised in line with the latest legal and operational requirements and came into effect on 1st April 2012.

Adjustments to the existing thresholds and delegations were made and provide the ability to improve the speed and simplicity of procurement activities and authorisations. Further revisions are planned during 2016/17. 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 (2013) and best practice are embedded in the Councils 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.

Projects will automatically come to the Procurement Board for review where:

- the total value is over £3m (or annual value over £750k)
- or the decision to award the contract is to be made by Cabinet or
- three or more risk triggers are assessed at amber level or greater. These include; political or reputational risk, impact of failure on service user and maturity or volatility of the market.

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 £10,000.

The Contracts Register is now 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 FOI's.

k. E-Procurement

In January 2011 the Council invested in an E-Tendering system called 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 in the new CSO's which came into effective on 1st 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.

I. 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 2016, 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>

B) INFORMATION TECHNOLOGY STRATEGY.

The Information Technology 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.

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;
- supporting joint working and shared services; and
- reducing, as far as possible, reliance on highly technical support.

Importantly, the strategy introduces 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 will be 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
- 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 a more efficient organisation and reducing 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 2013/4. 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 need 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 2015 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 2015 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 an 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 contact strategy.
- 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 will maximise use of configuration to ensure they are readily upgradable and supported by the vendor.
- IT systems and Service delivery will be designed with shared function/service in mind.
- All IT developments, improvements and technology purchases will be controlled and well managed (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
- 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 a more efficient organisation and reducing operating costs.**

These high level outcomes shape and prioritise the activity set out 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 data bases 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.

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.

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 incorporates the introduction of 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). The first task of this group will be to develop – in conjunction with departments – a 'scheme of delegation' that clarifies the practical scope of the board and define the level of change that needs to be referred to the board and that which can be dealt with locally. This will mitigate against the risk of unnecessary bureaucracy and business interruption.

OPERATIONAL DELIVERY

The core delivery 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.

Prioritisation and sequencing of the programme will be managed through Merton 2015 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 2015 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 \(November 2013\)](#)

[Social Media Protocol](#)

Information Strategy

List of Agreed Schemes in the IT Implementation Plan

.Appendix 1

Project Name	Brief Description	Comment as at w/c 01/02/2016
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 and 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 and finalised and submitted to tender portal.
(EAMS) - Asset Management - procurement and implementation	Project to procure and implement new Environmental Asset Management System (EAMS).	Delayed, re-publish Tender documents early 2016
Customer Contact	Implement new transactional website, content management system, customer account functionality and customer relationship management system	Work in progress
EDRMS	Implement replacement EDRMS (to replace SMART)	As above
Implement room booking system (internal)	Room and Space management system	Completed
(SCIS) - Social Care Information System	Implement replacement system (replacing CareFirst)	Implementation in progress due to go live for both Adults and Children early 2016.
Inspire	Scope and initiate work to achieve new European INSPIRE standard for metadata for geospatial info.	Mostly completed and published.
Data labelling	Implementation of new system to categorise and label data for increased information security	Re-scoping in progress
(FIS) -Financial Systems Re-Engineer	Procure and implement replacement financial management information system	Procurement completed, New vendor on-board, implementation in progress
Implement phone system call control liberty system	Implement Liberty Parking Services	Completed

Project Name	Brief Description	Comment
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	New connector to be implemented within the SCIS project - delayed due in future release (Jan 2016)
Tree Survey Remote Solution	Provision of remote survey solution for tree survey work (underway) .	IT hope to provide short-term solution (awaiting information from supplier), Confirm replacement will address in the longer term. This has been superceded by EAMS
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.	Implementation 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.	In progress, procurement completed - Survey company started.

Project Name	Brief Description	Comment
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.	Work started on prioritised basis - Accident reporting completed, resource constraints may delay further work.
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.	Delayed but now back in progress.
Library system Enhancements	A series of enhancements included within the LLC (London Libraries Consortium) development plan.	Relevant projects relate various TOM highlighted potential enhancements
ePayments re-procurement and implementation	Civica icon epayments contract expires 31st March 2016, Re-procure and implement new solution by 31st March 2016.	Procurement completed, implementation in progress.
Infrastructure improvements and implementations - AGREED		
Replace all photocopier / printers	Replace all MFD on floors and print room and install integrated system	Some issues with the print to print room software, software now tested in I&T planning taking place for full rollout
Replace corporate Storage Area Network and backup solution	Replace SAN and Backup to near zero downtime	Completed
Replace desktop devices	Replacement desktop devices	All XP machines removed, continuous replacement program replacement in progress
Replace out of warranty servers	Replace out of warranty servers	Servers are replaced as required
Replace UPS batteries	replace UPS batteries	Completed

Project Name	Brief Description	Comment
Renew Citrix licences	purchase more VDI licences	Works being discussed
Replace Core switches	Replace core network switches	Works being discussed
Retender Prism asset management system	Retender Asset management, patch management and deploy	have soft market tested, specification now being written for procurement start end of November, tender evaluation nearly completed
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	Works being discussed
RE-cable sites network cabling	Recable sites with new cabling	New fibre cable ordered and we are waiting on implementation
Proxy server replacement		
Infoblox replacement	Replace DHCP / DNS infoblox	Completed
Replace flukes	Replace flukes used for network testing	
Replace Netscaler remote access		Completed
Spam Filters	replace email spam filters	Works in progress
Upgrade PABX		
Replace VOIP phones		
Replace BTS call logging	Replace telephone call logging system	
Replace Voicemail System		Replacement system being tested
Replace internet packet shaper		
Replace Wifi	Replace corporate Wifi system	
Shared connection part of LOGO cloud	Enable computer use from other SW5 boroughs	
Replace NOF PC's	Replace Publix access terminals	
Consolidate Network management and Server management software		

Project Name	Brief Description	Comment
Replace PTC scheduling software		
Retender Source One email archiving		
Renew Microsoft Enterprise agreement		Annual renewal
Replace MASCOTT system with new product includes telephony and data		Procurement stopped being retendered
Re-open Dolliffe Close	A project to re-provide Merton IT infrastructure into Dolliffe Close to enable the use of that site by the Supported Living team. Work is already underway	Completed
Marine College	Implement Marine College at Wimbledon Park.	Completed

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 minutes 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 Board	Oversees and directs significant change to the Carefirst System, ensuring this is driven by and takes	Significant improvements to be referred to the TDA for consultation.

Governance	Role	Relationship to TDA
	full account of business need.	
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.

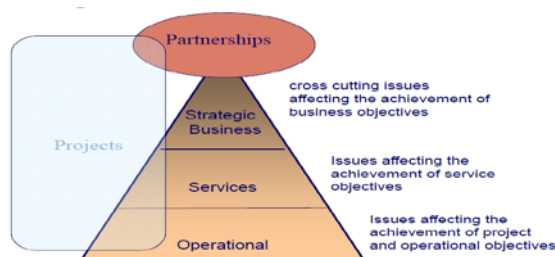
Risk Appetite

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.

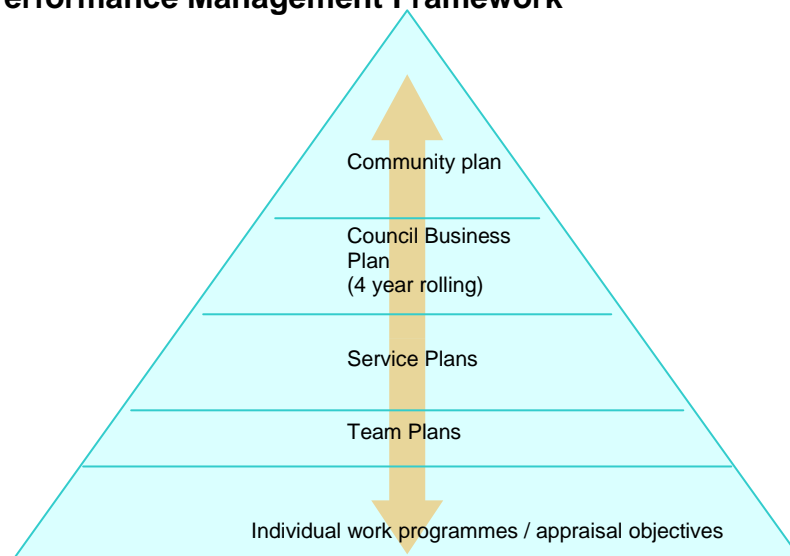
Risk management and financial planning

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		Impact																																			
<p>6 = Very High</p> <p>5 = High</p> <p>4 = Significant</p> <p>3 = Possible</p> <p>2 = Low</p> <p>1 = Almost Impossible</p>	Likelihood	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr><td style="padding: 2px;">6</td><td style="padding: 2px;">6</td><td style="padding: 2px;">12</td><td style="padding: 2px;">18</td><td style="padding: 2px;">24</td></tr> <tr><td style="padding: 2px;">5</td><td style="padding: 2px;">5</td><td style="padding: 2px;">10</td><td style="padding: 2px;">15</td><td style="padding: 2px;">20</td></tr> <tr><td style="padding: 2px;">4</td><td style="padding: 2px;">4</td><td style="padding: 2px;">8</td><td style="padding: 2px;">12</td><td style="padding: 2px;">16</td></tr> <tr><td style="padding: 2px;">3</td><td style="padding: 2px;">3</td><td style="padding: 2px;">6</td><td style="padding: 2px;">9</td><td style="padding: 2px;">12</td></tr> <tr><td style="padding: 2px;">2</td><td style="padding: 2px;">2</td><td style="padding: 2px;">4</td><td style="padding: 2px;">6</td><td style="padding: 2px;">8</td></tr> <tr><td style="padding: 2px;">1</td><td style="padding: 2px;">1</td><td style="padding: 2px;">2</td><td style="padding: 2px;">3</td><td style="padding: 2px;">4</td></tr> <tr><td style="padding: 2px;"></td><td style="padding: 2px;">1</td><td style="padding: 2px;">2</td><td style="padding: 2px;">3</td><td style="padding: 2px;">4</td></tr> </table>	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	<p>4 = Catastrophic</p> <p>3 = Critical</p> <p>2 = Significant</p> <p>1 = Marginal</p>
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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.

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.

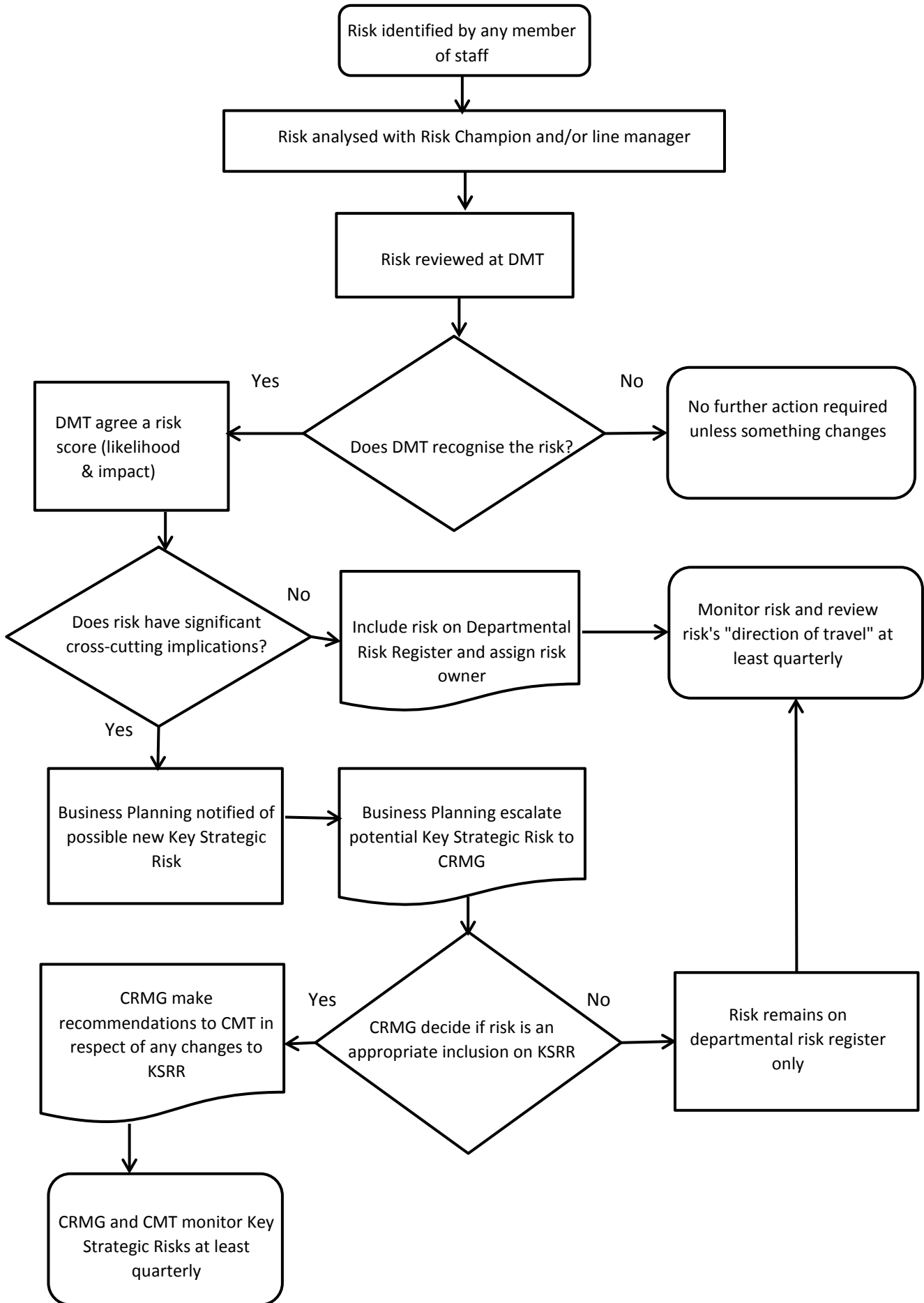
Risk management in committee reports

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.

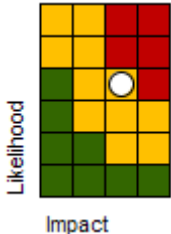


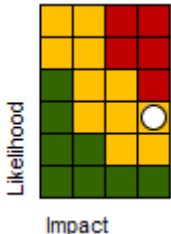

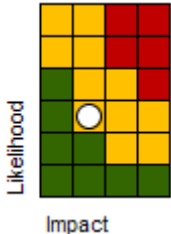

Attached are Merton Council's Key Strategic Risks and Issues Registers as at December 2015.




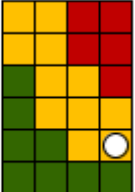




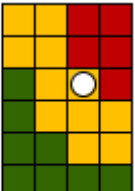



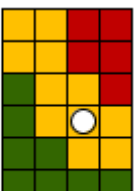




London Borough of Merton Risk Management Process

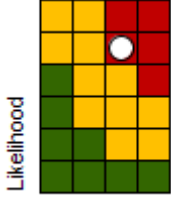




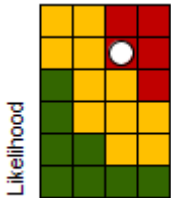






Risk Register ~ Key Strategic Risks ~ December 2015

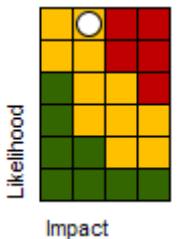




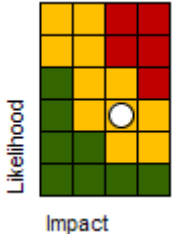




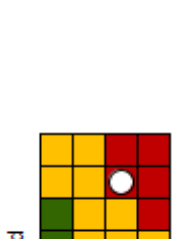




Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Control Measures in place	Date of comments
Sophie Ellis	BI18 / KSR68 Inability to deliver TOM's across the organisation	Key Strategic Risk	Inadequate delivery planning for TOM's across the organisation. Unanticipated changes in delivery context including additional financial reductions.	Ambition set out in TOM is not achieved.	 Likelihood Impact	4 14-Dec-2015	O	1. Delivery planning coordinated through Prog Office and M2015. Likelihood reduced as delivery arrangements now embedded. 2. Business Partners leading on departmental delivery assurance. 3. Savings proposals for 17/9 to articulate TOM impact.	26 Mar 2015
						4 17-Sep-2015			
						6 24-Jun-2015			
						6 26-Mar-2015			
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.	 Likelihood Impact	12 21-Dec-2015	R	LSCB Business Plan & refreshed CYPP. Reconstituted CYP partnership board. Strengthened MSCB governance.	14 Oct 2015
						12 08-Oct-2015			
						12 06-Jul-2015			
						12 10-Apr-2015			
Kris Witherington	CS17 / KSR74 Failure to consult in general	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.	 Likelihood Impact	6 21-Jan-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.	21 Jan 2016

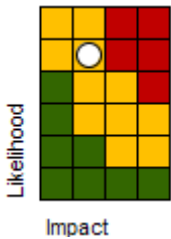




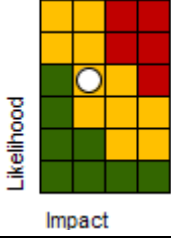




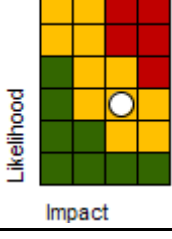




Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Control Measures in place	Date of comments
Charles Baker; Cormac Stokes	ER112 / KSR73 NEW KSR - Waste disposal overarching risk (sub risks ER 113 to ER 117)	Key Strategic Risk	1. Increase in waste 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  15-Dec- 2015	Fi/Rep/P/ Op	The increase in disposal cost is being monitored closely and strategy being developed to address all areas of known risk. Waste profiling will need to be revisited following preferred bidder of the Phase C procurement (Q3 2016). The preferred solution will have a direct impact on the level of commercial and domestic waste requiring disposal through our Phase A &B contracts with Viridor.	18 Dec 2015
						12  06-Oct- 2015			
Paul McGarry; James McGinlay	ER118 NEW KSR 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  08-Jan- 2016	F	Addition of this risk onto the Key Strategic Risk Register agreed at CRMG on 13 January 2016 and approved by CMT on 26 Jan 2016. Awaiting consultation response. Working with Crossrail 2 at a senior level. Production and delivery of Wimbledon Town Centre masterplan	27 Jan 2016
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		6  15-Dec- 2015	R	Discussions are currently being undertaken with the unions to finalise any outstanding allowances and mitigate any further risk. Risks are mitigated through COT3 signings with staff concerned. Some further work outstanding on allowances in C&H and E&R in particular. An equality impact assessment will also be conducted between September and December 2015 in order to manage risk further. The risk rating remains as before.	26 Oct 2015

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Control Measures in place	Date of comments
						6  17-Sep-2015			
						6  23-Jun-2015			
						6  14-Apr-2015			
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.	 Likelihood Impact	8  08-Dec-2015	SP	Testing of new IT Disaster Recovery arrangements were due to be tested in September but unfortunately this was delayed and has now been rescheduled for completion in March 2016. (Comment revised 04/12/15 and direction of travel adjusted due to the delayed testing)	08 Dec 2015
						8  17-Sep-2015			
						8  17-Jun-2015			
						8  23-Mar-2015			
Caroline Holland	MPF11 / KSR72 Failure to procure replacement investment managers in good time and so not improving Fund performance	Key Strategic Risk	Failure to procure replacement investment managers within appropriate timescales resulting in failure to improve performance of investments.	Investment performance does not improve, investment performance falls, fund may fail to meet its investment and funding objectives in the short and medium term.	 Likelihood Impact	12  11-Dec-2015	FI, R	Corporate Services DMT agreed on 23-09-15 that there should be an overarching Pensions risk on the Key Strategic Risk Register centred upon the failure to procure. The wording of the risk is being reviewed by the Interim Treasury and Insurance Manager. The scoring of this risk has also been re-assessed. Existing control measures: Engage manager with complementing strategies. Passive investments.	22 Oct 2015
						12  02-Oct-2015			
						16  24-Jul-2015			
Paul Dale; Caroline Holland	RE02 / KSR49 Developing corporate Business Plan & setting a balanced budget for 16/20 & 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	9  14-Dec-2015	FI	Risk has been updated to reflect Business Planning Period 16-20, and a timetable is in place.	21 Sep 2015
						9  21-Sep-2015			
						9  19-Jun-2015			
						9  07-Apr-2015			

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Control Measures in place	Date of comments
Simon Williams	RE03 / KSR21 Failure to adhere to Public Contract Regulations 2006 and Contract Standing Orders	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.		15  14-Dec-2015	R	New EU Procurement Regulations came into force in February 2015 and while these affect social care areas primarily, there are implications for all Council procurement. Training and guidance for all officers engaged in procurement has already begun. Comprehensive departmental procurement plans are in place and reviewed regularly by Procurement Board. The risk rating has increased as there were delays in providing a substantial proportion of exemption reports in Community & Housing. However C&H is finalising the development of a commissioning plan, which includes a strategy for processing and prioritising these exemptions. This will be reviewed by the project's board and the Procurement Board.	15 Dec 2015
						15  21-Sep-2015			
						15  01-Jul-2015			
						12  19-Jun-2015			
Caroline Holland	RE16 / KSR61 Failure to deliver 2014-18 Savings Programme	Key Strategic Risk	Savings of £19m have been agreed for the period 2014/15 to 2018/19, the period of budget decisions required by this council. There is a budget gap of £21m after this.	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.		15  14-Dec-2015	F	A significant part of the 2014/15 programmed savings were not achieved which had a very detrimental effect upon the savings for the forthcoming year. It is imperative that future years' savings are delivered, and that monitoring is put in place to ensure this. Greater emphasis needs to be placed upon the delivery and monitoring of savings for 2014/15 and 2015/16 as part of the monthly monitoring report.	03 Jul 2015
						15  21-Sep-2015			
						15  01-Jul-2015			
						10  19-Jun-2015			

Issues Register ~ Key Strategic Issues ~ December 2015

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.		12  21-Dec-2015	O	CSF Service Plans identify current control measures, these include reviewing eligibility criteria and consistently managing demand. Specifically to address this there is SENDIS Improvement plan in place which is regularly reviewed with clear actions set out.	14 Oct 2015
						12  08-Oct-2015			
						12  06-Jul-2015			
						12  30-Mar-2015			
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 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.		9  21-Dec-2015	R	CSP Service Plan and recent council paper outlines recommendations to address this. Secondary and special school places strategy in place - working with EFA.	26 Oct 2015
						9  08-Oct-2015			
						9  06-Jul-2015			
						9  30-Mar-2015			
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. Changes to national funding formula for DSG expected from 2016/17 onwards, & the impact of any maintained schools becoming academies. Funding associated with C&F Act, & detailed requirements for CYP with SEND remain uncertain, as do youth justice and adoption changes. Demand on "no recourse to public	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.		15  21-Dec-2015	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. Likelihood - still waiting on national changes being announced. NRTPF demand management plan in place. TOMS and MTFS savings all progressing.	14 Oct 2015
						15  08-Oct-2015			
						15  06-Jul-2015			
						15  30-Mar-2015			

Risk Owner	Code & Name	Risk or Issue	Cause	Consequences	Matrix	Current Score & Review History	Impact code	Control Measures in place	Date of comments
			funds" cases is increasing. 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.						
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-2015	R	CSP Service Plan highlights area of high risk and continuation of commissioned services.	08 Oct 2015
						10  08-Oct-2015			
						10  06-Jul-2015			
						10  30-Mar-2015			
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.		8  15-Dec-2015	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.	15 Dec 2015
						8  17-Sep-2015			
						8  23-Jun-2015			
						8  23-Mar-2015			
Yvette Stanley; Evereth Willis	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  14-Dec-2015	O/R/FI/SP	Equality Analysis has been incorporated into the budget process and the equalities impact assessment of savings proposals are systematically undertaken.	21 Sep 2015
						9  21-Sep-2015			
						9  01-Jul-2015			
						9  19-Jun-2015			

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:

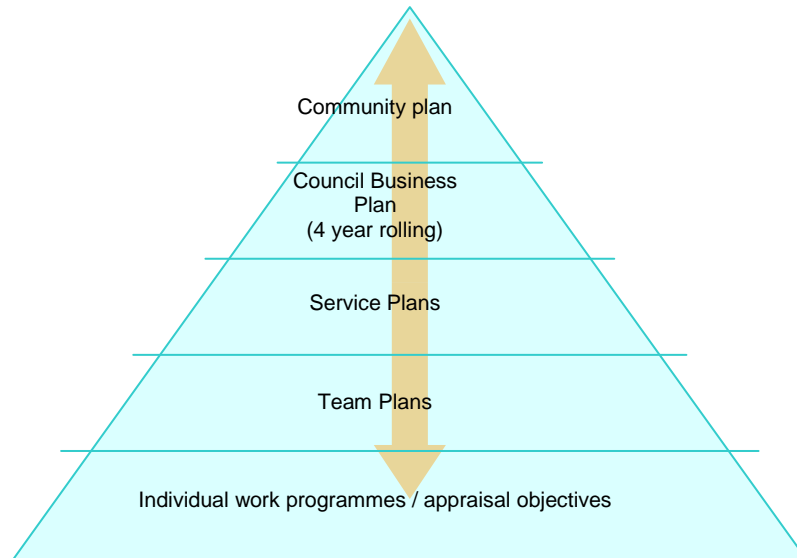
- what we are trying to achieve as an organisation
- how we are going to achieve this
- how we will monitor and report progress
- how the contribution of staff, managers, teams and departments relate to each other to help deliver the targets set for the whole organisation

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

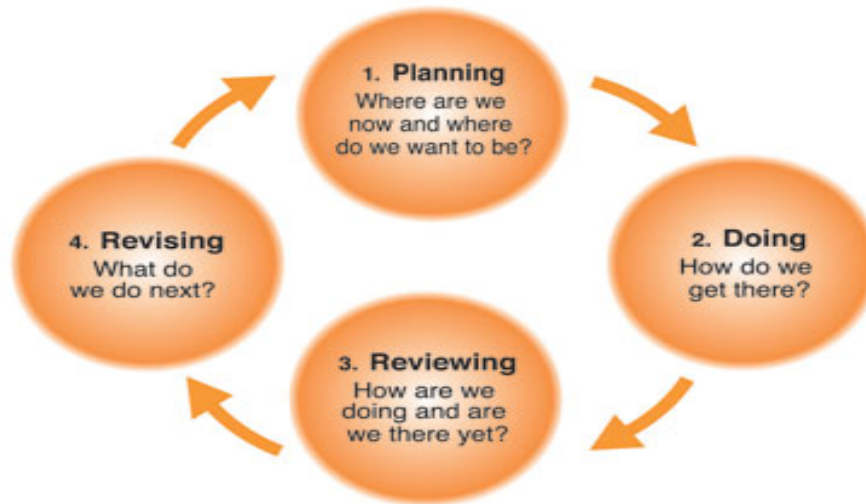


The key aspects of the Golden Thread are:

- [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?

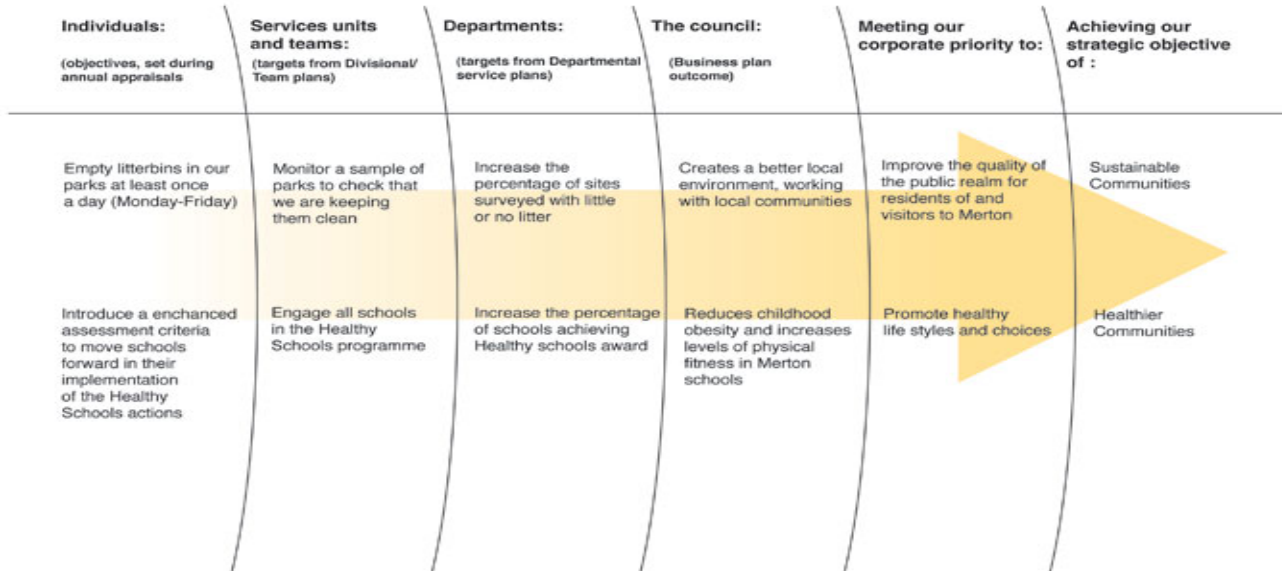
It is important that our services evolve to meet the needs of our residents. Having reviewed our performance we may find that we need to change what we are doing, or that we need to revise our ambitions and objectives so that we can continuously improve as an organisation.

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 2016/17 is shown in the table below. Included in the table are the 2015/16 and 2016/17 performance targets.

Indicators shaded grey represent new additions to the corporate set.

Corporate Indicator Set for 2016/17 – Monthly

Dept.	PI Code & Description	Polarity	2015/16 target	2016/17 target
Children, Schools & Families	CRP 069 / SP 078 % outcome of Ofsted Inspection schools rated Good or Outstanding	High	86%	86%
Children, Schools & Families	CRP 64SP075MP030 % of children who become subject of a Child Protection Plan for a second or subsequent time	Low	13%	16%
Children, Schools & Families	CRP 65SP095MP012 Number of special guardianship orders and adoptions finalised during the year ending 31 March	High	13	13
Children, Schools & Families	CRP 72SP319MP034 % 16-19 year olds Not in Education, Employment or Training (NEET)	Low	5	4.7
Children, Schools & Families	(Code TBC) % Looked After Children (2.5 years or more) in same placement for 2 years	Low	n/a	66
Community & Housing; Adult Social Care	CRP 054 / SP039 % People with 'long term' services receiving Self-Directed Support (SDS)	High	95%	95%
Community & Housing; Adult Social Care	CRP 055 / SP275 The rate of delayed transfers from care from hospital (both Merton & NHS responsible)	Low	5	5
Community & Housing; Adult Social Care	CRP 056SP054MP21 No. of Carers receiving services and / or information and advice	High	930	996
Community & Housing; Adult Social Care	CRP 057 / SP274 % people receiving 'long term' community services	High	71%	72%
Community & Housing; Housing Needs & Enabling	CRP 062 / SP 035 Number of homelessness preventions	High	550	450
Community & Housing; Housing Needs & Enabling	CRP 61SP036MP045 Number of households in temporary accommodation	Low	130	225
Community & Housing; Libraries	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	55,000	56,000
Community & Housing; Libraries	CRP 060 / SP 009 No. of visitors accessing the library service on line	High	170,000	200,000
Corporate Services	CRP 013 % of positive and neutral coverage tone	High	92%	92%

Dept.	PI Code & Description	Polarity	2015/16 target	2016/17 target
Corporate Services	CRP 014 % of ombudsman complaints answered in time (monthly in arrears)	High	90%	90%
Corporate Services	CRP 018 % Council Tax collected	High	97.25%	97.25%
Corporate Services	CRP 036 / SP 155 % of Business Rates collected	High	97.5%	97.5%
Corporate Services	CRP 041 / SP 192 % FOI requests dealt with in time (Monthly in arrears)	High	90%	90%
Corporate Services	CRP 080 / SP 413 Number of working days per FTE lost to sickness absence excluding schools	Low	8	8
Corporate Services	SP 410 / CRP TBC % of on-line transactions (HB Claims)	High	60%	60%
Corporate Services	SP 411 / CRP TBC Time taken to process new Housing Benefit claims	Low	21	21
Corporate Services	SP 412 / CRP TBC Time taken to process Housing Benefit change of circumstances	Low	11	11
Corporate Services	(Code TBC) % of customers satisfied with our (<i>new</i>) website	High	n/a	TBC
Environment & Regeneration; Parking Services	CRP 044 Parking services estimated revenue	High	£15.4m	TBC
Environment & Regeneration; Development & Building Control	CRP 051 / SP 114 % Major applications processed within 13 weeks	High	55%	55%
Environment & Regeneration; Development & Building Control	CRP 052 / SP 115 % of minor planning applications determined within 8 weeks	High	60%	60%
Environment & Regeneration; Development & Building Control	CRP 053 / SP 116 % of 'other' planning applications determined within 8 weeks (Development Control)	High	81%	82%
Environment & Regeneration; Development & Building Control	CRP 045 / SP 118 Income (Development and Building Control)	High	£2.05m	£2.1m
Environment & Regeneration; Street Cleaning	CRP 048 % of sites surveyed on local street inspections for litter that are below standard	Low	9.5	9
Environment & Regeneration; Street Cleaning;	CRP 049 / SP 059 Number of fly tips reported in streets and parks	Low	3,700	3,600
Environment & Regeneration; Waste	CRP 047 / SP 068 Number of refuse collections including recycling and kitchen waste missed per 100,000	Low	55	50

Corporate Indicator Set for 2016/17 – Quarterly

Dept.	PI Code & Description	Polarity	2015/16 target	2016/17 target
Community & Housing	CRP 063 / SP 242 Number of enrolments funded by SFA on non-accredited courses	High	4,000	TBC
Children, Schools & Families	CRP 066 / SP 290 % Looked After Children in external foster care placements	Low	46%	42%
Children, Schools & Families	CRP 068 / SP 084 % of Good or outstanding Ofsted inspections in children's centres	High	100%	100%
Children, Schools & Families	CRP 077 / SP 374 Number of in-house foster carers recruited	High	20	15
Children, Schools & Families	SP 404 / CRP tbc % of new EHCP requests completed within 20 weeks	High	85%	85%
Corporate Services	(Code TBC) % of FOI refusal notices which are not upheld at review stage	Low	n/a	TBC
Corporate Services	(Code TBC) % of Ombudsman complaints partially or fully upheld	Low	n/a	TBC
Corporate Services	CRP 016 / SP 401 The level of CO2 emissions from Corporate buildings including (from 2016) Leisure Centres (tonnes)	Low	3,900	8,045
Corporate Services	CRP 037 % complaints progressed to stage 2	Low	9%	9%
Corporate Services	CRP 074 Number of staff working from Civic Centre	High	1,400	1,400

Corporate Indicator Set for 2016/17 – Annual

Dept.	PI Code & Description	Polarity	2015/16 target	2016/17 target
Community & Housing	CRP 078 / SP 335 % Retention rate MAE	High	88%	TBC
Community & Housing	CRP 079 / SP 334 % Achievement rate MAE	High	96%	TBC
Children, Schools & Families	CRP 073 / SP 109 % vacancies in reception year of primary school	Low	5%	5.5%
Children, Schools & Families	CRP 075 / SP 077 5 GCSE A-C including English and maths	High	64%	61%
Children, Schools & Families	SP 288 (CRP Code TBC) Secondary School Year 7 surplus places inc Academies	Low	5%	5%

Section E

Service Planning

E. SERVICE PLANNING 2016/20

Our 27 Service Plans, agreed by service departments during the 2016/20 Business Planning process, are set out in the following pages.

During this process Service Plans were considered by Cabinet on 7 December 2015 and 18 January 2016. The proposed Final Service Plans were approved by Cabinet on 15 February 2016, and will be considered and agreed by Council on 2 March 2016.

Second Draft Service Plans, which were incorporated into the Consultation Pack, were scrutinised by the Overview and Scrutiny Commission and Panels during the January 2016 cycle of meetings.

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 the service contributes to.
- 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 2016/20, 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.

The following pages display our Service Plans for 2016/20 in departmental order.

Children, Schools and Families	Community and Housing	Corporate Services	Environment and Regeneration
Children's Social Care	Adult Social Care	Business Improvement	Commercial Services (Waste)
Commissioning, Strategy & Performance	Housing Needs & Enabling	Corporate Governance	Development & Building Control
Education	Libraries	Customer Services	Future Merton
	Public Health	Human Resources	Leisure & Culture Development
		Infrastructure & Transactions	Parking
		Resources	Parks & Green Spaces
		Shared Legal Services	Property
			Regulatory Service Partnership
			Safer Merton
			Street Cleaning
			Traffic & Highways
			Transport
			Waste Management

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

Children Schools & Families

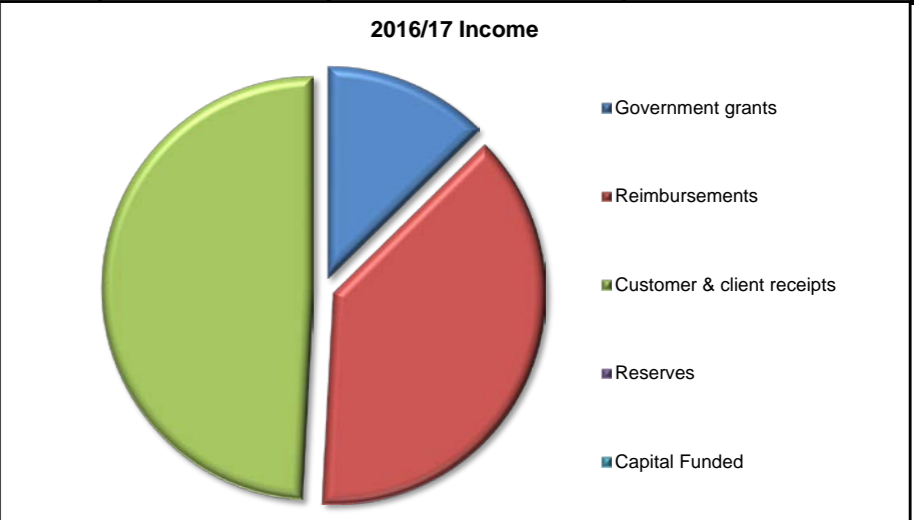
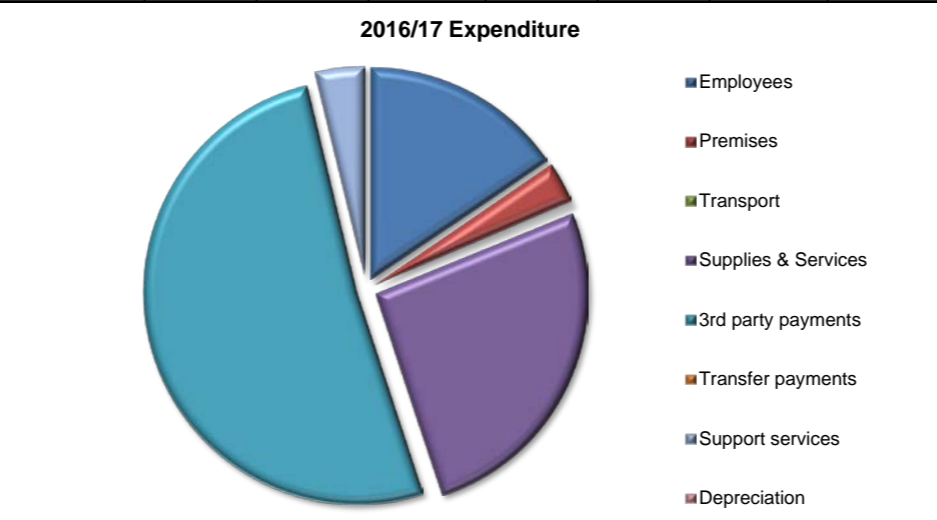
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Children's Social Care

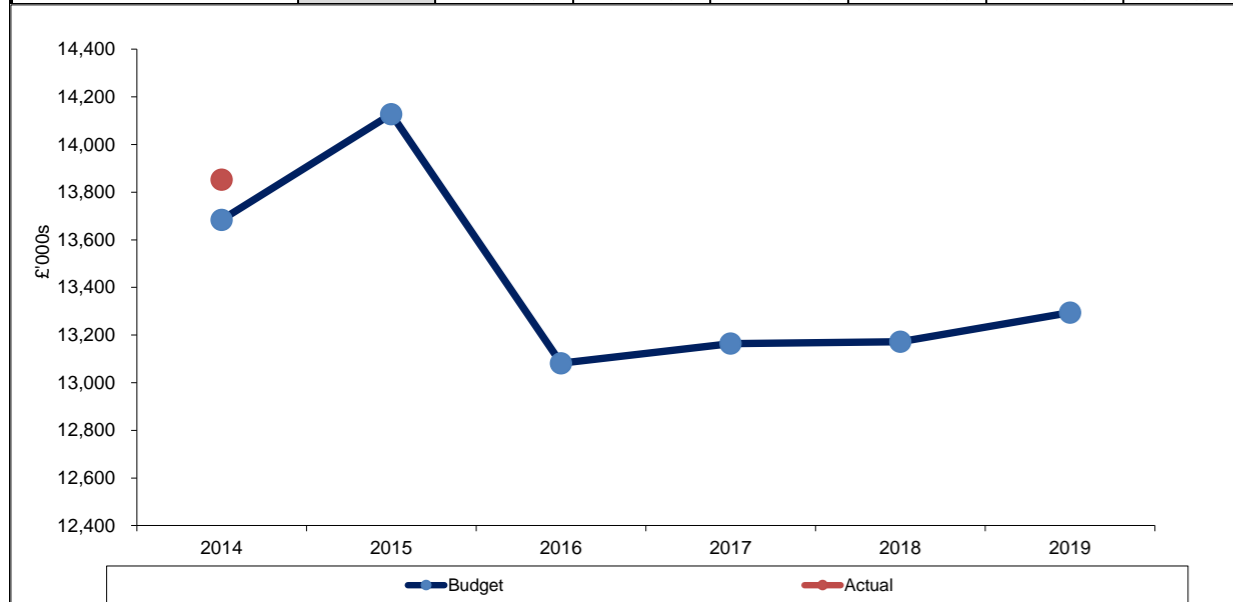
PROJECT DESCRIPTION		MAJOR PROJECT BENEFITS			Risk				
					Likelihood	Impact	Score		
Project 1		Project Title:	Deliver transforming families year 2 & year 3 programme (CYPWB & TOM)	Improved efficiency (savings)					
Start date	2013-14	Project Details:	Continues programme of TF programme and claiming of performance based grant funding. Implementation of TF exit strategy & realigning TF team into CSF family intervention for the future. 2015-16 - Claim Transforming Families performance by results funding.				2	3	6
End date	2016-17								
Project 2		Project Title:	MOSAIC (CYPWB & TOM)	Improved effectiveness					
Start date	2013-14	Project Details:	Cross-cutting project to provide system for both CSF & C&H casework, including financial aspects; led by Corporate Services. Will encompass capability to deal with new statutory requirements including C&F Bill in relation to CYP with SEND, management information & reporting for inspection purposes. Implementation phase will include extensive work to improve associated processes. Also interim improvements re data quality & reporting in CF. Involves parts of Education Division dealing with casework. System also used by R&I & ART within CSP.				3	3	9
End date	2016-17								
Project 3		Project Title:	Preparation for new inspection regime	Improved effectiveness					
Start date	2013-14	Project Details:	To improve data quality, case records & management, filing & retention, & reporting to provide required information for inspection purposes. To improve assessment, case management & associated quality assurance. Primarily CSC project but also involves parts of Education Division & requires substantial input from CSP Division. Includes Joint Targeted Inspection Preparation.				4	3	12
End date	2017-18								
Project 4		Project Title:	Youth Justice	Improved efficiency (savings)					
Start date	2014-15	Project Details:	Development of policy framework in response to regulation and likely funding changes.				3	2	6
End date	2016-17								
Project 5		Project Title:	CSC & CYPWB/TOM	Improved effectiveness					
Start date	2013-14	Project Details:	To deliver the CSC and EH Tom programme through a range of projects and programmes including: recruitment and retention strategy; restructuring of central teams; implementation of QA framework; Flexible working ; Care proceedings as outlined in the relevant TOM; rationalising access points; raising thresholds; increased targeting and practice.				4	3	12
End date	2019-20								
Project 6		Project Title:	CYPWB Model Workforce Strands	Improved staff skills and development					
Start date	2015-16	Project Details:	Develop and deliver Signs of Safety, recruitment and retention and practice developments to support TOM delivery.				4	3	12
End date	2019-20								

Commissioning, Strategy and Performance Cllrs Maxi Martin & Martin Whelton, Cabinet Members for Childrens Services & Education	Planning Assumptions						The Corporate strategies your service contributes to			
	Anticipated demand	2014/15	2015/16	2016/17	2017/18	2018/19		2019/20		
<p>Enter a brief description of your main activities and objectives below</p> <p>The Commissioning, Strategy & Performance Division provides strategic services for the Children, Schools & Families Department (CSF):</p> <ul style="list-style-type: none"> • policy, planning & performance management; • commissioning, procurement & contract management; • access to resources for looked after children/pupils with SEN; • pupil place planning; • school admissions; • school expansion & overall CSF capital programme management; • some departmental business support. <p>Main activities include:</p> <ul style="list-style-type: none"> i) leading on strategic & operational planning for CSF; ii) leading on local Children's Trust & partnership development; iii) production of management information for internal performance management & external reporting Inc. Statutory returns; iv) production of policy documents & procedural guidance for professional staff; v) commissioning operational services & leading on joint commissioning with partners; vi) managing schools' Private Finance Initiative contract & other service contracts; vii) procuring placements for looked after children/pupils with SEN; viii) planning sufficient school places; ix) co-ordination of pupil admissions to Merton schools; x) project managing school expansions & other capital schemes. 	Increased demand for primary school (total across all schools)	2fe	1fe				Capital Programme			
	Increased demand for secondary school (total across all schools)			1-3fe	4-6fe (cumulative)	10-14fe (cumulative)	Children & Young person's Plan			
	Increased demand for special school places (total across all schools)					100 more SEN places by 18-19	Community Plan			
	Overall demographic					3180 increase in 0-19 population by 2018-19	Core Planning Strategy			
	Anticipated non financial resources	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
	Staff (FTE)	54	45	46	42	38		Corp Equality Scheme		
	Contractors							Corp Procurement Strategy		
								Local Development Framework		
								Performance Management Framework		
								Social Inclusion Strategy		
Performance indicator	Performance Targets (T) & Provisional Performance Targets (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
	2014/15(T)	2015/16(T)	2016/17(T)	2017/18(P)	2018/19(P)	2019/20(P)				
% reception year surplus places	2	5	5.5	6	8		Low	Annual	Business critical	parental choice
% secondary school Yr7 surplus places Inc. Academies	8	5	5	5	5		Low	Annual	Business critical	parental choice
% major capital projects green/amber to time	90	90	90	90	90		High	Quarterly	Business critical	Increased costs
% spend on approved capital programme		80	80	80	80		High	Quarterly	Business critical	Increased costs
% fostered LAC in external agency foster care placements	36	46	42	42	40		High	Quarterly	Business critical	Increased costs
Numbers of in-house foster carers recruited	20	20	15	15	15		High	Quarterly	Quality	Increased costs
% completion rates for parenting programmes	80	80	70	70	70		High	Quarterly	Business critical	outcomes not improved
% commissioned services quarterly monitoring completed	100	100	100	100	100		High	Quarterly	Business critical	reduced contract compliance
% statutory returns to government on time	100	100	100	100	100		High	Quarterly	Business critical	Reputational risk

DEPARTMENTAL BUDGET AND RESOURCES							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Expenditure	16,440	17,594	14,713	13,622	13,704	13,712	13,834
Employees	2,240	2,048	2,208	2,113	2,073	1,958	1,958
Premises	603	503	418	420	426	432	438
Transport	84	55	36	35	35	36	36
Supplies & Services	6,442	7,511	4,317	3,549	3,613	3,676	3,740
3rd party payments	6,495	6,877	7,262	6,993	7,046	7,098	7,151
Transfer payments	0	0	0	0	0	0	0
Support services	576	601	472	511	511	511	511
Depreciation							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Income	2,756	3,742	585	540	540	540	540
Government grants	284	309	77	68	68	68	68
Reimbursements	394	426	283	206	206	206	206
Customer & client receipts	2,078	3,007	225	265	265	265	265
Reserves							
Capital Funded							
Council Funded Net Budget	13,684	13,853	14,127	13,082	13,164	13,172	13,294



Capital Budget £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Primary Schools Expansions		21,760	10,478	4,102			
Secondary School Expansions			270	7,945	14,230	8,690	4,200
SEN Expansions		391	2,325	1,095	4,844	3,650	0
Inflation							
Devolved Formula Capital/FSM		767	362				
Schools Capital Maintenance		577	777	752	650	650	650
Other			407	104	104		105
	0	23,495	14,619	13,998	19,828	12,990	4,955



2016/17

Reduce expenditure on LAC and SEN placements: £50,000
 Reduce expenditure on post 16 LAC/Care Leavers placements: £50,000
 Reduce early intervention commissioning budgets: £340,000
 Commissioning part of youth saving: £279,730
 Increased income from schools and/or reduced LA service offer to schools: £56,630

2017/18

Data review & centralisation: £40,000

2018/19

Commissioning rationalisation: £60,000
 Property and contracts: £55,000

2019/20

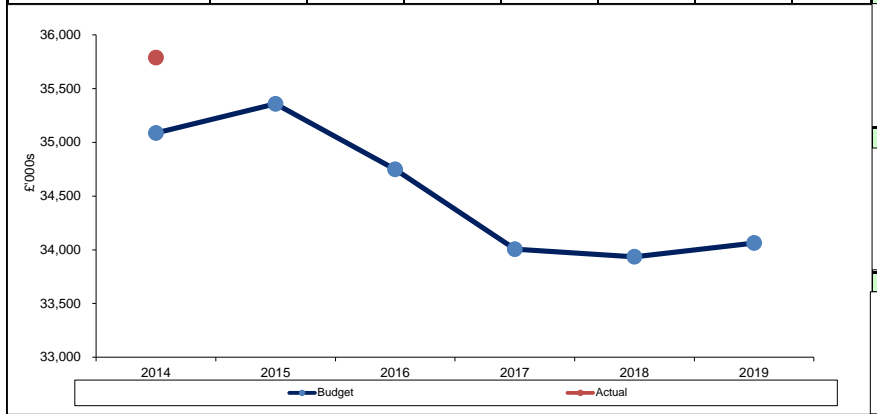
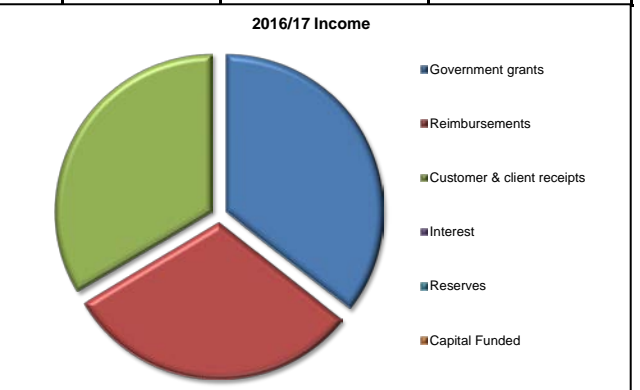
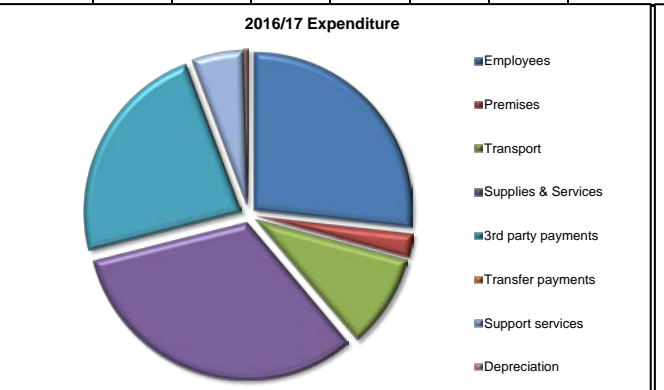
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Commissioning, Strategy and Performance

PROJECT DESCRIPTION		MAJOR PROJECT BENEFITS		Risk				
				Likelihood	Impact	Score		
Project 1		Project Title:	Commissioning (Departmental TOM)	Improved effectiveness		3	2	6
Start date	2015-16	Project Details:	Further development of joint commissioning with Public Health and Merton CCG. Ensure effective mobilisation of new community health contract from April 2016. Drive implementation of new CAMHs strategy. Progress work with PH and CCG to explore and implement more integrated models for the future commissioning of services for CYP & families.					
End date	2017-18							
Project 2		Project Title:	Children's Home Procurement (Departmental TOM)	Improved effectiveness		3	2	6
Start date	2015-16	Project Details:	Secure mandate from MIB and Procurement Board to tender for provision of a small children's home in Merton for adolescent LAC. Progress procurement during 2016-17.					
End date	2016-17							
Project 3		Project Title:	Implementation of Secondary School Places Strategy (EducationTOM)	Infrastructure renewal		4	2	8
Start date	2014-15	Project Details:	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.					
End date	2018-19							
Project 4		Project Title:	Implementation of Special School (SEN) Places Strategy (Education TOM)	Infrastructure renewal		3	2	6
Start date	2015-16	Project Details:	Develop overall strategy for provision of sufficient and suitable SEN places in Merton; undertake capital bidding and procure/plan/deliver construction contracts.					
End date	2018-19							
Project 5		Project Title:	Release of Assets (Departmental TOM)	Improved efficiency (savings)		3	1	3
Start date	2015-16	Project Details:	Implementation of flexible working for CSP services in the Civic Centre; review of asset release possibilities inc CSF current delivery sites and school caretakers' houses.					
End date	2016-17							
Project 6		Project Title:	Departmental Restructure (Departmental TOM)	Improved efficiency (savings)		2	2	4
Start date	2015-16	Project Details:	Undertake preparatory work for the major departmental restructure planned for 2017-18 in respect of CSP Division services.					
End date	2017-18							
Project 7		Project Title:	Framework/MOSAIC (Departmental TOM)	Improved effectiveness		2	2	4
Start date	2015-16	Project Details:	Continue to support implementation of new system across CSF. Ensure capability to deliver statutory returns post implementation and support further development of internal performance reporting from new system.					
End date	2016-17							
Project 8		Project Title:	Personal Budgets (Education TOM/C+F Act)	Improved customer experience		3	2	6
Start date	2014-15	Project Details:	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 PBs for SEN travel assistance and support implementation of next phase of PBs for Short Breaks services.					
End date	2016-17							

Education Cllrs Maxi Martin & Martin Whelton, Cabinet Members for Children's Services & Education	Planning Assumptions						The Corporate strategies your service contributes to			
	Anticipated demand	2014/15	2015/16	2016/17	2017/18	2018/19		2019/20		
Enter a brief description of your main activities and objectives below Merton School Improvement (MSI) will improve outcomes for all pupils in Merton Schools by: · 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: · building early help capacity in schools & settings, families & the community · focus on safeguarding, early intervention 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 Early Years Services will improve outcomes for all children aged 0-5 by: · 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 work more holistically with vulnerable families and young children introducing a more robust performance management framework Youth Inclusion will improve outcomes for Young People by: · 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	Forecast increase in population 5-19				2400		Children & Young person's Plan			
	Increase in compulsory education to 18						Community Plan			
Forecast increase in targeted SEND services					200 - 400		Corp Equality Scheme			
Forecast increase in population 0 - 4					780		Performance Management Framework			
Anticipated non financial resources	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Social Inclusion Strategy			
Staff (FTE)	253	270	269	257	251		LAC & Care Leavers			
Performance indicator	Performance Targets (T) & Provisional Performance Targets (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
	2014/15(T)	2015/16(T)	2016/17(P)	2017/18(P)	2018/19(P)	2019/20(P)				
% 5 or more GCSE graded A*-C including English & maths	65	64	64	65			High	Annual	Outcome	Reputational risk
% outcome of Ofsted school inspections good or outstanding	85	86	89	91			High	Monthly	Outcome	Inspection outcomes
% Level 4 and above in reading, writing and maths	82	79	73*	75*			High	Annual	Outcome	Reputational risk
% secondary school attendance	94.5	94.0	95.1	95.2			High	Quarterly	Outcome	Increased costs
% primary school attendance	95	95	96.1	96.1			High	Quarterly	Outcome	Breach statutory duty
% of new EHCP requests completed within 20 weeks	85	85	85	85			High	Annual	Outcome	Reputational risk
% Good or Outstanding children's centres per Ofsted	100	100	100	100			High	Monthly	Outcome	Inspection outcomes
<i>*this indicator is changing in academic year 2015/16</i>										

DEPARTMENTAL BUDGET AND RESOURCES							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Expenditure	41,514	43,290	44,692	42,440	41,848	41,952	42,081
Employees	10,815	10,698	10,955	11,355	10,709	10,709	10,710
Premises	851	804	908	1,026	1,029	1,033	1,036
Transport	3,091	4,226	3,150	4,101	4,147	4,193	4,240
Supplies & Services	14,602	13,544	15,369	13,681	13,666	13,725	13,784
3rd party payments	9,743	11,536	11,761	9,835	9,855	9,850	9,870
Transfer payments	19	7	19	19	19	19	19
Support services	2,175	2,257	2,358	2,247	2,247	2,247	2,247
Depreciation	218	218	172	176	176	176	176
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Income	6,427	7,503	9,335	7,692	7,842	8,017	8,017
Government grants	951	991	3,243	2,740	2,740	2,740	2,740
Reimbursements	3,160	3,864	3,292	2,369	2,369	2,369	2,369
Customer & client receipts	2,316	2,648	2,800	2,583	2,733	2,908	2,908
Interest							
Reserves							
Capital Funded							
Council Funded Net Budget	35,086	35,787	35,356	34,748	34,006	33,935	34,064



2016/17	
Reduce Early Years service to paid-for childcare with very limited targeted service for highly vulnerable families: £271,000	
Reduced youth service to VCS provision: £200,270	
Public Health: £400,000	
Increased income from schools/ reduced LA service offer: £343,370	
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	
2018/19	
Increased income from schools/ reduced LA service offer: £200,000	
2019/20	

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Education

PROJECT DESCRIPTION		MAJOR PROJECTS BENEFITS			Risk				
					Likelihood	Impact	Score		
Project 1		Project Title:	Improving pupil outcomes at KS2 & KS4 (Edn TOM)	Improved effectiveness					
Start date	2013-14	Project Details:	Rigorous support and challenge for schools in RI or vulnerable to RI including maintenance of Securing Good Schools Programme. Training and briefings on Ofsted, assessment, curriculum and improving teaching. New outstanding teacher courses for primary and secondary teachers.				2	3	6
End date	2017-18								
Project 2		Project Title:	School Improvement through partnership (Edn TOM)	Improved effectiveness					
Start date	2013-14	Project Details:	Ongoing support for the development of 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.				3	2	6
End date	2019-20								
Project 3		Project Title:	Transforming Early Years (EY's TOM)	Improved efficiency (savings)					
Start date	2013-14	Project Details:	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.				3	2	6
End date	2019-20								
Project 4		Project Title:	Implementation of requirements of Children & Families Act (Edn TOM & CYPWB)	Improved customer experience					
Start date	2013-14	Project Details:	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.				4	3	12
End date	2019-20								
Project 5		Project Title:	Development of AltED & linked provision	Risk reduction and compliance					
Start date	2013-14	Project Details:	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.				3	2	6
End date	2016-17								
Project 6		Project Title:	Youth transformation phases 3 & 4 (Edn TOM)	Improved efficiency (savings)					
Start date	2013-14	Project Details:	Implementation of new funding models for PB & PH.				4	3	12
End date	2017-18								
Project 7		Project Title:	Education TOM/CYPWB Model	Improved efficiency (savings)					
Start date	2015 -2016	Project Details:	Develop and deliver the Education TOM & CYPWB Model across CSF Services, Including implementation of MOSAIC phases 1 & 2				4	3	12
End date	2019 -2020								

Community & Housing

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:	ASC re-structure / service redesign (2016/17 - CH04,CH20,CH21,CH22,CH23,CH58,CH59&CH64 2017/18 - CH37 & 2018/19 - CH20&CH54) The proposed structural changes will support the focus on the customer, the customer journey and the customer experience. It will also complement the Merton Agile approach for social care. The approach represents a change from current service delivery models and structures, requiring a move from defined job roles to skills based flexible working, with wider and deeper partnership working with other parts of the Council, the Voluntary sector and the Private Sector.	Improved efficiency (savings)			2	3	6
Start date	01/04/2016	Project Details:							
End date	01/06/2016								
Project 2		Project Title:	Grant Funded Prevention Programme (2016/17 - CH05 & 2017/18 - CH53) Older people supported to live behind their own front doors for as long as possible, in a way that is inclusive, personalized, inter generational as far as possible locality based, and enables them to make whatever contribution they can.	Improved effectiveness			1	2	2
Start date	01/06/2015	Project Details:							
End date	2017-18								
Project 3		Project Title:	Reablement (CH02) Review of the new Reablement Service to optimise its cost effectiveness.	Improved effectiveness			4	2	8
Start date	2015-16	Project Details:							
End date	2017-18								
Project 4		Project Title:	Equipment and Adaptations Review of equipment and adaptation pathways to promote/maximise independence within available resources.	Improved customer experience			3	2	6
Start date	2015-16	Project Details:							
End date	2017-18								
Project 5		Project Title:	Transition Review, redesign and deliver improved processes and approaches for supporting people in transition from childhood to adulthood	Improved customer experience			3	2	6
Start date	2015-16	Project Details:							
End date	2017-18								
Project 6		Project Title:	Challenging Behaviour Offer Review, redesign and deliver an improved local offer to meet the needs of adults with behaviour that challenges services.	Improved customer experience			3	3	9
Start date	01/11/2015	Project Details:							
End date	2016-17								
Project 7		Project Title:	LD Day Activities Review and continuous improvement of LD day/evening activities and associated transport	Improved effectiveness			4	2	8
Start date	01/06/2015	Project Details:							
End date	2016-17								
Project 8		Project Title:	MH Accommodation and Support (CH62) Option appraisals of the possible accommodation and support offer identified in review of MH Accommodation and Support by Alder.	Improved efficiency (savings)			4	2	8
Start date	2015-16	Project Details:							
End date	2016-17								
Project 9		Project Title:	Social capital / Access to Universal Services Increased use of social capital to meet eligible needs as opposed to funded specialist support services	Improved effectiveness			4	3	12
Start date	2016-17	Project Details:							
End date	2016-17								
Project 10		Project Title:	Good Neighbours/Volunteers Review (CH61) Redesign and deliver a plan to promote "good neighbours" whereby neighbours/ volunteer's increasingly help to support each other rather than being dependent on formal support services.	Improved effectiveness			2	3	6
Start date	2016-17	Project Details:							
End date	2017-18								

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 11		Project Title:	Dementia Friendly Community	Improved customer experience		
Start date	01/08/2015	Project Details:	Make Merton a more "Dementia Friendly" place for adults and older people who live with dementia.	4	2	8
End date	2018-19					
Project 12		Project Title:	Information Portal	Improved customer experience		
Start date	2015-16	Project Details:	Evaluate the options available to provide a comprehensive information portal accessible all who live in Merton.	3	3	9
End date	2016-17					
Project 13		Project Title:	Face to Face/Telephone Contact	Improved customer experience		
Start date	2015-16	Project Details:	Review, redesign and deliver a plan to ensure people seeking 1 to 1 advice are consistently provided with relevant, accurate and up to date information.	3	3	9
End date	2016-17					
Project 14		Project Title:	Developing a workforce fit for the future	Improved effectiveness		
Start date	2015-16	Project Details:	Identify skills and other capacity gaps in the care and support workforce in Merton and plan how to close each gap identified.	4	3	12
End date	2016-17					
Project 15		Project Title:	Income Generation (CH51)	Economic outcomes		
Start date	30/11/2015	Project Details:	Identify current and potential new income sources and maximise income levels. Productivity and Efficiency	4	3	12
End date	2016-17					
Project 16		Project Title:	Assessment & Care Management Processes	Improved effectiveness		
Start date	01/07/2015	Project Details:	Review, redesign and deliver 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.	2	3	6
End date	2016-17					
Project 17		Project Title:	Financial Assessment and Debt Minimisation	Improved effectiveness		
Start date	30/06/2015	Project Details:	Review, redesign and deliver a plan to ensure that processes for financial assessment, invoicing services users and debt collection are efficient, effective and contribute to maximising income levels.	4	3	12
End date	2016-17					
Project 18		Project Title:	Shared Services	Improved efficiency (savings)		
Start date	2016-17	Project Details:	Generate and evaluate options for a shared service with a neighbouring local authority or NHS organisation	4	3	12
End date	2017-18					
Project 19		Project Title:	In-House Organisational Structures	Improved efficiency (savings)		
Start date	2016-17	Project Details:	Generate/evaluate options to outsource in-house services into a non-profit making organisational form such as a community trust, LA trading company etc.	5	2	10
End date	2017-18					
Project 20		Project Title:	SCIS	Improved effectiveness		
Start date	2014-15	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 the needs of adult social care are fully in scope when decisions are made and by having oversight of its implementation for adult social care.	3	4	12
End date	2016-17					

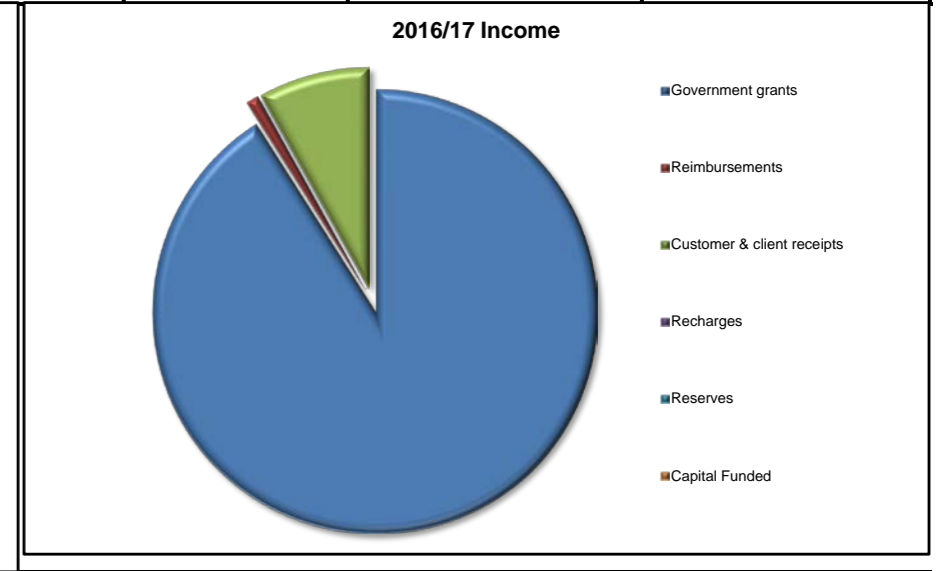
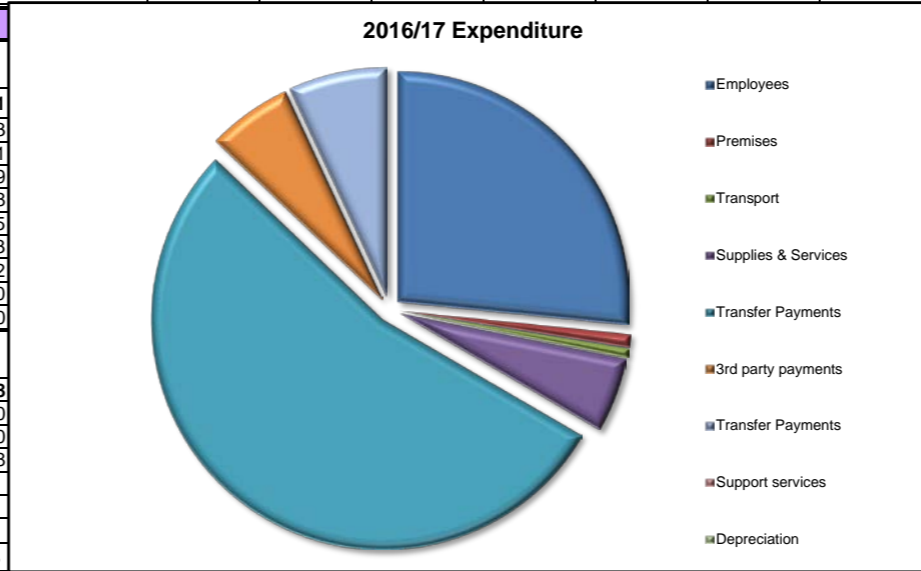
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Adult Social Care

PROJECT DESCRIPTION		MAJOR PROJECTS BENEFITS			Risk				
					Likelihood	Impact	Score		
Project 21		Project Title:	Customer Profiling	Improved effectiveness					
Start date	2015-16	Project Details:	Use data about the population in Merton and about service users and carers to ensure the right resources are in the right place at the right time and that customers can more easily be matched (or match themselves) to services or service providers in an open/transparent market.				4	3	12
End date	2017-18								
Project 22		Project Title:	Carers Support (CH60)	Improved customer experience					
Start date	2015-16	Project Details:	Review, redesign and deliver an improved local offer to meet the needs of carers in Merton.				3	4	12
End date	2016-17								
Project 23		Project Title:	Rebalanced Homecare Services Portfolio	Improved efficiency (savings)					
Start date	2015-16	Project Details:	Shift of emphasis to outcomes based services, Pay-for-Results, and Restorative Care for agency delivered services. More shared data & systems to enable an optimised Agile Social Care System. More coordinated and integrated end-to-end hospital to home system with predictive analytics.				3	3	9
End date	2017-18								
Project 24		Project Title:	Micro-Direct Commissioning System	Improved efficiency (savings)					
Start date	2016-17	Project Details:	Micro-direct commissioning allows service users to commission their own services. It is a cashless system connecting people needing care with people who can provide it. Providers may be individuals, working full or part time, agencies, voluntary and other orgs. The system electronically matches users and providers.				3	4	12
End date	2017-18								
Project 25		Project Title:	Bed based care	Improved efficiency (savings)					
Start date	2016-17	Project Details:	Fully evaluate the case for developing 2 x 80 bed careunits for older people outside the borough. Look at potential for hybrid capitalisation, 3rd party management /operator business model.				3	4	12
End date	2017-18								
Project 26		Project Title:	Senior 'AIR BNB' System	Improved efficiency (savings)					
Start date	2016-17	Project Details:	For matching homeowners needing care and individuals who can provide it in exchange for accommodation.				3	4	12
End date	2017-18								
Project 27		Project Title:	Shared data/systems/metrics	Improved effectiveness					
Start date	2015-16	Project Details:	With market providers for quality, value and performance. Quality as an integral part of the value equation together with customer feedback.				3	4	12
End date	2016-17								
Project 28		Project Title:	Procurement Efficiencies & Savings (2016/17 - CH63 2017/18 CH2,CH35,CH36&CH52 2018/19 - CH36&CH39)	Improved efficiency (savings)					
Start date	2015-16	Project Details:	More contracts focused on 'pay for results' and 'outcome'. Contractual obligations to share a wider range of data for performance, value and quality.				3	4	12
End date	2017-18								
Project 29		Project Title:	Integration	Improved effectiveness					
Start date	2015-16	Project Details:	Merton Integration Board (BCF Project) has the following key interfaces with ASC Redesign: - Improving reactive provider response services incl. the reablement restructure - Establishing 7 day working and proactive case management e.g. by locality teams including Home from Hospital - Increasing the use of Telecare and Telehealth				3	4	12
End date	2016-17								
Project 30		Project Title:	Control 3rd Party Spend (2016/17 - CH24,CH25,CH26,CH27,CH28,CH29,CH30,CH31,CH32,CH33,CH34, CH38 & 2017/18 - CH1,CH3 & 2018/19 - CH55)	Improved efficiency (savings)					
Start date	2015-16	Project Details:	Control authorisation of new packages of support and implement review processes for existing cases cases to improve service user outcomes and deliver savings in line with MTFS and ensure on-going support promotes independence.				3	4	12
End date	2018-19								

Housing Needs and Enabling Services	Planning Assumptions							The Corporate strategies your service contributes to		
Clr Nick Draper Cabinet Member for Community & Culture	Anticipated demand	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
<p>Enter a brief description of your main activities and objectives below</p> <p>To fulfil statutory housing functions to prevent homelessness and avoid the use of temporary accommodation.</p> <p>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.</p> <p>The purpose of this service is to</p> <ul style="list-style-type: none"> - 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 	Housing advice, options, private tenants & landlords advice	11000	11000	11000	11000	11000	11000	Homelessness Strategy		
	Housing register applicants	8200	8150	8100	8500	8950	9350	Housing Strategy		
	Housing options casework	1000	1000	1000	1000	1000	1000			
	Demand for temporary accommodation	330	380	420	475	475	475			
	Anticipated non financial resources	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
	Housing Needs Staff (FTE)	26.5	24.5	21.79	17.79	15.79	18			
	Environmental Health (Housing)	7.03	6.03	5.03	5.03	4.03	4.03			
	TOTALS	33.53	30.53	26.82	22.82	19.82	22.03			
Performance indicator	Performance Targets (T) & Provisional Performance Targets (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
	2014/15(T)	2015/16(T)	2016/17(P)	2017/18(P)	2018/19(P)	2019/20(P)				
No. of homelessness preventions	550	550	450	450	450	450	High	Monthly	Business critical	Increased costs
No. of households in temporary accommodation	125	130	225	250	250	250	Low	Monthly	Business critical	Increased costs
Highest no. of families in B&B	10	10	10	10	10	10	Low	Monthly	Business critical	Increased costs
Highest no. of adults in B&B	10	10	10	10	10	10	Low	Monthly	Business critical	Increased costs
Affordable homes delivered	70	35	30	80	60	30	High	Annual	Outcome	Reputational risk
Social housing lets	410	415	375	420	380	370	High	Quarterly	Outcome	Increased waiting times
Rent deposit - new tenancies	90	90	50	50	50	50	High	Annual	Outcome	Increased waiting times
No. of enforcement/improvement notices	60	55	55	55	55	55	High	Quarterly	Outcome	Reduced enforcement
Number of Disabled Facilities Grants approved	75	75	60	60	60	60	High	Quarterly	Outcome	Customer hardship

DEPARTMENTAL BUDGET AND RESOURCES							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Expenditure	3,651	4,196	3,443	4,208	4,011	3,856	3,881
Employees	1,348	1,326	1,222	1,119	933	753	753
Premises	38	38	39	39	40	40	41
Transport	28	28	28	28	28	29	29
Supplies & Services	247	184	203	219	186	255	258
Transfer Payments	1,375	2,011	1,396	2,262	2,283	2,294	2,315
3rd party payments	338	327	304	249	249	193	193
Transfer Payments	0	0	0	292	292	292	292
Support services	277	282	251	0	0	0	0
Depreciation	0	0	0	0	0	0	0
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Income	1,359	2,004	1,292	2,198	2,198	2,198	2,198
Government grants	1,140	1,680	1,140	2,000	2,000	2,000	2,000
Reimbursements	5	51	5	20	20	20	20
Customer & client receipts	214	273	147	178	178	178	178
Recharges					0		
Reserves							
Capital Funded							
Council Funded Net Budget	2,292	2,192	2,151	2,010	1,813	1,658	1,683



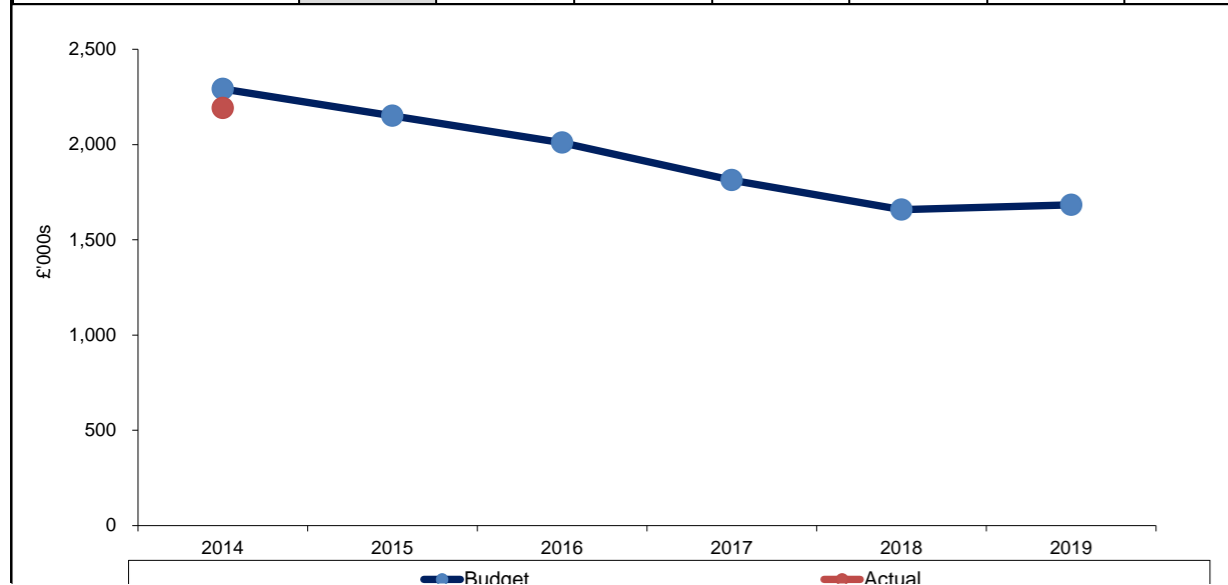
Capital Budget £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Disabled Facilities		519	650	840	755	629	280
8 Wilton Road		550	60				
Western Road				875			
	0	1,069	710	1,715	755	629	280

Summary of major budget etc. changes

2016/17

Savings £56k Reduction of Homelessness Prevention grant (CH8)
Savings £30k Rationalisation of admin budget (CH9)
Newly proposed savings - Deletion of 3.5 posts - £129k (included in reduced FTE staff numbers above) (CH40, CH41, CH42)

Temporary Accommodation Expenditure and Income budgets realigned for increase in number of clients.



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)

2018/19

Savings -£62k Further Staff reductions (Any areas of HNES & EHH) (CH43)
Savings £118k - Staff reduction in Housing Services (CH57)

2019/20

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

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	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:	Housing Service Review	Economic outcomes					
Start date	2015-16	Project Details:	Consider any actions arising from the review on whether or not to keep the Housing Needs and Enabling Service in house or outsource, whilst also considering the place of Environmental Health (Housing).				3	1	3
End date	2016-17								
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:	Review whether to retain Capita Housing and Home Connections in light of any procurement rules and operating environment. 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	2015-16	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.				2	1	2
End date	2016-17								
Project 8		Project Title:	EDRMS Workflow	Improved effectiveness					
Start date	2015-16	Project Details:	Work with Corporate to implement EDRMS in Housing and then update workflow processes accordingly				2	2	4
End date	2016-17								
Project 9		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 in light of the need to continue to provide a service with a reduced workforce.				2	3	6
End date	2017-18								

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Libraries

PROJECT DESCRIPTION		MAJOR PROJECTS BENEFITS			Risk			
					Likelihood	Impact	Score	
Project 1		Project Title:	E-communications			Improved customer experience		
Start date	2015-16	Project Details	Continue to channel shift communication through digital methods: 1. Channel shift more customers towards receiving e-mail and SMS notifications; 2. Develop social networking tools and replace current e-newsletter structure; 3. Continue to develop library website; 4. Support with channel shift as part of the Customer Contact project	2	1	2		
End date	2017-18							
Project 2		Project Title:	Heritage Strategy			Improved effectiveness		
Start date	2015-16	Project Details	Promote the new 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 for 2016/17 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	Complete the rollout of the universal library membership scheme for all school children and students in Merton.	3	1	3		
End date	2017-18							
Project 5		Project Title:	Outreach and Community Engagement plan			Improved customer experience		
Start date	2013-14	Project Details	Deliver an annual outreach plan to increase usage of libraries including the rollout of Library Connect (pop up library solution). Complete annual user surveys and conduct research and engagement work with under represented groups to shape services accordingly.	2	1	2		
End date	2017-18							
Project 6		Project Title:	IT Projects			Improved efficiency (savings)		
Start date	2013-14	Project Details	Implement new self-service technology and develop payment services online. Rollout new hall booking system in line with corporate systems. Implement 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 such as National Numeracy Challenge and 6 Book Reading Challenge to improve residents skills.	2	1	2		
End date	2016-17							
Project 8		Project Title:	Security services contract			Improved efficiency (savings)		
Start date	2015-16	Project Details	Re-tender of contract and on-going monitoring of performance.	3	2	6		
End date	2018-19							
Project 9		Project Title:	Library redevelopments			Improved customer experience		
Start date	2013-14	Project Details	Progress redevelopment plans for West Barnes and Donald Hope libraries. Investigate co-location opportunities with other council services and partners.	3	2	6		
End date	2017-18							
Project 10		Project Title:	London Libraries Consortium			Improved efficiency (savings)		
Start date	2015-16	Project Details	Work with LLC to improve systems and drive through efficiencies. Implement actions in LLC Strategy and procure new solution.	3	2	6		
Projects	2018-19							

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

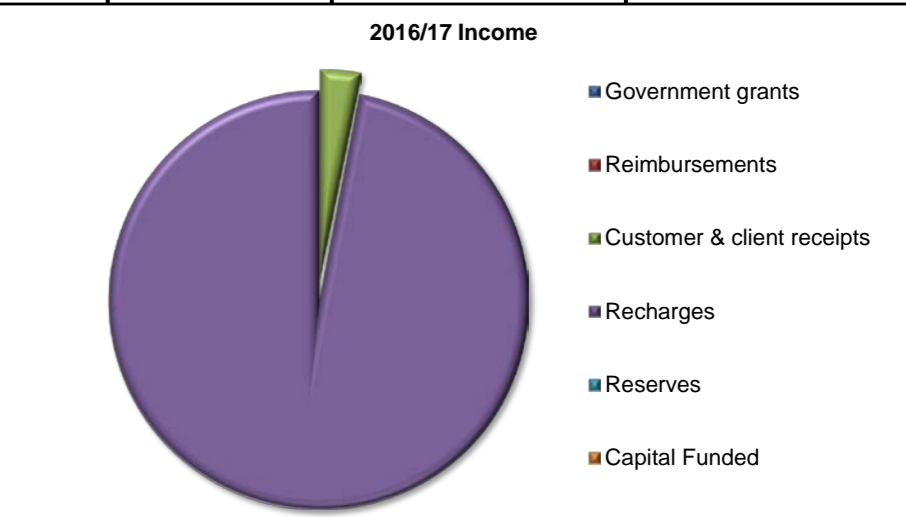
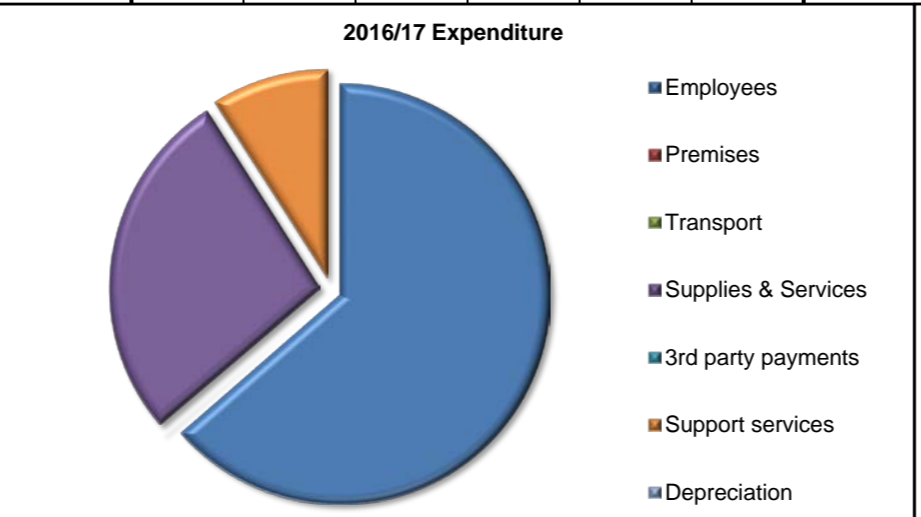
Public Health

PROJECT DESCRIPTION		MAJOR PROJECTS BENEFITS			Risk				
					Likelihood	Impact	Score		
Project 1		Project Title:	Integrated sexual health service	Improved effectiveness					
Start date	2014-15	Project Details:	Commissioning an integrated tier 2 sexual health service which incorporates existing provision in Contraceptive and Sexual Health (CaSH) and extends this provision to tier 2 testing and treatment of sexually transmitted infections. This service would be commissioned on a Payment by Results or tariff basis and allowing for cross-charging of non-Merton residents.			3	3	9	
End date	2016-17								
Project 2		Project Title:	Review of local HIV services	Improved effectiveness					
Start date	2014-15	Project Details:	Analyse local need in relation to HIV, review existing services which are funded through pan-London and South London partnerships to ensure they are fit for purpose and meet local need, and increase HIV testing in the community. Re-commission HIV prevention and support services to more effectively meet the changing needs relating to HIV and late diagnosis.			3	3	9	
End date	2016-17								
Project 3		Project Title:	NEW: Befriending Scheme pilot	Improved effectiveness					
Start date	2014/15	Project Details:	The Merton Befriending Scheme Pilot started in January 2015 for 2 years, and provides a mixture of face-to-face and telephonic services, operating on a one-to-one basis with Merton residents over the age of 65 years in order to reduce social isolation and loneliness in the people who receive this service.			2	2	4	
End date	2016/17								
Project 4		Project Title:	Integrated Health Improvement service (LiveWell) - procurement	Improved effectiveness					
Start date	2015-2016	Project Details:	This evidence based service covers health improvement, stop smoking, tier 2 weight management for adults, tier 3 weight management for adults, tier 2 weight management for children and training for front line workers. It is currently being procured and will start mobilisation in early 2016.			2	1	2	
End date	2017-2018								
Project 5		Project Title:	Prevention	Improved effectiveness					
Start date	2014-15	Project Details:	Public Health work with a range of partners on the prevention agenda, ranging from the direct commissioning of programmes (e.g. LiveWell, Healthy Workplace Outreach) to the influencing of local policy to create an environment that supports healthy choices (e.g. alcohol licensing policy). Work from across the council e.g. the contract to manage the boroughs leisure centres, complements the public health led activity and has an important role to play in reducing the health inequalities between east and west Merton.			2	1	2	
End date	2017-18								
Project 6		Project Title:	Development of Healthy Child 0-19 Services	Improved effectiveness					
Start date	2015-16	Project Details:	Responsibility for Health Visiting Services transferred from NHS England to LB Merton in October 2015. The service has now been recommissioned and a new contract will commence on 1st April 2016. Work will be required to ensure the development and transformation of the service towards a Healthy Child 0-19 years service, linking health visiting and school nursing locality teams to provide seamless care pathways for children and young people.			3	3	9	
End date	2016-17								
Project 7		Project Title:	NEW: Proactive GP pilot	Improved effectiveness					
Start date	2015-16	Project Details:	The Proactive GP pilot was designed and launched in November 2015 in the more deprived areas of Merton. The pilot aims to embed prevention in primary care and to reduce variation in long-term conditions between GP practices. Initially the pilot focuses on smoking and COPD. If successful, other long-term conditions and lifestyle prevention initiatives will be added.			2	2	4	
End date	2016-17								
Project 8		Project Title:	NEW: Development of the East Merton Model of Care	Improved effectiveness					
Start date	2015/16	Project Details:	Public Health, Merton CCG and the East Merton GP locality group are working to develop a model of care for East Merton that addresses the specific health needs of residents of East Merton. Public Health is working with MCCG to examine the evidence, views and current provisions for health and social care and co-produce a model of care for East Merton, that informs the development of a health centre on the Wilson Hospital site.			2	2	4	
End date	2016/17								
Project 9		Project Title:	Substance Misuse Prevention and Treatment - procurement	Improved efficiency (savings)					
Start date	2015/16	Project Details:	The substance misuse service is being redesigned in partnership with Merton CCG to cover the entire pathway from prevention to treatment. The service will include a component of shared care that, over time, will provide a more cost effective and local service to residents. It is about to go out to procurement, with new service to be in place from 01 October 2016.			3	3	9	
End date	2016/2017								
Project 10		Project Title:	Support to Merton Clinical Commissioning Group	Improved effectiveness					
Start date	2015/16	Project Details:	Public Health is required to provide up to forty per cent of its staff capacity to support the work of the MCCG. Public Health staff participate in 5 of the 6 work streams that represent MCCG priorities, providing data analysis, needs assessment and evidence of best practice.			2	2	4	
End date	2017/18								

Corporate Services

Business Improvement Cllr Mark Allison Cabinet Member for Finance Enter a brief description of your main activities and objectives below	Planning Assumptions							The Corporate strategies your service contributes to		
	Anticipated demand	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
<p>- 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.</p> <p>- 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.</p> <p>- Manage and deliver adhoc Projects and Programmes of work at the direction of CMT and Merton Improvement Board.</p> <p>- 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.</p> <p>- Ensure change is effectively managed across the organisation and strong change management principles and methodologies are embedded within improvement projects and programmes.</p> <p>- 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.</p> <p>- 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.</p> <p>- Proactively advise businesses of opportunities to exploit emerging technologies and to leverage existing systems investments for improved business efficiency and service.</p> <p>- 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.</p>	Core service request (days)	4493	4023	3555	3355	3355	3355	Customer Services Strategy		
	Non Core service requests (days)	1800	1620	1450	1450	1350	1350	ICT Policy		
	Support for continuous/business improvement (days)	880	880	880	880	880	880	Capital Programme		
	Project/Programmes	11 FTE	21 FTE	19 FTE	0 FTE	0 FTE	0 FTE	Children & Young person's Plan		
	Information Governance Policy									
	Anticipated non financial resources	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
	Staff - Management & Programme Office (FTE)	4	6.46	6	3.5	2.5	2.5			
	Staff - Business Systems Team (FTE)	26	25	23	21	21	21			
	Staff - Programmes and projects (fixed term)	11	21	19	0	0	0			
	Performance indicator	Performance Targets (T) & Provisional Performance Targets (P)						Polarity	Reporting cycle	Indicator type
	2014/15(T)	2015/16(T)	2016/17(P)	2017/18(P)	2018/19(P)	2019/20(P)				
Systems availability	95%	97%	98%	99%	99%	99%	High	Monthly	Business critical	Reduced service delivery

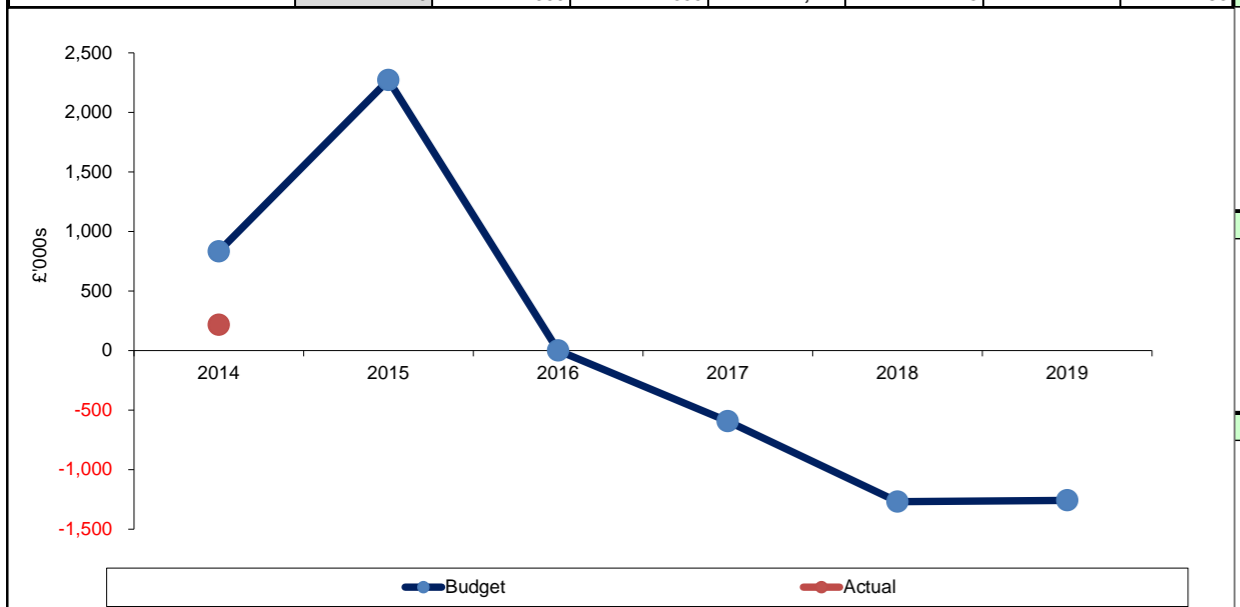
DEPARTMENTAL BUDGET AND RESOURCES							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Expenditure	3,554	3,649	5,196	3,713	3,119	2,444	2,455
Employees	2,368	2,380	3,576	2,363	1,759	1,076	1,076
Premises				0			
Transport	3	1	3	3	3	4	4
Supplies & Services	860	791	1,230	1,011	1,022	1,029	1,040
3rd party payments				0			
Support services	323	476	386	335	335	335	335
Depreciation							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Income	2,722	3,433	2,924	3,713	3,713	3,713	3,713
Government grants		8					
Reimbursements		12					
Customer & client receipts	84	133	84	114	114	114	114
Recharges	2,638	3,280	2,840	3,599	3,599	3,599	3,599
Reserves							
Capital Funded							
Council Funded Net Budget	832	215	2,272	(0)	(594)	(1,269)	(1,258)



Capital Budget £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Document management system			342	398			
Plan Web/Capita Housing			42		100	42	
Customer contact programme			215	570			
Data Labelling		124	36	134			
Replace Social Care System		226	220	525			
Electronic Asset Management				50			190
Public Protection&Mapinfo Sys				550	75		
Revenues & Benefits						400	
	0	350	855	2,227	175	442	190

Summary of major budget etc. changes 2016/17

Reorganisation of systems development and support arrangements CS63 £88k.
 CSD37 PO Restructure 64k
 CSD38 Reduction in hardware/software costs 5k
 CSD39 Phase 2 of Business Systems team restructure 50k
 CSD40 Additional income from Gazetteer 30k
 CSD41 Consolidation of systems support 20k



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

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Business Improvement

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	Customer Contact programme	Improved customer experience		
Start date	01/04/2013	Project Details:	Lead and deliver CC programme; to deliver improvements (technology and service redesign) set out in CC Strategy.	2	2	4
End date	31/09/2016					
Project 2		Project Title:	Electronic document and records management system	Improved efficiency (savings)		
Start date	01/04/2013	Project Details:	Procure and implement a replacement EDRMS to support and enable flexible/remote working and Customer Contact.	3	2	6
End date	31/07/2016					
Project 3		Project Title:	Social Care Information System	Improved efficiency (savings)		
Start date	01/06/2014	Project Details:	Procure and implement a Social Care Information system to support adults social and children and families integrated care.	1	3	3
End date	31/06/2016					
Project 4		Project Title:	Data Labelling System	Risk reduction and compliance		
Start date	01/06/2014	Project Details:	Introduce technology to automatically and retrospectively assess and protectively mark (for security) all Council data and to provide the facility to protectively mark all documents and emails for security going forward.	2	1	2
End date	31/06/2016					
Project 5		Project Title:	SCIS Phase 2	Improved efficiency (savings)		
Start date	01/04/2016	Project Details:	Expand the new SCIS solution into other business areas and develop integration with EDRMS and Customer Contact solutions.	1	2	2
End date	31/12/2016					
Project 6		Project Title:	EAMS	Improved efficiency (savings)		
Start date	01/01/2015	Project Details:	Reprocure and implement the council's Asset Management solution and ensure end-to-end channel shift is achieved.	1	2	2
End date	31/12/2016					
Project 7		Project Title:	MADI	Improved effectiveness		
Start date	01/07/2015	Project Details:	Cleansing and geocoding the council's geospatial data and establishing arrangements for the ongoing maintenance of data.	1	2	2
End date	31/09/16					

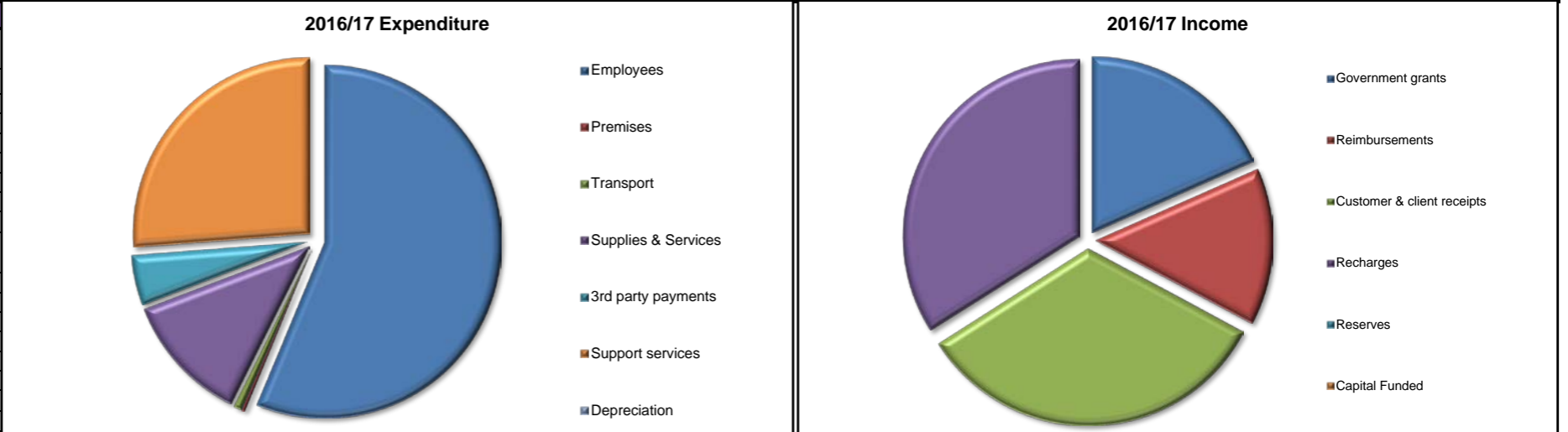
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

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	01/04/2013	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	31/12/2016					
Project 2		Project Title:	2013/17 Administer statutory elections, referendums and ballots.	Risk reduction and compliance		
Start date	01/04/2013	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	31/03/2017					
Project 3		Project Title:	Committee report workflow	Improved effectiveness		
Start date	01/06/2014	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	01/10/2017					
Project 4		Project Title:	Scrutiny Improvement Programme	Improved customer experience		
Start date	01/04/2014	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 Overview and Scrutiny Commission each year when it receives the Annual Member Survey.	2	1	2
End date	31/03/2018					
Project 5		Project Title:	LLC service delivery	Improved customer experience		
Start date	01/04/2014	Project Details:	Review of LLC service delivery; dependent on national directive	3	1	3
End date	31/03/2017					

Customer Services	Planning Assumptions						The Corporate strategies your service contributes to			
CLr Mark Allison Cabinet Member for Finance	Anticipated demand	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
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, Debt recovery & Bailiff collection services; - this includes a shared bailiff service with Sutton Council 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; Communications - responsible for protecting and enhancing the reputation of Merton Council; promoting Merton as a good place to live, work and learn; ensuring residents know about and have access to services; ensuring the community is able to have a say in the council decisions; and engaging council staff so they understand the direction of the council and are committed to putting customers at the heart of all they do. 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 within this service plan period but details are vague due to the uncertainty of the roll-out of the scheme. 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	16,000	15,400	14,500	14,000		Customer Services Strategy		
	Telephone callers	600,000	600,000	500,000	450,000	400,000		Homelessness Strategy		
	Face to face customers	100,000	90,000	85,000	80,000	70,000		Medium Term Financial Strategy		
	Council tax properties	82,500	83,000	83,500	84,000	85,000		Social Inclusion Strategy		
	Anticipated non financial resources	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
	Staff (FTE)	140.4	148.3	134	133	133	133			
	Performance indicator	Performance Targets (T) & Provisional Performance Targets (P)					Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
		2014/15(T)	2015/16(T)	2016/17(P)	2017/18(P)	2018/19(P)	2019/20(P)			
% of Merton Bailiff files paid in full (exc parking & misc debt)	58%	58%	58%	58%	58%		High	Outcome	Loss of income	
% of positive and neutral coverage tone	92%	92%	92%	92%	92%		High	Perception	Reputational risk	
Business Rates collected	97.25%	97.50%	97.50%	97.50%	97.50%		High	Business critical	Loss of income	
Council Tax Collected	97%	97.25%	97.25%	97.25%	97.25%		High	Business critical	Loss of income	
First contact resolution	60%	65%	70%	75%	75%		High	Perception	Reduced customer service	
Event income (Marriages, Civil Partnerships etc.)	415,000	400,000	415,000	425,000	450,000		High	Business critical	Loss of income	
% of on-line transactions (HB Claims)	N/A	60%	60%	TBC	TBC		High	Business critical	Reduced customer service	
% Customer satisfaction with new website	N/A	N/A	TBC	TBC	TBC		High	Perception	Reduced uptake of service	
Time taken to process Housing Benefit COC	N/A	11 days	11 days	11 days	11 days		Low	Business critical	Customer hardship	
Time taken to process new Housing Benefit claims	N/A	21 days	21 days	21 days	21 days		Low	Business critical	Customer hardship	

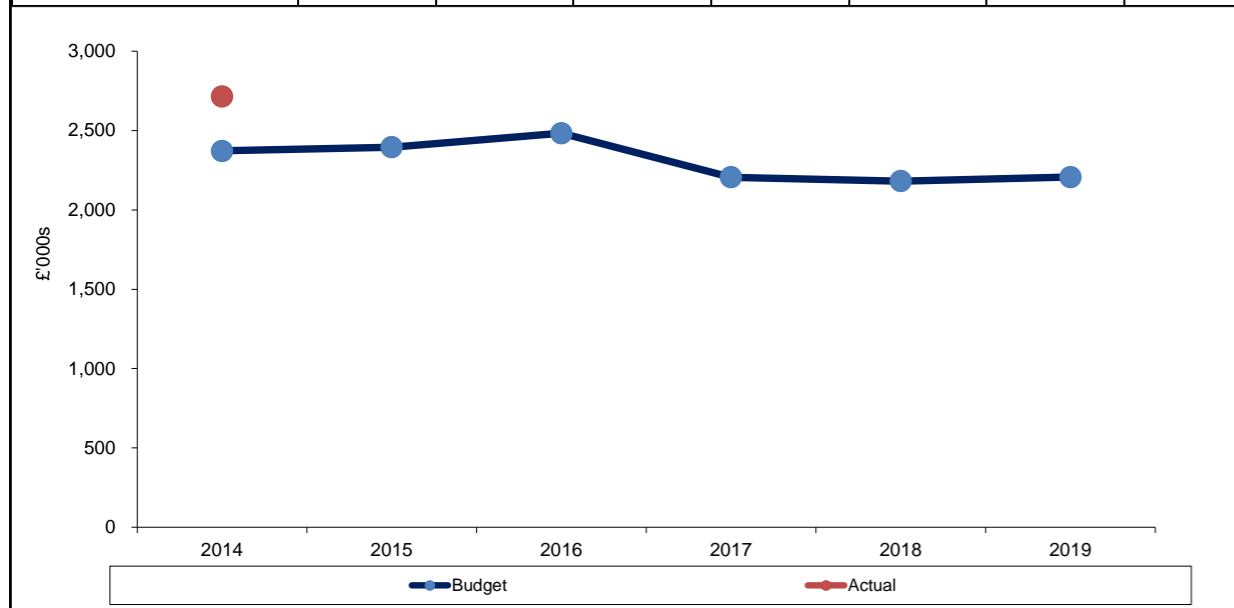
DEPARTMENTAL BUDGET AND RESOURCES							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Expenditure	9,289	9,662	8,991	9,196	8,943	8,919	8,944
Employees	5,089	5,433	5,113	5,173	4,969	4,969	4,969
Premises	22	10	20	29	29	29	29
Transport	63	65	64	70	71	72	72
Supplies & Services	1,448	1,592	1,425	1,089	1,033	1,002	1,019
3rd party payments	577	449	458	425	431	438	444
Support services	2,089	2,113	1,910	2,410	2,410	2,410	2,410
Depreciation				0	0		
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Income	6,917	6,948	6,597	6,713	6,738	6,738	6,738
Government grants	1,743	1,754	1,519	1,232	1,232	1,232	1,232
Reimbursements	930	1,342	930	970	970	970	970
Customer & client receipts	2,184	1,937	2,184	2,228	2,253	2,253	2,253
Recharges	2,060	1,914	1,964	2,283	2,283	2,283	2,283
Reserves							
Capital Funded							
Council Funded Net Budget	2,371	2,715	2,394	2,482	2,205	2,181	2,206



Capital Budget £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
	0	0	0	0	0	0	0

Summary of major budget etc. changes 2016/17

CS36 Re-tendering of cash collection services 10k
 CS39 Impact of customer services review 30k
 Reduction in discretionary relief payments 81k (to replace CS12 and CS13). CSD16 reduction in discretionary relief payments 231k
 CSD9, 10 and 11 Savings from system savings (E-capture, Risk based verification, Experian) 41k
 CSD14 Reduction in one Revenues Officer post 30k
 CSD15 Increase in court costs 40k
 CSD18 and 19 My Merton reduction in costs and delete one Communication Assistant post, 32k and 25k



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

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Customer Services

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT	Risk			
			Likelihood	Impact	Score	
Project 1		Project Title: Universal Credit Implementation Project Details: Implement the role out of UC in Merton and provide a support framework to assist claimants claim UC and receive budgeting advice	Economic outcomes			2
Start date	01/01/2016		2	1		
End date	31/03/2019					
Project 2		Project Title: Implement an Outside Wedding Venue Project Details: Seek planning permission and implement outside wedding venue at Morden Park House.	Improved efficiency (savings)			1
Start date	01/04/2013		1	1		
End date	31/03/2017					
Project 3		Project Title: Council Tax support scheme Project Details: During 16/17 options for a revised scheme will be reviewed for Council decision and possible implementation for 17/18	Economic outcomes			2
Start date	01/04/2016		2	1		
End date	31/03/2017					
Project 4		Project Title: Review Debt Collection Processes 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.	Improved effectiveness			2
Start date	01/04/2015		2	1		
End date	31/03/2017					
Project 5		Project Title: Redesign of Merton Link Project Details: Implement the re-design of Merton Link area to improve the customer experience and increase self service	Improved customer experience			2
Start date	01/10/2015		2	1		
End date	31/03/2017					

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Human Resources

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT	Risk		
			Likelihood	Impact	Score
Project 1		Project Title: Workforce Strategy Project Details: Deliver the 5 key strands of the Council's workforce strategy to support the wider TOM programme for organisational change	Improved staff skills and development		
Start date	01/04/2014		3	3	9
End date	31/03/2017				
Project 2		Project Title: Establishment and workforce Project Details: Embed systems to maintain, monitor and control an accurate establishment and vacancy position across the Council for both permanent and interim staff	Improved staff skills and development		
Start date	01/04/2015		3	4	12
End date	31/03/2017				
Project 3		Project Title: Review HR policies Project Details: Embed a new suite of simplified and business-focussed HR policies, supported by appropriate management development	Improved effectiveness		
Start date	01/04/2015		3	3	9
End date	31/09/2016				

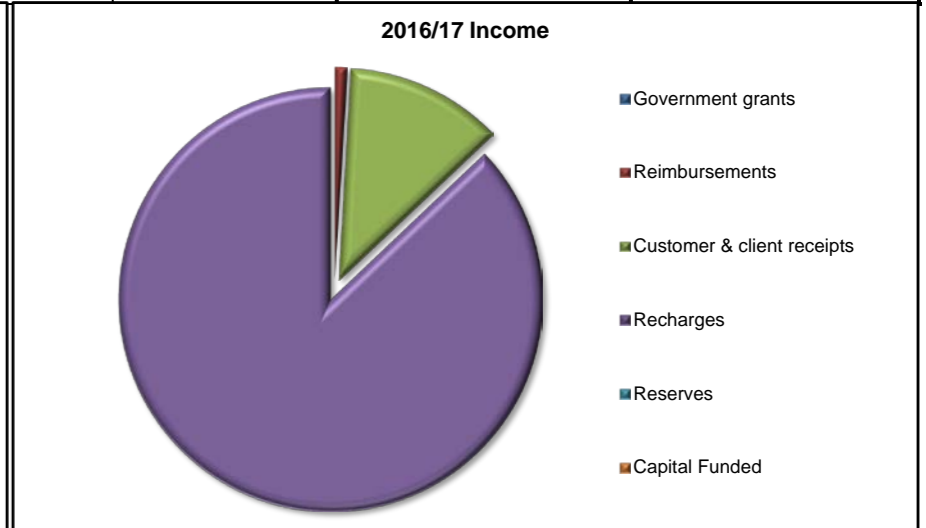
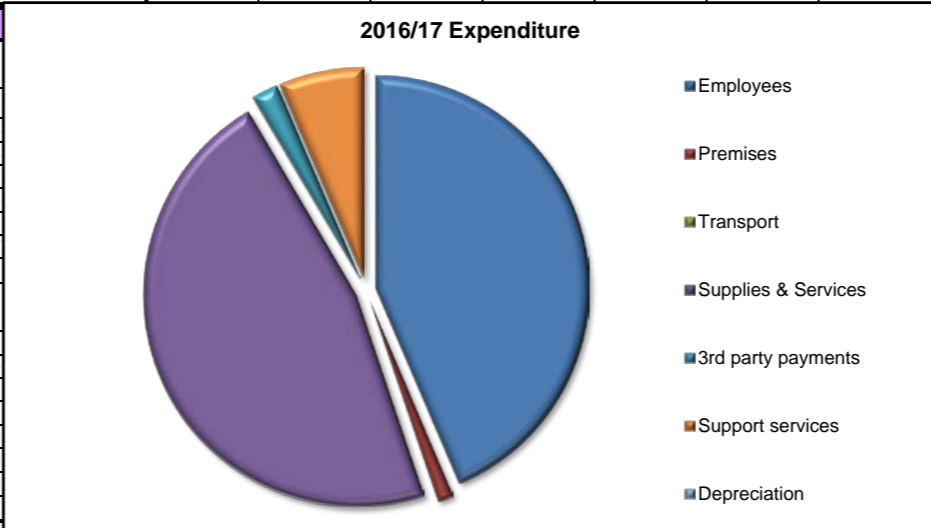
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

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	01/11/2014	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	31/03/2017					
Project 2		Project Title:	Digital Archiving of existing paper records	Improved efficiency (savings)		2
Start date	01/06/2014	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	31/03/2018					
Project 3		Project Title:	Upgrading of IT Disaster Recovery Arrangements	Risk reduction and compliance		6
Start date	01/12/2013	Project Details:	Replacement of Storage Area Network (SAN) equipment and associated hardware to provide improved 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.	2	3	
End date	30/09/2016					
Project 4		Project Title:	Flexible Working Programme	Improved efficiency (savings)		4
Start date	01/04/2012	Project Details:	The Flexible Working Programme is the innovative use of modern IT technology, infrastructure and office accommodation to enable the council to deliver services in the most efficient and cost effective manner possible.	2	2	
End date	30/06/2016					
Project 5		Project Title:	Refurbishment of 4 main passenger lifts at Civic Centre	Risk reduction and compliance		2
Start date	01/01/2014	Project Details:	Project to refurbish the 4 main passenger lifts at the Civic centre which were installed in 1960 and that are now 'Life Expired' in terms of maintenance and obtaining spare parts in the event of a breakdown or mechanical failure. The project is essential to ensure that the premises are safe and compliant with statutory requirements.	1	2	
End date	30/06/2016					
Project 6		Project Title:	Energy "Invest to Save" Initiatives	Improved efficiency (savings)		1
Start date	01/04/2007	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.	1	1	
End date	01/04/2018					
Project 7		Project Title:	Process review of Accounts Payable and Receivable functions	Improved efficiency (savings)		2
Start date	01/04/2015	Project Details:	Review the Councils current processes and procedures for managing the AR and AP functions in order to maximise any potential efficiency gains and cost reductions that are available through the development and use of E-Billing and electronic invoicing.	1	2	
End date	31/03/2017					
Project 8		Project Title:	Continuation of work on the Locations Layer of the Corporate TOM	Risk reduction and compliance		4
Start date	01/10/2015	Project Details:	Works to develop an online corporate asset register covering all of the property related assets owned and operated by the council which will be an essential element of a larger piece of work relating to the longer term strategic management of property and assets across the authority.	2	2	
End date	31/03/2017					
Project 9		Project Title:	Online Safety Inspection system	Risk reduction and compliance		4
Start date	01/04/2016	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	31/03/2017					

Resources	Planning Assumptions						The Corporate strategies your service contributes to			
	Anticipated demand	2014/15	2015/16	2016/17	2017/18	2018/19		2019/20		
Cllr Mark Allison Cabinet Member for Finance	Revenue/Capital Budget Managers	147/23	147/23	147/23	147/23	147/23	147/23	Asset Management Plan		
Enter a brief description of your main activities and objectives below Resources is made up of five 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, developing key business metrics to help services transform & 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 Commercial & procurement - The purpose of the Commercial Services and Procurement team is to be a strategic centre of excellence for procurement and contract management, guidance, training and advice including ownership of the Council's Procurement Strategy, involvement in key tender processes, identification of savings opportunities and commercial benefits, compliance with EU and UK procurement legislation, benchmarking and best practice and ownership of the contracts register. 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 Programme		
	Budget, Service, Performance & Risk Setting	8 Reports	8 Reports	8 Reports	8 Reports	8 Reports	8 Reports	8 Reports	Central Government	
	Budget, Service, Performance & Risk Monitoring	8 Reports	8 Reports	8 Reports	8 Reports	8 Reports	8 Reports	8 Reports	Corp Equality Scheme	
	Budget, Service, Performance & Risk Closing	2 Reports	2 Reports	2 Reports	2 Reports	2 Reports	2 Reports	2 Reports	Corp Procurement Strategy	
	Anticipated non financial resources	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20		Medium Term Financial Strategy	
	Staff (FTE)	64.2	63.3	54.6	51.6	45.6	57.2		Risk Management Strategy	
	Staff (Trainees)	4	4	4	4	3	4		Treasury Management Strategy	
	Staff (Apprentices)	2	2	0	0	0	0		Voluntary Sector Strategy	
Performance indicator	Performance Targets (T) & Provisional Performance Targets (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
	2014/15(T)	2015/16(T)	2016/17(P)	2017/18(P)	2018/19(P)	2019/20(P)				
Accuracy of P8 Revenue Forecast (compared to outturn)	90%	90%	90%	90%			High	Annual	Outcome	Poor decision making
Accuracy of P8 Capital Forecast	90%	90%	90%	90%			High	Annual	Outcome	Poor decision making
Number of Adjustments to Draft Accounts	0	0	0	0			Low	Annual	Business critical	Government intervention
% of contracts over threshold overseen by Procurement Board	80%	80%	80%	80%			High	Quarterly	Quality	Poor decision making
Action plans in place for 'red' risks	90%	90%	90%	90%			High	Quarterly	Outcome	Poor decision making

DEPARTMENTAL BUDGET AND RESOURCES							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Expenditure	8,744	8,916	9,068	8,361	8,052	7,775	7,833
Employees	3,821	4,191	4,071	3,645	3,390	3,074	3,074
Premises	102	102	100	100	101	103	104
Transport	4	7	4	2	2	2	2
Supplies & Services	4,032	4,243	4,110	3,906	3,850	3,887	3,943
3rd party payments	178	143	180	171	171	172	172
Support services	608	230	602	537	537	537	537
Depreciation			0	0	0		
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Income	6,021	6,448	6,843	6,030	6,046	6,062	6,062
Government grants		9		0	0	0	0
Reimbursements	40	82	54	54	70	86	86
Customer & client receipts	753	1,141	753	726	726	726	726
Recharges	5,227	5,217	6,036	5,250	5,250	5,250	5,250
Reserves	0	0	0	0	0	0	0
Capital Funded	0	0	0	0	0	0	0
Council Funded Net Budget	2,724	2,468	2,225	2,331	2,006	1,713	1,771



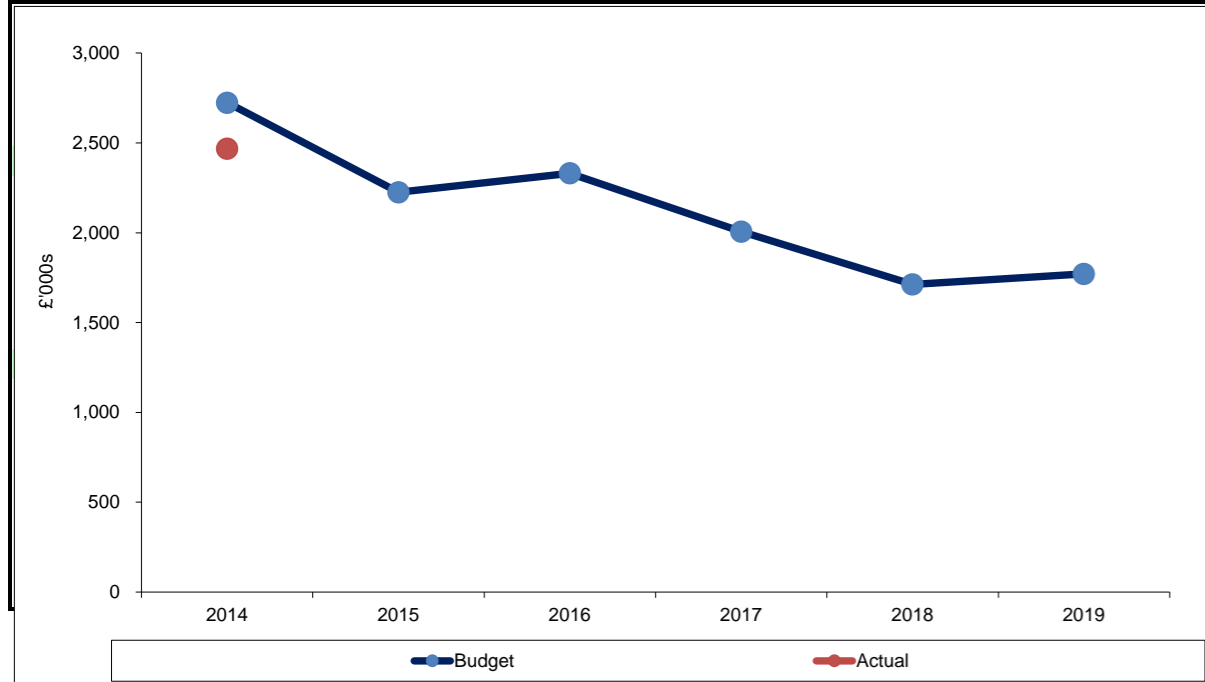
Capital Budget £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Financial System re-engineering			454	108			
Civica Icon			18	107			
Acquisitions Budget			1,497	500			
Transformation Budgets			8	0			
Capital Bidding Fund			1,357	482			
	0	0	3,334	1,197	0	0	0

Summary of major budget etc changes 2016/17

MTFS/Business Planning: Throughout the financial year officers within the team will be compiling the Business Plan for 2017-21, this will include provision of a timetable for compilation and horizon scanning and evaluating the impact of any legislative changes. The modelling assumptions will be reviewed and detailed scenario planning undertaken.

Financial System: The new financial system and the adoption of new streamlined processes will facilitate the further savings below.

Savings: Savings of 25k will be delivered by reduction of one posts (CS46) (£78k of the savings have been deferred), and non salary budgets savings 98k through improved processes, consolidation of budgets and review of recharges (CS64, 65 and 67). Further savings of 16k will come through increased income (CSD20), 42k from the rephasing of existing savings (CSD21) and 130k from reductions in running costs and consultancy budgets (CSD23 and 24). An increased charge to the Pension Fund £20k (CSD25) and the deletion of one post in Policy (CSD47) will bring a further 50k of savings.



2017/18

MTFS/Business Planning: Throughout the financial year officers within the team will be compiling the Business Plan for 2018-22, this will include provision of a timetable for compilation and horizon scanning and evaluating the impact of any legislative changes. The modelling assumptions will be reviewed and detailed scenario planning undertaken.

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)

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

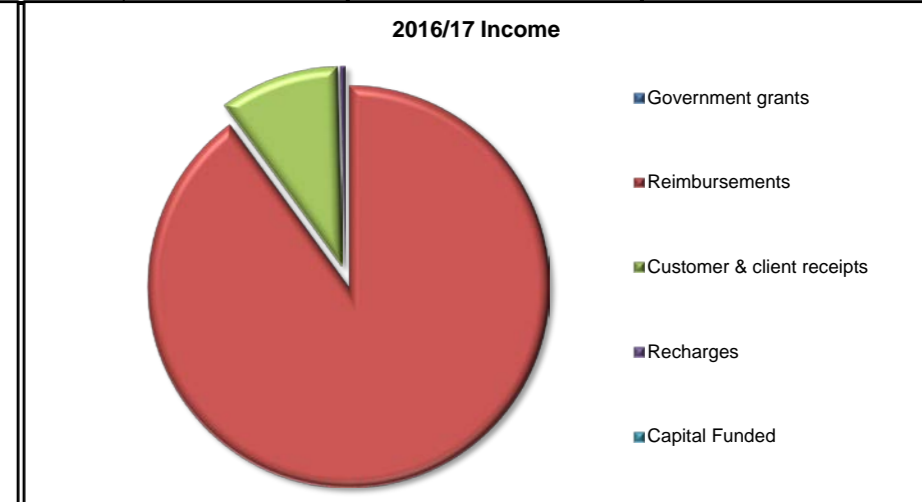
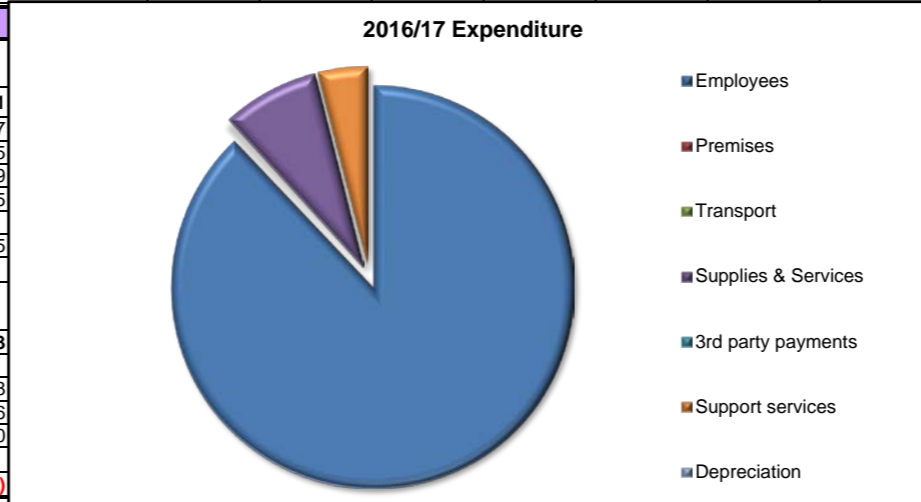
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

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	01/04/2015	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	31/03/2020						
Project 2		Project Title:	Financial systems re-engineering programme	Improved effectiveness			
Start date	01/08/2013	Project Details:	Procurement of a single integrated financial system to replace the suite of products that are current 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. Current estimates of the Go live date are 31/03/2016 - 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	30/09/2016						
Project 3		Project Title:	Develop and implement whole life costing for capital projects	Improved effectiveness			
Start date	01/09/2016	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	31/03/2018						
Project 4		Project Title:	Improve joint finance and business planning	Improved effectiveness			
Start date	01/04/2016	Project Details:	The project requires the quarterly update of service plans scheduled to start with September 2014 information following the implementation of the new performance and risk management system		2	2	4
End date	31/03/2020						
Project 5		Project Title:	Evaluation of different models of funding the capital programme	Improved effectiveness			
Start date	01/07/2014	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	31/03/2020						
Project 7		Project Title:	Capital - Benefits Realisation	Improved effectiveness			
Start date	01/09/2016	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	31/03/2018						
Project 8		Project Title:	Recharge Review	Improved efficiency (savings)			
Start date	01/04/2015	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	31/03/2018						
Project 9		Project Title:	Infrastructure Assets Accounting	Improved effectiveness			
Start date	31/03/2016	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	31/03/2018						
Project 10		Project Title:	Pilot Early closure of Accounts	Improved effectiveness			
Start date	01/07/2015	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	31/07/2018						

Legal Services	Planning Assumptions						The Corporate strategies your service contributes to			
Cllr Mark Allison Cabinet Member for Finance	Anticipated demand	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
Enter a brief description of your main activities and objectives below This is a shared legal service with the London Boroughs of Richmond and Sutton and the Royal Borough of Kingston upon Thames. The service delivers legal advice, support and representation to all services across all four 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. The current agreement for a shared service expires on 1 October 2016	Chargeable hours for Merton	19500	19500	19500						
	Chargeable hours for Richmond	12747	13895	13895						
	Chargeable hours for Sutton	19819	19819	19819						
	Chargeable hours for Kingston	9238	11382	11382						
	Chargeable hours for Achieving for Children	12000	11583	11583						
	Chargeable hours for Sutton Housing Partnership	2528	2528	2528						
	Anticipated non financial resources	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
	Staff (FTE)	87.5	87.5	92.3	92.3	92.3	92.3			
	Apprentices	1	1	0						
Performance indicator	Performance Targets (T) & Provisional Performance Targets (P)					Polarity	Reporting cycle	Indicator type	Main impact if indicator not met	
	2014/15(T)	2015/16(T)	2016/17(P)	2017/18(P)	2018/19(P)	2019/20(P)				
Chargeable hours	76,429	73,804	78,707				High	Monthly	Business critical	Increased costs

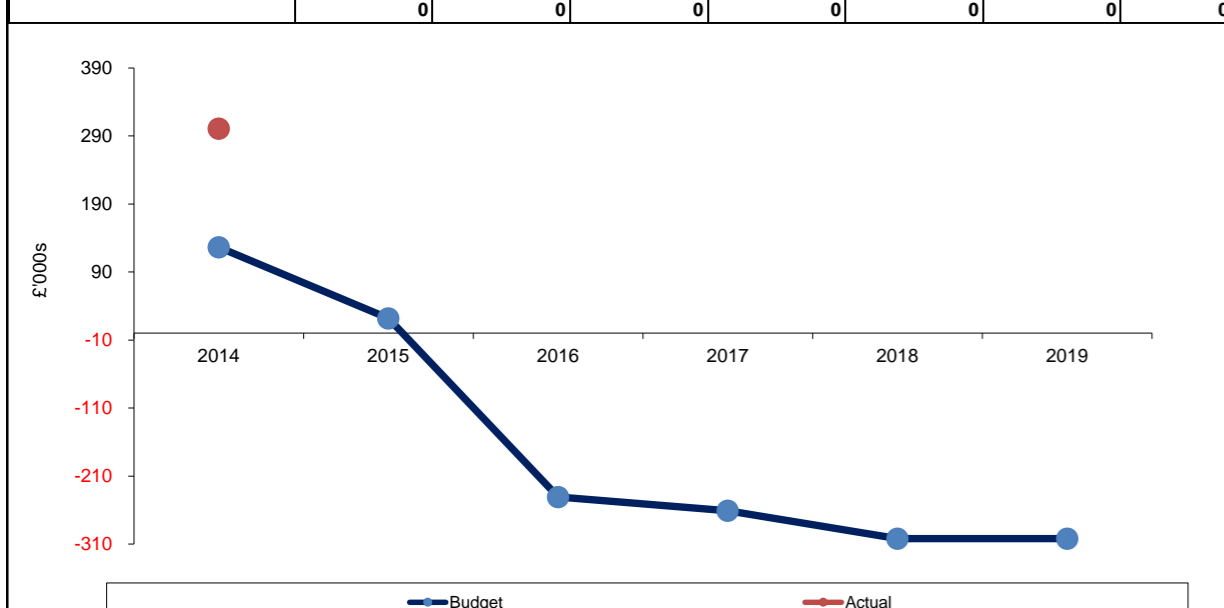
DEPARTMENTAL BUDGET AND RESOURCES							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Expenditure	4,902	7,009	4,945	4,682	4,662	4,621	4,621
Employees	4,252	4,538	4,317	4,117	4,117	4,117	4,117
Premises	5	2	5	5	5	5	5
Transport	9	14	9	9	9	9	9
Supplies & Services	446	2,249	426	366	346	305	305
3rd party payments		18					
Support services	190	189	188	185	185	185	185
Depreciation							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Income	4,776	6,709	4,924	4,923	4,923	4,923	4,923
Government grants							
Reimbursements	4,280	5,618	4,428	4,428	4,428	4,428	4,428
Customer & client receipts	476	1,061	476	476	476	476	476
Recharges	20	29	20	20	20	20	20
Capital Funded							
Council Funded Net Budget	126	301	22	(241)	(261)	(302)	(302)



Capital Budget £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
	0	0	0	0	0	0	0

Summary of major budget etc. changes 2016/17

CS73 £60k savings for Merton are required. Further savings for Sutton, Kingston and Richmond may be required.



2017/18

CS73 £20k savings for Merton are required. Further savings for Sutton, Kingston and Richmond may be required.

2018/19

CS2015-12 £41,000 savings for Merton from expansion of service. Further savings for Sutton, Kingston and Richmond may be required.

2019/20

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Legal Services

PROJECT DESCRIPTION		MAJOR PROJECTS BENEFITS			Risk				
					Likelihood	Impact	Score		
Project 1		Project Title:	Shared service	Improved customer experience					
Start date	01/04/2014	Project Details:	To embed the expanded shared service, to identify and exploit the efficiencies of the new service in order to improve the customer experience and to identify further savings			2	2	4	
End date	31/03/2017								
Project 2		Project Title:	Smarter Working	Improved effectiveness					
Start date	01/04/2014	Project Details:	To ensure the service is maximising the use of IT systems and software in order to enable mobile working across four authorities, reduce costs and increase the effectiveness and efficiency of the officers in the service			2	1	2	
End date	31/03/2017								
Project 3		Project Title:	Delivering Savings	Improved efficiency (savings)					
Start date	01/04/2016	Project Details:	To deliver £80,000 of savings to Merton and such savings as required by Sutton, Kingston and Richmond			2	2	4	
End date	31/03/2018								
Project 4		Project Title:	Future Model	Economic outcomes					
Start date	01/02/2016	Project Details:	To consider whether the practice needs to apply to become an Alternative Business Structure in order to deliver legal services to council services provided by external third parties. If so, to set up ABS.			2	2	4	
End date	31/03/2017								
Project 5		Project Title:	Future Model	Improved effectiveness					
Start date	01/04/2015	Project Details:	To evaluate the impact on the shared service of Richmond entering into a partnership with Wandsworth, including the potential expansion of the shared legal service to incorporate Wandsworth Legal Services. If approved to deliver the expanded shared service with Wandsworth			3	2	6	
End date	31/03/2017								
Project 6		Project Title:	Future Model	Improved effectiveness					
Start date	01/04/2015	Project Details:	To consider the impact on the service of all shared service and alternative delivery models entered into by Merton and partner authorities.			3	2	6	
End date	31/03/2018								

Environment & Regeneration

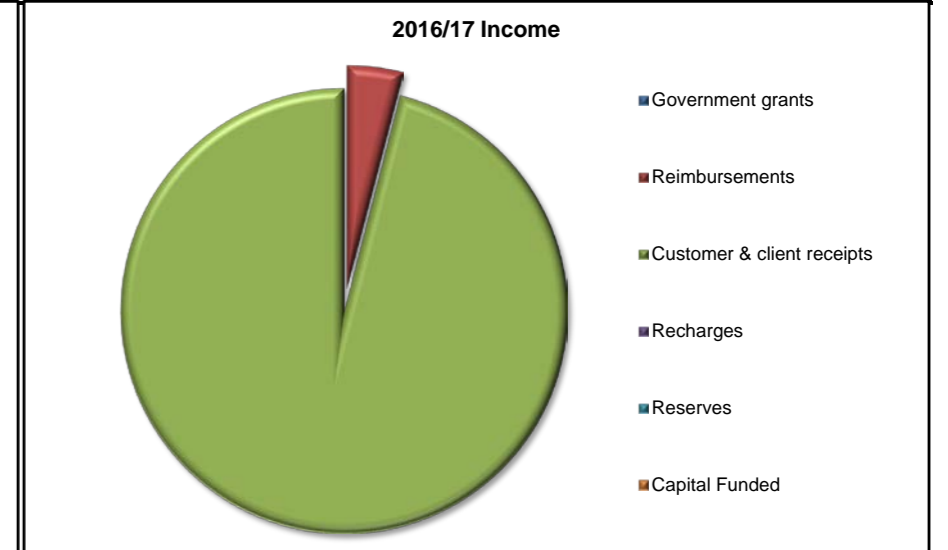
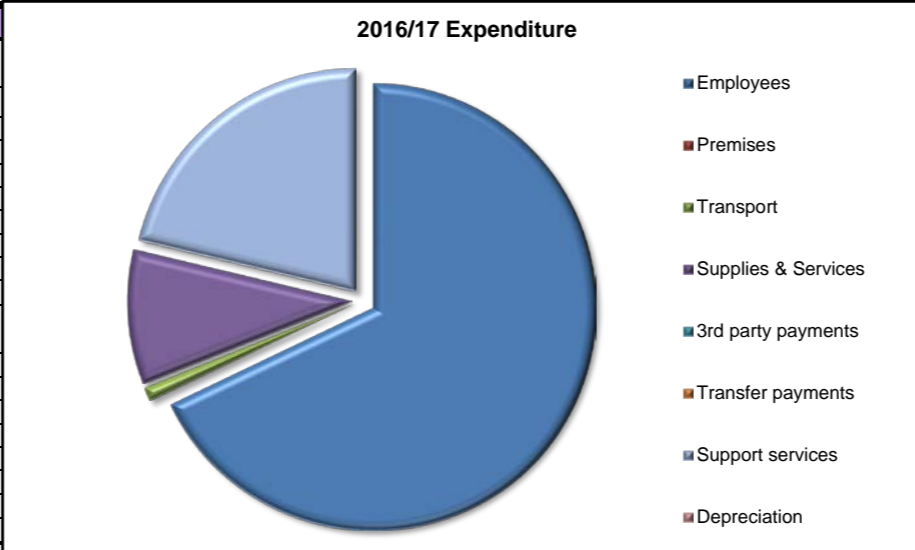
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Commercial Services (Waste Operations)

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	Introduce timed commercial waste collections in town centre Colliers Wood	Improved effectiveness		4
Start date	01/04/2015	Project Details:	To improve the appearance of the Town centre area following on from the successful implementation into Wimbledon Town Centre.	2	2	
End date	01/04/2017					
Project 2		Project Title:	Sales and marketing plan	Economic outcomes		4
Start date	01/04/2015	Project Details:	To increase the income within the Commercial waste area and improve the Branding of this important service area.	2	2	
End date	01/04/2017					

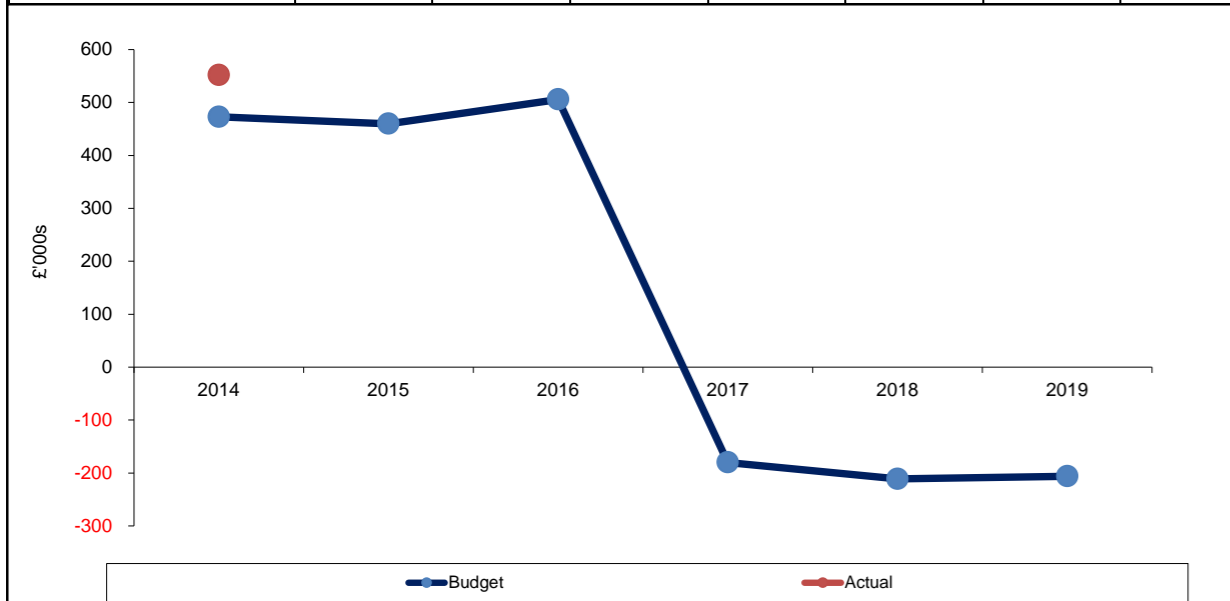
Development and Building Control		Planning Assumptions						The Corporate strategies your service contributes to				
Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration		Anticipated demand	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20				
Enter a brief description of your main activities and objectives below		Enforcement cases	750	780	800	800	800	800	Local Development Framework			
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 regeneration by assessing and determining planning applications against the adopted policies for the built environment contained within the council's Core Strategy. Continue to impliment 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 - review the pre-application charging regime for Development Control (DC) and to investigate whether additional income generation is possible especially through PPA's. - impliment mobile/flexible working to improve efficiency -as part of sustainable communities to enable a comprehensive development management process to encourage regeneration. -review the possibility of shared services with neighbouring boroughs. - re-procure the M3 database		Planning applications (economy dependant)	2500	2600	2700	2800	2800	2850	Local Development Framework			
		BC applications (economy dependant)	1700	1750	1750	1800	1800	1800	1800	Economic Development Strategy		
		Tree applications	620	640	660	670	670	670	670	Local Development Framework		
		Pre applications	105	110	115	120	125	130	130	Housing Strategy		
		Planning performance agreements	3	7	12	14	16	18	18	Local Development Framework		
		Prior approvals (permitted development)	580	600	620	640	640	640	640	Local Development Framework		
				Anticipated non financial resources	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20		
				Staff (FTE)	37	36	38	25	25	25		
				Performance indicator	Performance Targets (T) & Provisional Performance Targets (P)				Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
					2014/15(T)	2015/16(T)	2016/17(P)	2017/18(P)				
		% Major applications processed within 13 weeks	60	55	55	55	55	55	High	Monthly	Quality	Reduced customer service
		% Minor applications processed within 8 weeks	65	60	60	60	60	60	High	Monthly	Quality	Reduced customer service
		% Other applications processed within 8 weeks	81	81	82	82	82	82	High	Monthly	Quality	Reduced customer service
		Volume of Planning applications Total	4300	4350	4400	4450	4500	4560	High	Monthly	Quality	Reduced customer service
		% appeals lost	35	35	35	35	35	35	Low	Quarterly	Perception	Reputational risk
		Income (Development and Building Control)	£2.01m	£2.05m	£2.11m	£2.11m	£2.11	£2.11	High	Monthly	Business critical	Loss of income
		% Market share retained by LA (BC)	65	60	60	60	60	60	High	Monthly	Perception	Loss of income
		Number of enforcement cases closed	600	600	300	300	300	300	High	Quarterly	Quality	Reduced service delivery
		Backlog of enforcement cases	775	750	900	1200	1500	1800	High	Quarterly	Output	Reduced service delivery
		% satisfied with Planning (annual resident survey)	29	29	30	31	32	30	High	Annual	Perception	Reputational risk

DEPARTMENTAL BUDGET AND RESOURCES							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Expenditure	2,428	2,569	2,371	2,515	1,954	1,958	1,963
Employees	1,594	1,794	1,564	1,708	1,143	1,143	1143
Premises	2	1	2	2	2	2	2
Transport	34	21	32	25	26	26	27
Supplies & Services	365	299	281	245	248	252	256
3rd party payments							
Transfer payments	2		2	0	0	0	0
Support services	431	454	490	535	535	535	535
Depreciation							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Income	1,955	2,017	1,911	2,009	2,134	2,169	2,169
Government grants							
Reimbursements	96	112	49	81	81	81	81
Customer & client receipts	1,859	1,905	1,862	1,928	2,053	2,088	2088
Recharges							
Reserves							
Capital Funded							
Council Funded Net Budget	473	552	460	506	(180)	(211)	(206)



Capital Budget £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
	0	0	0	0	0	0	0

Summary of major budget etc. changes	
2016/17	
E&R33 = (£75k)	
2017/18	
ER07 = (£200k)	
EN09 = (£40k)	
EN11 = (£52k)	
E&R28 = (£157k)	
E&R29 = (£40k)	
E&R30 = (£80k)	
ENV20 = (£35k)	
HPDG reserve adjustment = (£86k)	
2018/19	
ENV20 = (£35k)	
2019/20	



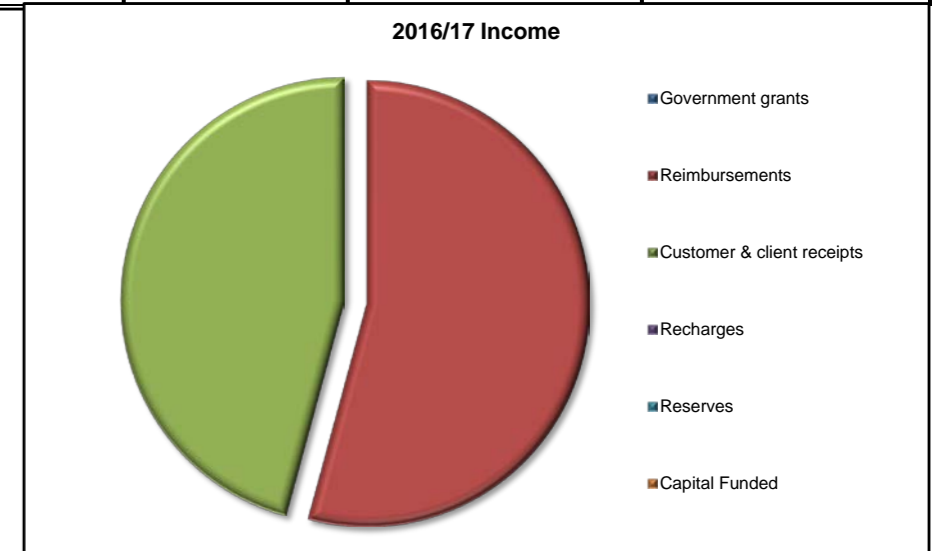
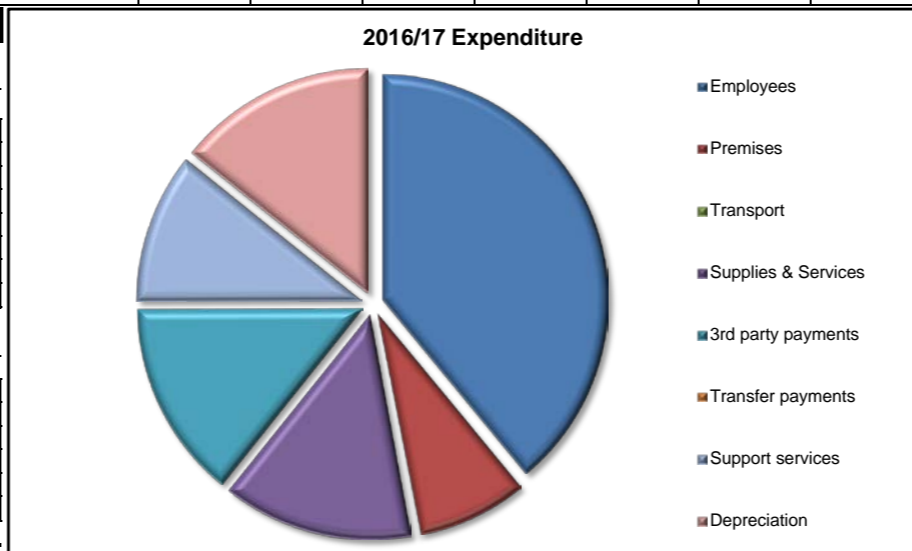
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

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	2016-17					
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	2016-17					
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	2016-17					
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	2016-17					
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	2016-17					
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	2016-17					
Project 7		Project Title:	Lean review of pre-application process (part of TOM)	Improved effectiveness		6
Start date	2014/15	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	2016-17					
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	2016-17					
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	2016/17					

Future Merton	Planning Assumptions							The Corporate strategies your service contributes to		
Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration	Anticipated demand	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
<p>Enter a brief description of your main activities and objectives below</p> <p>futureMerton is tasked with delivering development, regeneration, economic growth and accommodating population growth for the long-term sustainability of the borough. [to be merged with Traffic & Highways in 2015/16]</p> <ul style="list-style-type: none"> Develop new Local Plan policies and site assembly strategies to support regeneration, economic development and growth objectives Develop sustainable development policies to support Merton's commitment to carbon reduction Develop urban design / planning frameworks to support regeneration and growth and increase design quality in the borough Deliver projects as set out in our Economic Development and Climate Change Strategies and the Regeneration Delivery Plan (future Growth Strategy 2015) Attract developer interest, external funding and inward investment, public sector funding and support to deliver our regeneration and growth objectives. To develop transport policies and secure external funding from Transport for London (TfL) to deliver improvements to Merton's public realm, transport infrastructure and sustainable travel. Lead on Major Planning developments (Wimbledon Stadium / YMCA / Rainbow Yards / Colliers Wood Tower, St Georges Quarter, Morden town centre, Wimbledon Station, Rediscover Mitcham) LBM lead on planning and design quality for emerging estate regeneration proposals in partnership with Circle (High Path, Eastfields, Ravensbury) and Moat (Pollards Hill) LBM lead on non-operational property assets decisions for growth and regeneration investment purposes. LBM lead on Crossrail 2, Tramlink Extension; ID growth opportunities and external funding opportunities 	Population	208,822	211,569	214,229	216,806	218,100	218,101	Asset Management Plan		
	Actual businesses in borough	7700	7900	8,100	8,150	8,200	8,201	Road Safety Plan		
								Local Implementation Plan		
								Local Transport Plan		
								Community Plan		
								Climate Change Strategy		
								Core Planning Strategy		
								Economic Development Strategy		
								Local Development Framework		
Performance indicator	Performance Targets (T) & Provisional Performance Targets (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
	2014/15(T)	2015/16(T)	2016/17(P)	2017/18(P)	2018/19(P)	2019/20(P)				
New homes target (number per year)	320	411	411	411	411	411	High	Annual	Outcome	Loss of Government grant
Reduction in KSI's: road traffic accidents (Number of incidents)	55	50	45	42	40	40	Low	Annual	Perception	Reputational risk
% Modal increase in cycling from 2% 2012 baseline	0.5	0.5	0.2	0.2	0.2	0.2	Low	Annual	Output	Political risk
Number of new jobs created through EDS E&SAP	300	450	600	300	300	300	High	Annual	Outcome	Social exclusion
New jobs created - number of apprenticeships	60	80	100	100	100	100	High	Annual	Outcome	Social exclusion
Number of new businesses created as part of EDS MBSS (Cumulative)	100	200	300	300	300	300	High	Annual	Outcome	Reduced Business Rates

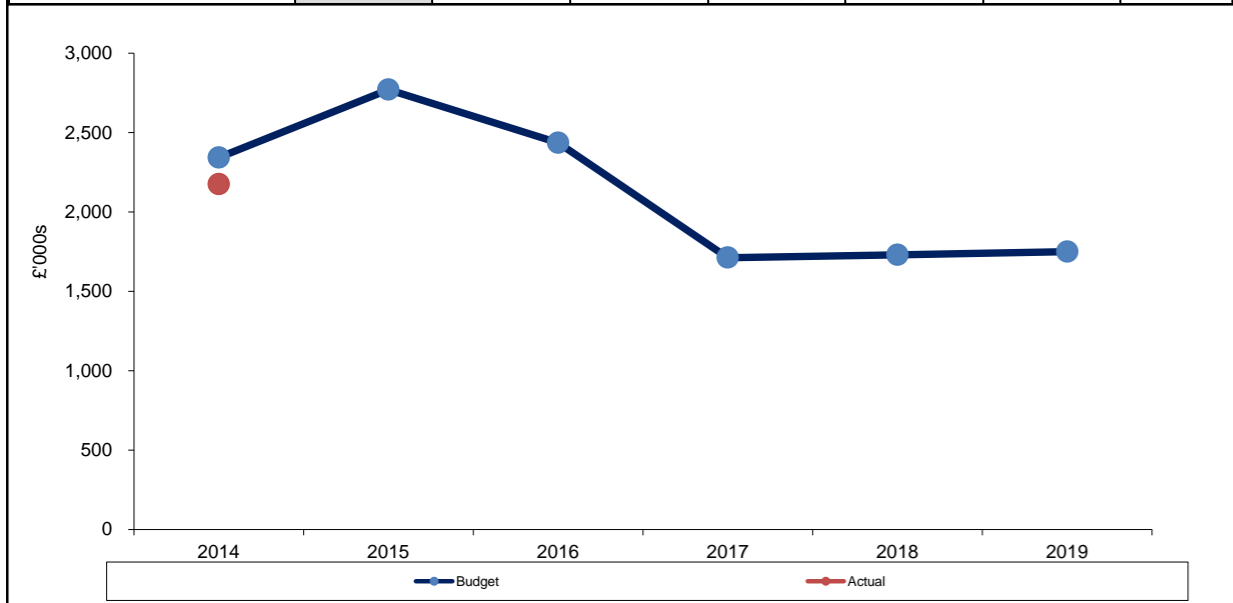
DEPARTMENTAL BUDGET AND RESOURCES							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Expenditure	3,251	3,266	3,829	3,487	2,764	2,782	2,801
Employees	1,260	1,365	1,394	1,361	934	934	934
Premises	302	296	268	275	278	281	284
Transport	10	5	9	5	5	5	5
Supplies & Services	879	892	1,358	477	397	405	414
3rd party payments	389	284	354	495	276	283	290
Transfer payments							
Support services	287	300	322	377	377	377	377
Depreciation	124	124	124	497	497	497	497
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Income	908	1,090	1,058	1,051	1,051	1,051	1,051
Government grants	134	134	94	0	0	0	0
Reimbursements	472	615	622	570	570	570	570
Customer & client receipts	302	341	342	481	481	481	481
Recharges							
Reserves							
Capital Funded							
Council Funded Net Budget	2,343	2,176	2,771	2,436	1,713	1,731	1,750



Capital Budget £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Town Centre Investment			1,488	1,037			
Mitcham Schemes		598	778	1,000	700		
Colliers Wood Schemes		359	1,199				
Industrial Estate Investment			140		450		
Morden TfL					220	2,000	
Transportation Enhancements						5,000	
Other		367	13	619			
	0	1,324	3,618	2,656	1,370	7,000	0

Summary of major budget etc changes 2016/17

ER23 = (£77k)
EN42 = (£50k)
E&R40 = (£60k)
E&R42 = (£20k)
EDS reserve adjustment = (£193k)



2017/18

ER23 = (£214k)
E&R41 = (£80k)
ENV24 = (£10k)

EDS reserve adjustment = (£75k)
EDS2 reserve adjustment = (£362k)

2018/19

2019/20

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Future Merton

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 local residents, the business community and Transport for London. Rediscover Canons HLF Bids (Parks for People and Townscape Heritage c£2.5m)						
End date	2016-17								
Project 3		Project Title:	Connecting Colliers Wood / South Wimbledon Planning Framework	Infrastructure renewal			4	1	4
Start date	2014-15	Project Details:	Work with stakeholders to facilitate the regeneration and growth of Colliers Wood / South Wimbledon via preparation of GLA Development Framework (strategic masterplan, delivery of public real, new homes and town centre re-designation) Stage 1; delivery c£2.5m investment in 'Connecting Colliers Wood' public realm project on track to complete summer 2015. Masterplan to follow 2015/16+						
End date	2019-20								
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	2016-17								
Project 5		Project Title:	Climate Change Strategy & Action Plan	Improved sustainability			2	2	4
Start date	2014-15	Project Details:	Managing internal and external energy efficiency and renewable energy investment in the council's buildings, schools and in the wider community to reduce carbon while saving money, towards the creation of a revolving invest-to-save investment fund. Other projects include Air Quality, Greening Businesses, PV roll-out and District Heat & Power feasibility						
End date	2018-19								
Project 6		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 opportunities linked to Crossrail 2 and improving the quality of architecture, design and placemaking. Conference (2013) Ideas Competition (2014) Inward investment Prospectus (2015/16) Masterplan linked to Crossrail 2 (2015/16-2017/18)						
End date	2022-23								
Project 7		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	2019/2020								
Project 8		Project Title:	Economic Development Strategy and Action Plans	Improved reputation			2	1	2
Start date	2012-13	Project Details:	Inward Investment and Business Retention Strategy. Employment and Skills Strategy. Merton Business Support Service. Merton Micro Loan and Business Loan Fund.						
End date	2016-17								
Project 9		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	2016-17								
Project 10		Project Title:	Borough Cycling Initiatives	Improved reputation			2	1	2
Start date	2014-15	Project Details:	TFL Quietways funding for cycling infrastructure improvements. TFL Major Scheme bid for Wimbledon Town Centre cycle segregation scheme (2014/15-2017/18)						
End date	2024-26								

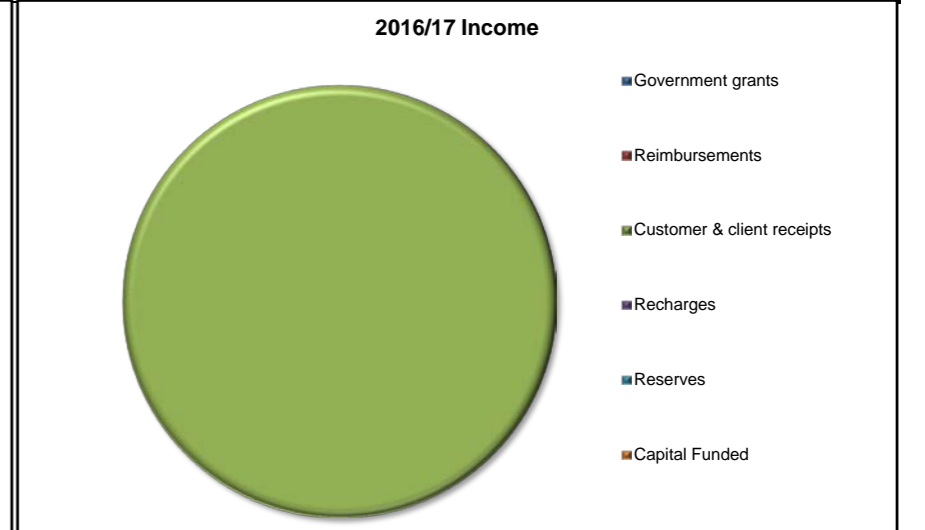
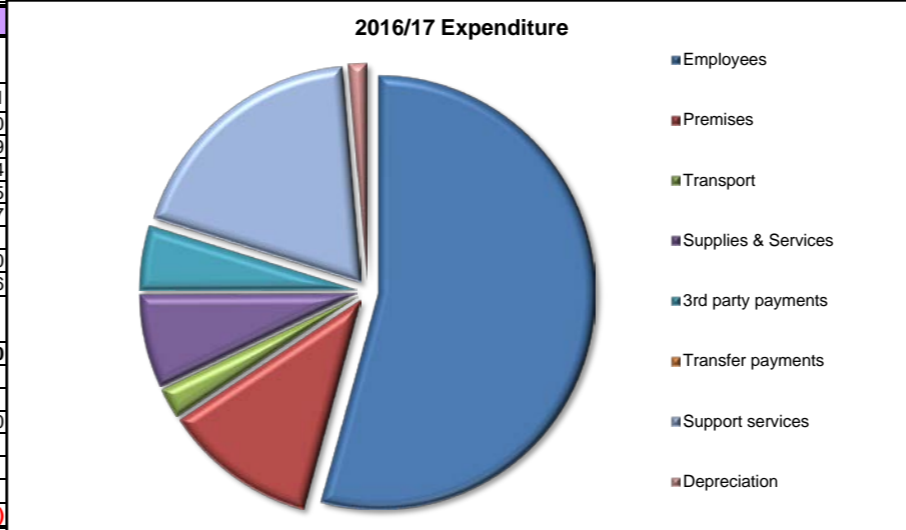
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

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	2018					
Project 2		Project Title:	Leisure Centres Contract	Improved efficiency (savings)		4
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:	Deliver a Wimbledon Park Masterplan	Improved effectiveness		4
Start date	2015	Project Details:	Develop a strategic masterplan for Wimbledon Park that takes account of all of the landscape, ecology and heritage matters as well as defining a sustainable and financially viable future for sports, culture, leisure, play facilities and ancillary facilities, etc. within the park.	2	2	
End date	2017					
Project 4		Project Title:	Implement the Wimbledon Park Lake Flood Risk & De-silting Plans	Improved sustainability		8
Start date	2017	Project Details:	Following the outcomes of the Wimbledon Park & Lake Masterplan for the required improvements and solutions for the lake. Procure and implement the solutions	4	2	
End date	2018					
Project 5		Project Title:	Customer Contact Programme - Online Leisure & Cultural Bookings & Payment System & Other Service Technological Requirements	Improved customer experience		4
Start date	2015	Project Details:	Work with Corporate IT on the Customer Contact Programme to deliver, improve & implement the replacement online booking & payment system for pitch, halls, pavilions, courses, events and activities in line with the whole council approach. Implement other corporate technological solutions and work with corporate IT to meet customer and service needs within that provision. Ensure service / customer needs are appropriately embedded in new ways of working.	2	2	
End date	2016-17					
Project 6		Project Title:	Commercialisation of Culture & Sport Activities, Projects and Programmes	Improved efficiency (savings)		4
Start date	2014	Project Details:	Continue the commercialisation and development of the Merton Active Plus programme to generate increased income over a three year period to cover the salary of the officer that delivers it. Develop the Marine College and Outdoor Education Centre at the Watersports Centre. development team to cover two distinct strands of commercial and community activities.	2	2	
End date	2016-17					
Project 7		Project Title:	Restructure Staff Team following Phase C & Staff Reductions	Improved effectiveness		4
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	2017					
Project 8		Project Title:	Increasing participation & engagement in the arts, culture, sport, physical activity and well-being activities	Improved customer experience		4
Start date	2014	Project Details:	Develop and deliver, with and through partners, joint community projects and programmes in the east of the borough in accordance with the Culture & Sport Framework. Deliver the Sports Blast Programme	2	2	
End date	2017					
Project 9		Project Title:	Develop the boroughs involvement in major sporting, arts & cultural events	Improved customer experience		4
Start date	2012	Project Details:	Deliver and develop Merton's contribution to Ride London, WW1, Community & Celebratory Events, Etc. as required	2	2	
End date	2018-19					
Project 10		Project Title:	External Funding & Inward Investment Opportunities	Improved effectiveness		4
Start date	2013	Project Details:	Seek out partnership working and funding opportunities that deliver against the Cultural Framework as well as seeking external funding to deliver our strategic needs. Eg Morden Leisure Centre; facilities at Wimbledon Park, etc.	2	2	
End date	2018-19					

Parking Cllr Judy Saunders Cabinet Member for Performance & Implementation Enter a brief description of your main activities and objectives below	Planning Assumptions							The Corporate strategies your service contributes to			
	Anticipated demand	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20				
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.	Number of resident permits issued	17,897	18,320	20,041	(5%) 21,043	(5%) 24,011	(5%) 22,095	Road Safety Plan			
	Number of visitors permits issued	217,000	227,000	239,242	(5%) 251,204	(10%) 263,764	(5%) 276,953	Medium Term Financial Strategy Local Transport Plan			
Objectives • 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.	Anticipated non financial resources	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20				
	Staff (FTE)	71.50	86.20	93.27	85.27	85.27	85.27				
	Transport	15	15	12	12	12	12				
In January 2016 Public Space CCTV camera team was amalgamated with Parking Services and changed the sections title to Parking and CCTV Services. The core activity is to review the operational structure, processes and the 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.	Performance indicator	Performance Targets (T) & Provisional Performance Targets (P)					Polarity	Reporting cycle	Indicator type	Main impact if indicator not met	
		2014/15(T)	2015/16(T)	2016/17(P)	2017/18(P)	2018/19(P)					2019/20(P)
	% of parking permits issued within 5-7 days	90%	90%	90%	90%	90%	90%	High	Monthly	Outcome	Loss of income
	Sickness- No of days per FTE (12 month rolling average)	11	10	9	8	8	8	Low	Quarterly	Quality	Loss of income
	Percentage of cases won at PATAS	50%	52%	54%	54%	54%	54%	High	Monthly	Business critical	Loss of income
	Percentage of cases lost at PATAS	23%	22%	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	27%	26%	25%	25%	25%	25%	Low	Monthly	Business critical	Loss of income
	Percentage of Public Space CCTV cameras working	95%	95%	95%	95%	95%	95%	High	Monthly	Business critical	Reduced service delivery

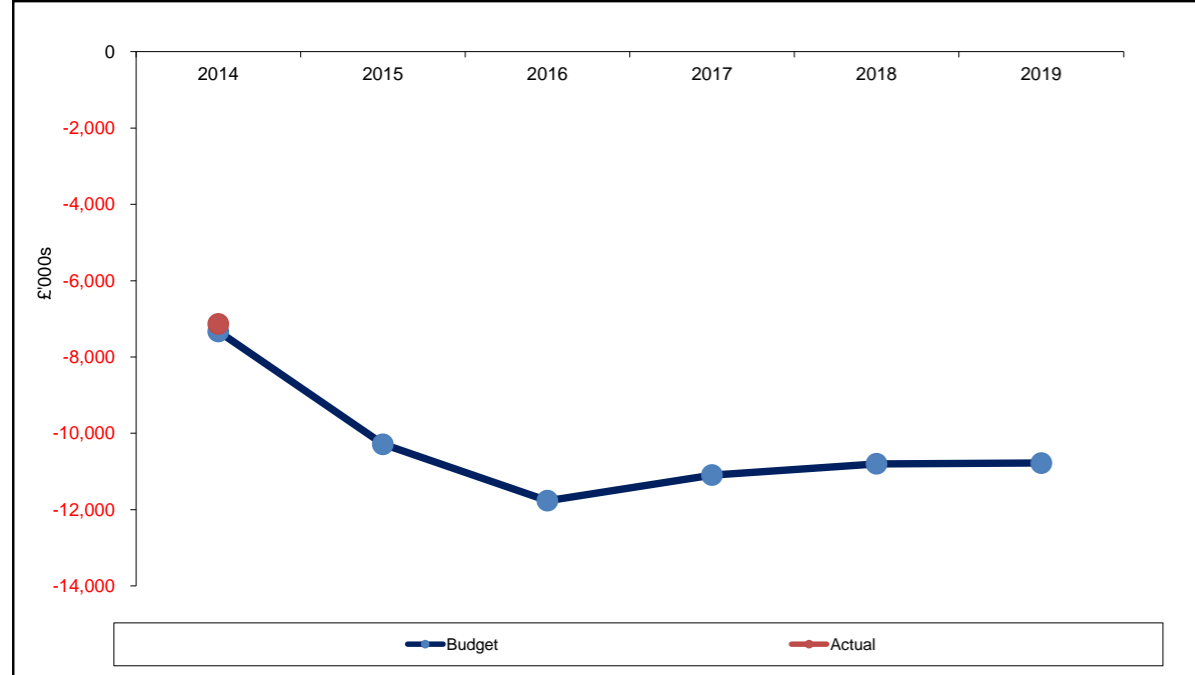
DEPARTMENTAL BUDGET AND RESOURCES							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Expenditure	4,745	4,796	5,195	5,426	5,094	5,052	5,071
Employees	2,501	2,523	2,788	2,945	2,640	2,640	2,640
Premises	637	658	641	619	626	632	639
Transport	140	145	140	124	80	82	84
Supplies & Services	298	290	370	377	383	389	395
3rd party payments	260	229	264	265	269	213	217
Transfer payments							
Support services	832	874	905	1,020	1,020	1,020	1,020
Depreciation	77	77	87	76	76	76	76
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Income	12,077	11,930	15,480	17,188	16,186	15,850	15,850
Government grants							
Reimbursements							
Customer & client receipts	12,077	11,930	15,480	17,188	16,186	15,850	15,850
Recharges							
Reserves							
Capital Funded							
Council Funded Net Budget	(7,332)	(7,134)	(10,285)	(11,762)	(11,092)	(10,798)	(10,779)



Capital Budget £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Parking		11	143	653			
CCTV Match funding			201	399			
Other		217	194	185	156	175	175
	0	228	538	1,237	156	175	175

Summary of major budget etc. changes 2016/17

EN02 = (£226k)
EV11 = (£125k)
E&R7 = (£260k)
E&R8 = (£1,700k)
E&R9 = (£500k)
E&R10 = (£80k)
E&R11 = (£60k)
E&R12 = (£14k)
ANPR income reduction = £1,300k



2017/18

EV11 = (£125k)
E&R7 = (£163k)
E&R8 = £1,540k
ENV02 = (£190k)
ENV03 = (£45k)
ENV04 = (£250k)
ENV05 = (£70k)
ENV06 = (£46k)
ENV33 = (£250k)
ANPR income reduction = £250k

2018/19

E&R7 = (£163k)
E&R8 = £500k
ENV07 = (£60k)

2019/20

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Parking

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk			
				Likelihood	Impact	Score	
Project 1		Project Title:	Tackling Traffic Congestion	Improved effectiveness			
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 that will lead to improved bus journey times, traffic flows, pollution and the safety of pedestrians and cyclists.	2	1	2
End date	2016-17						
Project 2		Project Title:	Cashless parking	Improved customer experience			
Start date	2013-14	Project Details:	Rollout a cashless/mobile phone payment service for on and off-street parking charges, permits and suspensions.	Improved customer service by allowing motorists to purchase paid for parking without the need for cash.	2	1	2
End date	2015-16						
Project 3		Project Title:	Investment in Public Space CCTV	Improvement in Public safety			
Start date	2015-2016	Project Details:	Replace existing public space CCTV equipment On Street and in the back office CCTV suite		2	1	2
End date	2016-2017						
Project 4		Project Title:	Review CEO Shift Patterns	More efficient use of resources			
Start date	01/04/2016	Project Details:	Consult on the introduction of a more efficient shift patterns		2	1	2
End date	01/09/2016						
Project 5		Project Title:	Review CCTV Shift Patterns	More efficient use of resources			
Start date	01/04/2016	Project Details:	Consult on the introduction of a more efficient shift patterns		2	1	2
End date	01/09/2016						
Project 6		Project Title:	Enforcement of pavement parking as a result of a new policy	Improve conditions for pedestrians using the pavements			
Start date	01/04/2016	Project Details:	Stop inconsiderate parking on pavements by motorists		2	1	2
End date	Continuous						

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Parks and Green Spaces

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	Management of parks & open spaces	Improved reputation		4
Start date	2012-13	Project Details:	Encourage and facilitate the management of parks and/or parks facilities by friends and other community groups. Increase volunteering in parks	2	2	
End date	2017-18					
Project 2		Project Title:	Management of bowling greens	Improved reputation		4
Start date	2012-13	Project Details:	Review and transformation of the current bowls provisions in Merton	2	2	
End date	2017-18					
Project 3		Project Title:	Commercialisation of grounds and sports services	Economic outcomes		4
Start date	2012-13	Project Details:	Increased commercialisation of the grounds, sports and other Greenspaces' services, including outdoor events	2	2	
End date	2018-19					
Project 4		Project Title:	Service Delivery Models	Improved efficiency (savings)		6
Start date	2014-15	Project Details:	Support & input to South London Waste Partnership Phase C procurement exercise (Lot 2)	3	2	
End date	2016-17					
Project 5		Project Title:	Development of new sporting hub at Joseph Hood Rec	Improved customer experience		6
Start date	2012-13	Project Details:	Production and implementation of a new masterplan for Joseph Hood Recreation Ground	3	2	
End date	2017-18					
Project 6		Project Title:	New pavilion & facilities at Dundonald Rec	Improved reputation		4
Start date	2014-15	Project Details:	Delivery of new pavilion and allied facilities at Dundonald Rec (with CSF)	2	2	
End date	2016-17					
Project 7		Project Title:	Management of paddling pools	Improved reputation		4
Start date	2013-14	Project Details:	Investment in new water play facilities.	2	2	
End date	2016-17					

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Property

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT			Risk				
					Likelihood	Impact	Score		
Project 1		Project Title:	West Barnes Library	Infrastructure renewal					
Start date	2012-13	Project Details:	Reprovision of library within larger redevelopment				2	2	4
End date	on going								
Project 2		Project Title:	P4/Broadway Car Park	Improved efficiency (savings)					
Start date	2012-13	Project Details:	Disposal of public car park to regenerate prominent town centre site.				1	2	2
End date	on going								

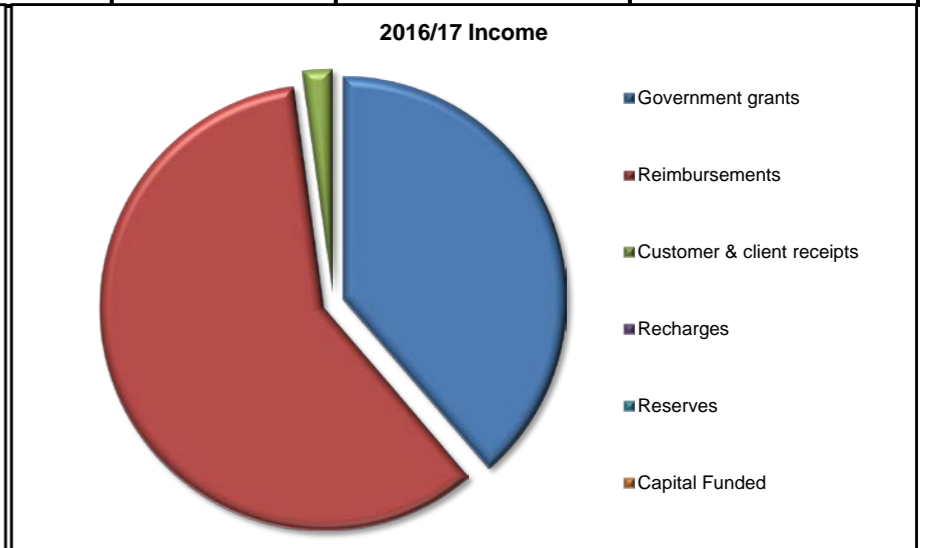
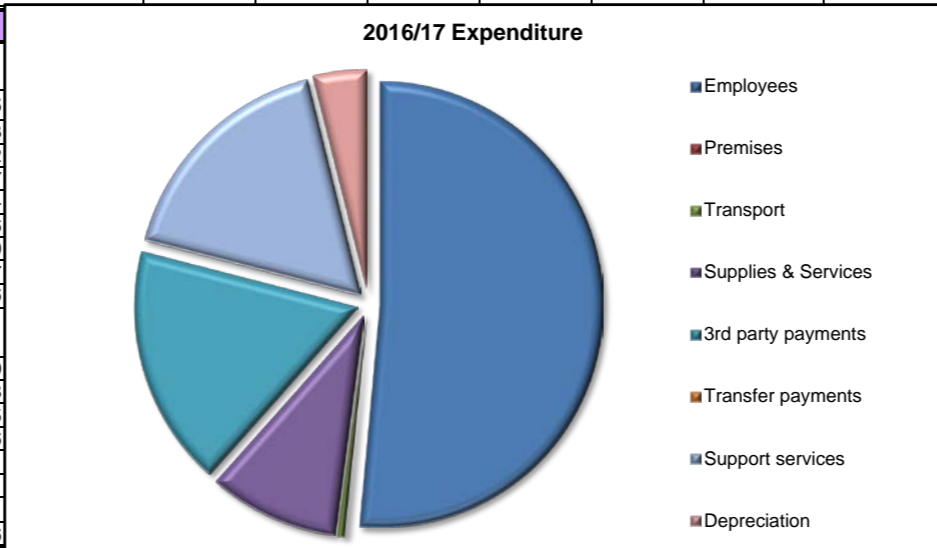
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Regulatory Services Partnership

PROJECT DESCRIPTION		MAJOR PROJECT BENEFITS		Risk			
				Likelihood	Impact	Score	
Project 1		Project Title:	Expansion of shared 'regulatory' service	Economic outcomes			
Start date	2016-17	Project Details:	Potential expansion of the Regulatory Services Partnership to include the London Borough of Wandsworth in 2017.		3	2	6
End date	2017-18						
Project 2		Project Title:	Work with Public Health England to deliver 'Healthy Catering Commitment'	Improved effectiveness			
Start date	2015-16	Project Details:	Public Health have funded a 1 year fixed term contract for an Environmental Health Officer to deliver this project		2	1	2
End date	2016-17						
Project 3		Project Title:	Rationalisation of administration and licensing teams	Improved effectiveness			
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	2
End date	2016-17						
Project 4		Project Title:	Procurement of a new ICT case management system	Improved efficiency (savings)			
Start date	2014-15	Project Details:	Contribution to the ICT led procurement of a new computer system for E&R and potential joint procurement with Richmond and Wandsworth		3	2	6
End date	2016-17						
Project 5		Project Title:	Investigation of contaminated land at Marlowe Square	Risk reduction and compliance			
Start date	2013-14	Project Details:	Assess outcomes of wide scale soil sampling activities and develop action plan for treatment/remediation as necessary to reduce the risk of harm to local residents		5	2	10
End date	2016-17						
Project 6		Project Title:	Design and implement a joint Merton/Richmond budget	Economic outcomes			
Start date	2014-15	Project Details:	Design and implement a joint revenue (income & expenditure) budget on a 50/50 costs apportionment model		2	1	2
End date	2016-17						

Safer Merton	Planning Assumptions						The Corporate strategies your service contributes to				
Cllr Edith Joan Macauley Cabinet Member for Engagement & Equality	Anticipated demand	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20				
<p>Enter a brief description of your main activities and objectives below</p> <p>Safer Merton is a partnership of the statutory, voluntary and business sector partners who work together to combat crime & disorder and increase safety & the perceptions of safety, within the borough. The team consists of Voluntary Sector and Police and Health funded staff. The delivery of Crime and Disorder reduction is achieved through a range of interventions such as</p> <ul style="list-style-type: none"> Tackling anti social behaviour and domestic violence Managing Neighbourhood Watch Other support and commissioned services are part of the team's remit as well as ensuring that the council is compliant with legislation. <p>The service is managed through the council, and delivered in partnership with Police, Probation and other stakeholder services</p> <p>The Statutory duty of the council consists of:</p> <ul style="list-style-type: none"> A duty to establish a crime and disorder partnership Complete an annual strategic assessment and agree a plan with partners in response Respond to and deal with crime and disorder through evidence based analytical work Delivering Anti-Social Behaviour actions and interventions Specific duties around Domestic Violence. 	Number of new ASB cases	609	620	640	640	600	600	Adult Treatment Plan			
	Population	208,822	211,569	214,229	216,806	216,806	216,806	Anti Social Behaviour			
	No. Multi Agency Risk Assessment cases (domestic abuse)	158	160	162	162	162	162	Central Government			
	Clients presenting at the One Stop Shop	230	260	280	280	290	300	Children & Young person's Plan			
	Anticipated non financial resources	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Community Plan			
	Staff (FTE)	21.97	18.83	9.10	7.10	7.10	7.10	Crime & Disorder (partnership plan)			
								E Merton & Mitcham N'bourhood Renewal			
	Performance indicator	Performance Targets (T) & Provisional Performance Targets (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
		2014/15(T)	2015/16(T)	2016/17(P)	2017/18(P)	2018/19(P)	2019/20(P)				
% of residents worried about drunk & rowdy behaviour (ARS)	44	40	39	39	38	38	Low	Annual	Perception	Reputational risk	
% of residents worried about ASB (ARS)	43	43	42	42	41	41	Low	Annual	Perception	Reputational risk	
% of residents worried about crime (ARS)	50	50	49	49	48	48	Low	Annual	Perception	Reputational risk	
Multi Agency Risk Assessment cases - domestic abuse	129	141	153	153	153	153	High	Monthly	Business critical	Breach statutory duty	

DEPARTMENTAL BUDGET AND RESOURCES							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Expenditure	1,632	1,456	1,502	1,444	1,377	1,382	1,385
Employees	848	758	741	743	673	673	673
Premises	2	5	2	2	2	2	2
Transport	7	1	7	7	7	7	7
Supplies & Services	179	164	142	137	139	142	144
3rd party payments	272	194	251	252	253	255	256
Transfer payments	0	0	0	0	0	0	0
Support services	230	240	234	247	247	247	247
Depreciation	94	94	125	56	56	56	56
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Income	395	359	278	279	279	279	279
Government grants	226	203	108	108	108	108	108
Reimbursements	163	154	164	165	165	165	165
Customer & client receipts	6	2	6	6	6	6	6
Recharges							
Reserves							
Capital Funded							
Council Funded Net Budget	1,237	1,097	1,224	1,165	1,098	1,103	1,106



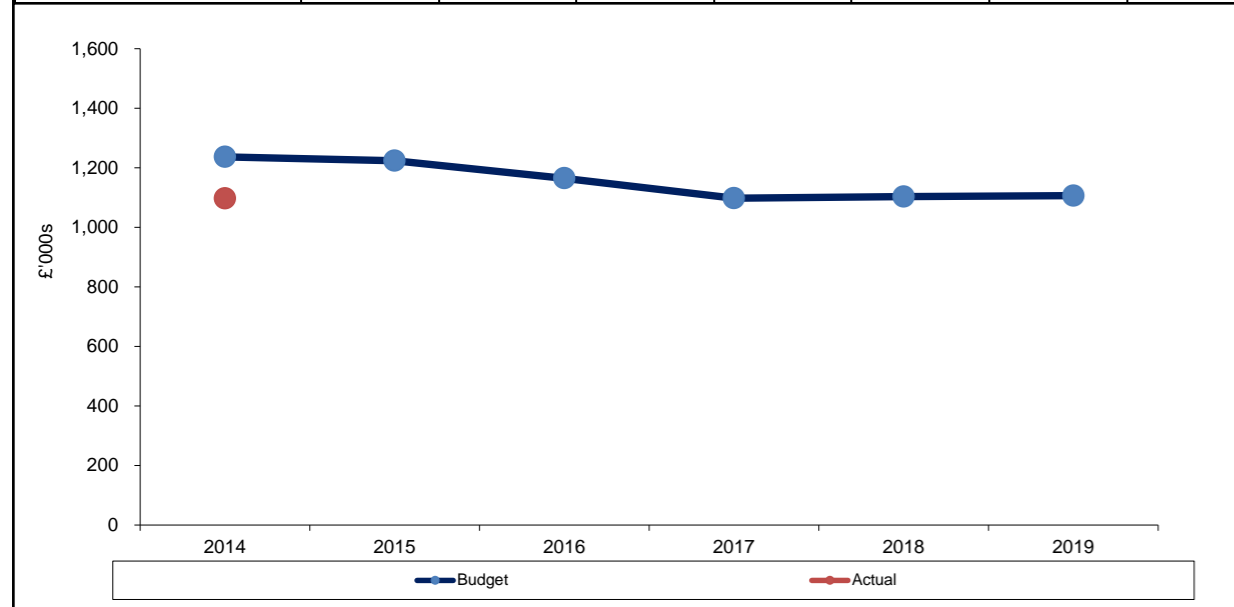
Capital Budget £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
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Summary of major budget etc. changes 2016/17

2017/18

2018/19

2019/20



E&R43 = (£70k)

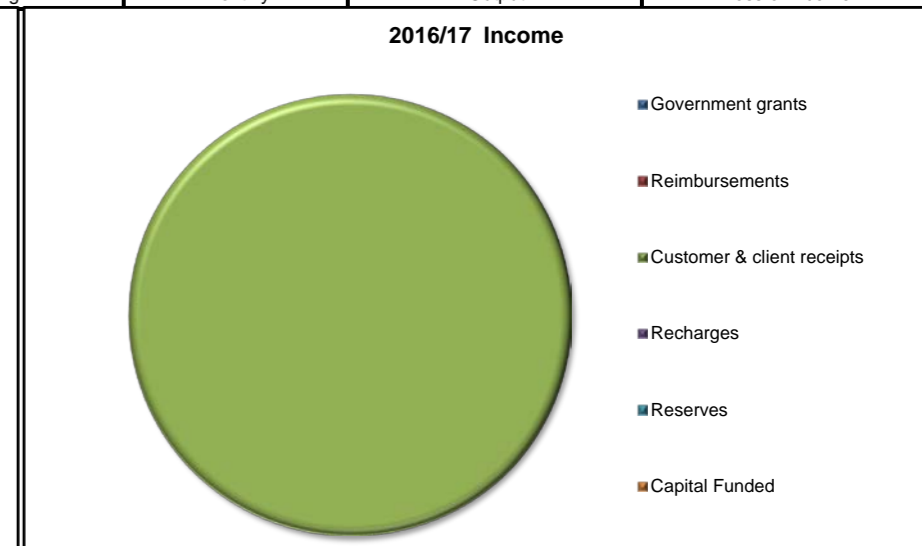
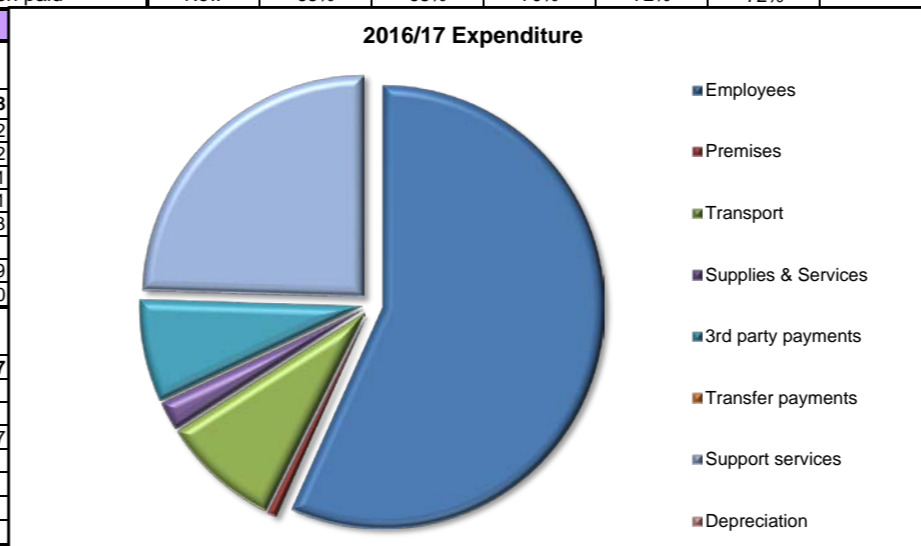
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Safer Merton

PROJECT DESCRIPTION		MAJOR PROJECT BENEFITS			Risk			
					Likelihood	Impact	Score	
Project 1	Project Title:	There are no projects for 2016/17						0
Start date	Project Details:							
End date								

Street Cleaning		Planning Assumptions						The Corporate strategies your service contributes to					
Cllr Judy Saunders Cabinet Member for Performance & Implementation		Anticipated demand		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20				
<p>Enter a brief description of your main activities and objectives below</p> <p>Street Cleaning: to improve the street scene by maintaining the public highway, collecting fly tips, removing litter, detritus, graffiti, fly posting and keeping gullies clean. Enforcement: to improve the street scene by education, advice and enforcement, reducing fly tipping, litter, dog fouling, abandoned vehicles, graffiti and fly posting; and collecting stray dogs.</p> <p>Winter Gritting: delivering an efficient service in accordance with Highways section priorities.</p> <p>Objectives</p> <ul style="list-style-type: none"> fulfil the council's statutory responsibilities in respect of street cleansing maximise efficiencies through co-ordinated and partnership working provide value for money services that meet the needs of residents and businesses champion the needs of the service users improve our customer information and improve feedback protect and care for the welfare and development of our employees, the environment, our customers and the local community in which we operate provide a safe and supportive environment for all our employees and strive for outstanding health and safety performance provide a customer focussed approach to service design and improvement improve levels of satisfaction with services provided. 		Population		208,822	211,569	214,229	216,806	218,000	220,000	Anti Social Behaviour			
		Housing Properties		81,000	81,400	81,800	82,100	82,400	85,000		Performance Management Framework		
		Kilometers of Roads		375	375	375	375	375	375	375	Waste Management Plan		
		Anticipated non financial resources		2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	Community Plan		
		Staff (FTE)		127.00		127.00	116.00	100.00	100.00	100.00			
		Transport		26		26	26	26	26	26			
		Performance indicator		Performance Targets (T) & Provisional Performance Targets (P)					Polarity	Reporting cycle	Indicator type	Main impact if indicator not met	
				2014/15(T)	2015/16(T)	2016/17(P)	2017/18(P)	2018/19(P)	2019/20(P)				
		% Residents satisfied with street cleanliness		60	56	57	58	59	59	High	Annual	Perception	Reputational risk
		% Sites surveyed below standard for litter		7.5	9.5	9	8.5	8	8	Low	Quarterly	Perception	Reputational risk
% Sites surveyed below standard for Detritus		12	15	14.5	14	13.5	13.5	Low	Quarterly	Perception	Reputational risk		
% Sites surveyed below standard for graffiti		5.0	5.5	5.5	5.5	5.5	5.5	Low	Quarterly	Perception	Reputational risk		
% Sites surveyed below standard for weeds		14.00	13.50	12.00	12.5	12	12	Low	Quarterly	Perception	Reputational risk		
Number of fly tips reported		3200	3700	3600	3500	3400	3400	Low	Monthly	Outcome	Reputational risk		
Days lost through sickness per FTE		10	15	14	13	12	12	Low	Quarterly	Outcome	Increased costs		
% Sites surveyed below standard for flyposting		1	1	1	1	1	1	Low	Quarterly	Perception	Reputational risk		
% of FPNs issued that have been paid		New	65%	68%	70%	72%	72%	High	Monthly	Output	Loss of income		

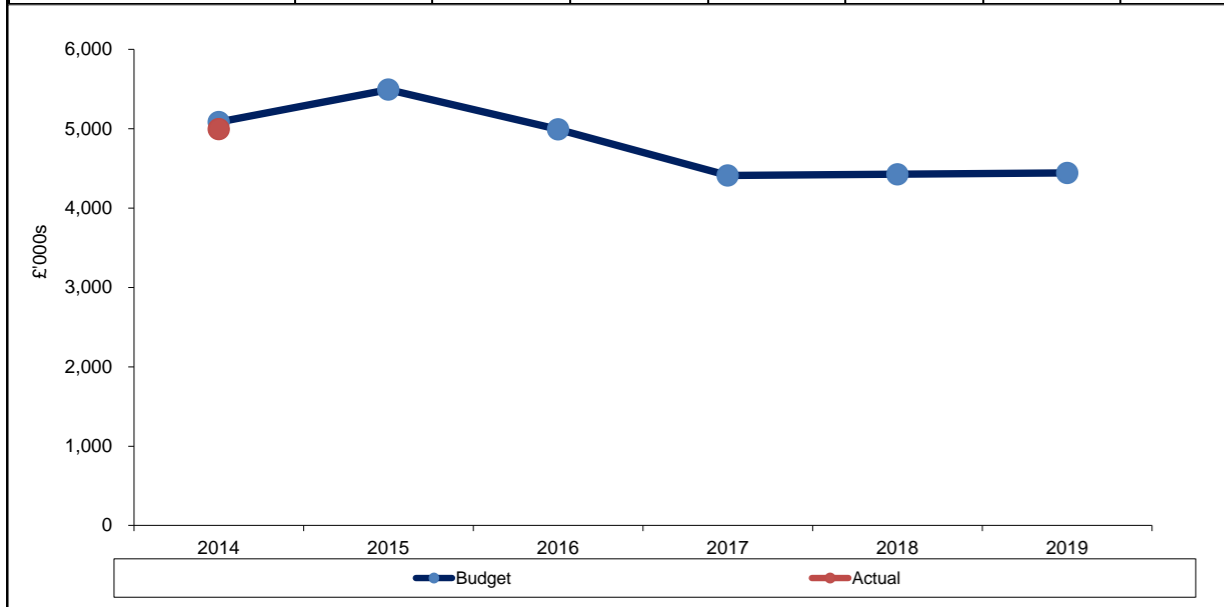
DEPARTMENTAL BUDGET AND RESOURCES							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Expenditure	5,535	5,580	5,944	5,461	4,877	4,891	4,908
Employees	3,270	3,351	3,289	3,097	2,602	2,602	2,602
Premises	27	35	37	37	31	31	32
Transport	482	474	482	469	397	404	411
Supplies & Services	160	158	160	115	98	99	101
3rd party payments	428	365	435	404	410	416	423
Transfer payments							
Support services	1,168	1,197	1,447	1,339	1,339	1,339	1,339
Depreciation	0	0	94	0	0	0	0
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Income	452	587	452	472	469	467	467
Government grants							
Reimbursements							
Customer & client receipts	452	587	452	472	469	467	467
Recharges							
Reserves							
Capital Funded							
Council Funded Net Budget	5,083	4,993	5,492	4,989	4,408	4,424	4,441



Capital Budget £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
	0	0	0	0	0	0	0

Summary of major budget etc. changes 2016/17

EN14 = (£100k)
 E&R17 = (£134k)
 E&R20 = (£20k)
 E&R22 = (£42k)



2017/18

E&R16 = (£600k)
 E&R20 = £3k

2018/19

E&R20 = £2k

2019/20

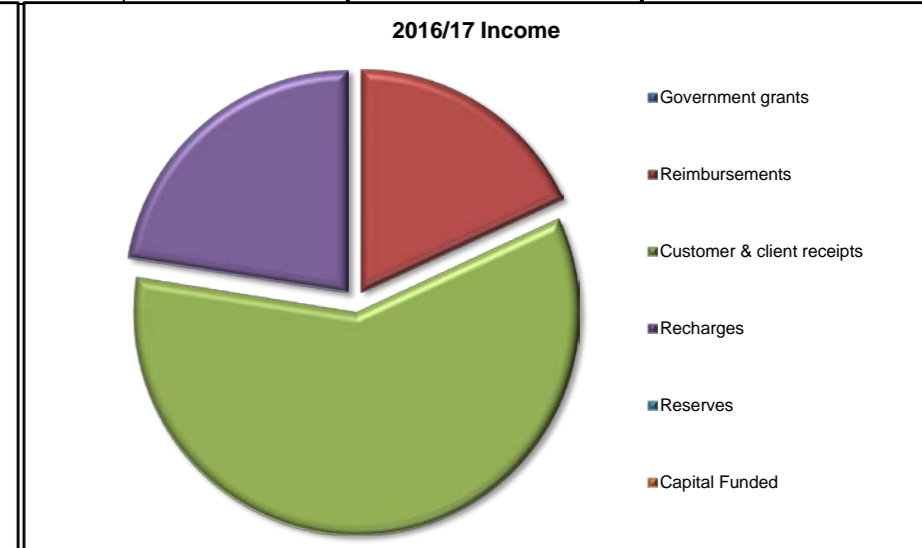
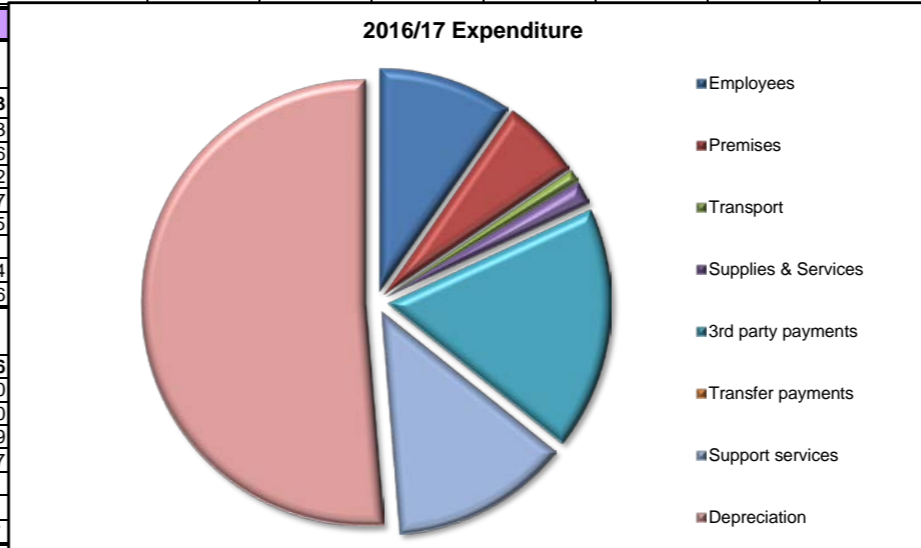
DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Street Cleaning

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT	Risk			
			Likelihood	Impact	Score	
Project 1		Project Title: Introduce mobile working Project Details: This to introduce the use of handheld devices for all operators enabling receiving of reports from residents and also to report any to the office.	Improved effectiveness	2	2	4
Start date	2014-15					
End date	2016-17					
Project 2		Project Title: Introduce timed commercial waste collections in town centres Project Details: Introduce time banded waste collections in town centres starting with Wimbledon and Morden town centre now completed. We are expanding this to include Colliers Wood and Mitcham town centres in the future.	Improved customer experience	2	2	4
Start date	2013-14					
End date	2016-17					
Project 3		Project Title: Review Street Cleansing equipment Project Details: Review of Mechanicals sweeping resource with a view to consider more flexible vehicles. Procurement of new pedestrian vehicles (Gluttons) has been completed - 5 in operation across the borough. Two more machines being purchased.	Improved effectiveness	2	2	4
Start date	2014-15					
End date	2016-17					
Project 4		Project Title: Increase Enforcement Capacity Project Details: Procurement is currently in progress with the aim of securing a two year contract for additional enforcement capacity for littering and dog fouling offences. OJEU issued Oct 2015.	Improved reputation	3	1	3
Start date	2014-15					
End date	2016-17					

Traffic & Highways		Planning Assumptions						The Corporate strategies your service contributes to					
Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration		Anticipated demand		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20				
Enter a brief description of your main activities and objectives below		Street lights		12,673	12,673	12,673	12,673	12,673	12,673	Road Safety Plan			
The service discharges the council's responsibilities as a Highway, Traffic and Local Flood Risk Authority, assists with its responsibilities as a Local Planning Authority and assists in the delivery of the Community Plan vision. It maintains 12,673 street lights, 363.5 kms of road network and 16,500 trees on the public highway with an anticipated additional 70 new trees planted per year.		Number of trees to be maintained		16,640	16,710	16,710	16,710	16,710	16,710	Local Transport Plan			
		Network Maintenance and Improvement		363.5km	363.5km	363.5km	363.5km	363.5km	363.5km	363.5km	Local Implementation Plan		
		Number of Streetwork Permits issued		18,000	18,000	18,000	18,000	18,000	18,000	18,000	Capital Programme		
		Anticipated non financial resources		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Local Development Framework			
The main aims of the service are to:		Staff (FTE)		36.60	26.60	24.00	23.00	23.00	23.00				
Objectives: The overall objectives of the Service is to effectively maintain and manage the highway network and to ensure that this network is safe and serviceable for all road users. Specific Objectives: Introduce Mobile working Channel shift and move to on-line self service system		Performance indicator		Performance Targets (T) & Provisional Performance Targets (P)						Polarity	Reporting cycle	Indicator type	Main impact if indicator not met
				2014/15(T)	2015/16(T)	2016/17(P)	2017/18(P)	2018/19(P)	2019/20(P)				
		Avg days taken to repair out of light Lamp Columns		3	3	3	3	3	3	Low	Quarterly	Quality	Reduced customer service
		% response to Emergency Callouts (within 2 hrs)		100	100	100	100	100	100	High	Monthly	Quality	Increased costs
		% Streetworks permitting determined		98	98	98	98	98	98	High	Monthly	Quality	Loss of income
		% Streetworks inspections completed		35	37	38	38	38	38	High	Quarterly	Unit cost	Loss of income
		% jobs completed where no Fixed Penalty Notice issued		98	93	93	93	93	93	High	Monthly	Outcome	Reduced customer service
		% of Condition Surveys completed on time		92%	95%	95%	95%	95%	95%	High	Annual	Quality	Increased costs
		Carriageway Condition - Unclassified Roads non principal Defectiveness Condition Indicator		21%	20%	19%	19%	19%	19%	Low	Annual	Quality	Increased costs
		Footway condition - Defectiveness Condition Indicator		21%	20%	19%	19%	19%	19%	Low	Annual	Quality	Increased costs

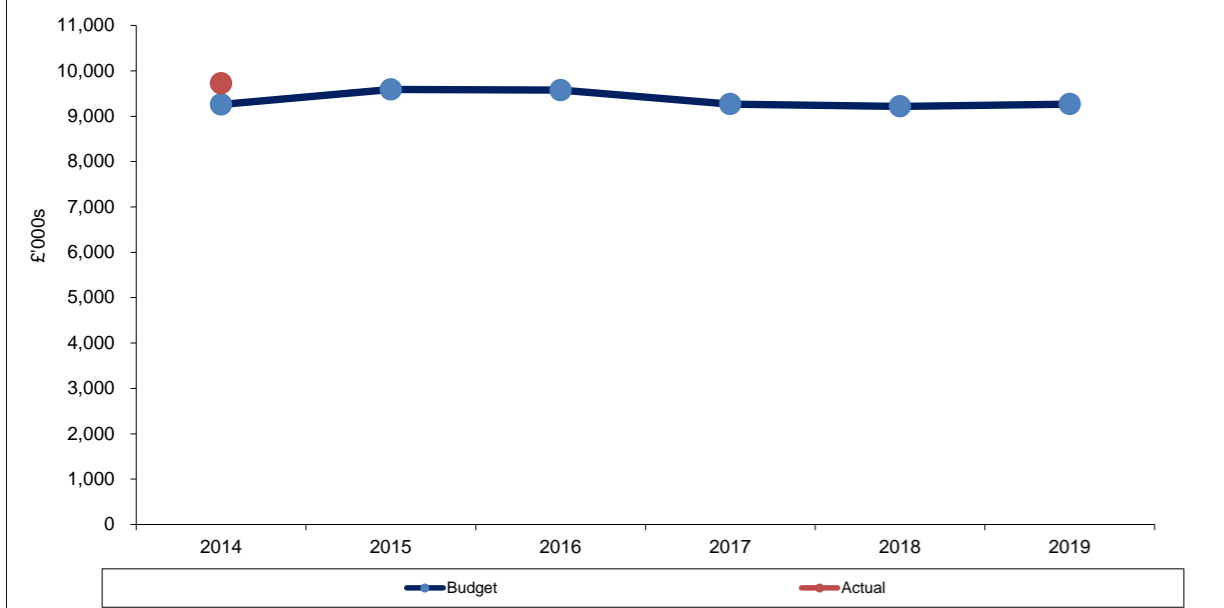
DEPARTMENTAL BUDGET AND RESOURCES							
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Expenditure	12,363	11,866	11,895	11,784	11,535	11,484	11,533
Employees	1,819	1,585	1,333	1,143	1,113	1,113	1,113
Premises	702	707	732	686	548	557	566
Transport	128	126	128	107	108	110	112
Supplies & Services	263	169	252	198	201	204	207
3rd party payments	2,277	2,447	2,414	2,080	1,995	1,930	1,965
Transfer payments							
Support services	1,259	917	1,385	1,524	1,524	1,524	1,524
Depreciation	5,915	5,915	5,651	6,046	6,046	6,046	6,046
Revenue £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Income	3,104	2,140	2,307	2,211	2,266	2,266	2,266
Government grants	280	243	219	0	0	0	0
Reimbursements	834	389	362	400	400	400	400
Customer & client receipts	1,493	1,477	1,229	1,314	1,369	1,369	1,369
Recharges	497	31	497	497	497	497	497
Reserves							
Capital Funded							
Council Funded Net Budget	9,259	9,726	9,588	9,573	9,269	9,218	9,267



Capital Budget £'000s	Final Budget 2014/15	Actual 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20
Highways Gen Planned Works		511	484	419	419	422	427
Footways Planned Works		1,002	1,000	1,000	1,000	1,000	1,000
Street Lighting		421	600	462	290	509	290
Street Scene		59	151	60	60	60	60
Highways Planned Road Works		1,757	1,500	1,500	1,500	1,500	1,250
Transport For London		1,906	2,878	1,754	1,845	1,865	TBA
	0	5,655	6,613	5,195	5,114	5,356	3,027

Summary of major budget etc. changes 2016/17

ER23 = (53k)
 EN27 = (£10k)
 EN30 = (£20k)
 EN31 = (£30k)
 EN32 = (£10k)
 E&R32 = (£20k)
 E&R35 = (£25k)
 E&R36 = (£60k)
 E&R38 = (£50k)
 E&R39 = (£50k)



2017/18

E&R32 = (£5k)
 E&R34 = (£30k)
 E&R35 = (£25k)
 E&R37 = (£50k)
 ENV15 = (£148k)
 ENV16 = (£65k)

2018/19

ENV16 = (£65k)
 ENV17 = (£35k)

2019/20

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Traffic & Highways

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	Flood and Water Management Schemes	Improved reputation		1
Start date	2013-14	Project Details:	Development and adoption of Local Flood Risk Management Strategy.	1	1	
End date	2016-17					
Project 2		Project Title:	Delivery of Mitcham Town Centre scheme	Improved reputation		12
Start date	2013-14	Project Details:	Major improvement to road network around Mitcham Town Centre dependent on approval from TfL	4	3	
End date	2017-18					
Project 3		Project Title:	On-line self Service System	Improved effectiveness		4
Start date	2015-16	Project Details:	Move to on-line self service system	2	2	
End date	2016-17					
Project 4		Project Title:	4 Year Work Programme	Improved reputation		2
Start date	2015-16	Project Details:	Development and delivery of a 4 year Capital funded work programme across the borough	2	1	
End date	2019-20					
Project 5		Project Title:	Street Lighting Investment - Conversion to LED	Improved sustainability		4
Start date	2015-16	Project Details:	Conversion to LED to generate energy saving targets and reduce on-going maintenance costs	2	2	
End date	2018-19					

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Transport

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT		Risk		
				Likelihood	Impact	Score
Project 1		Project Title:	New Joint Passenger Transport Framework	Improved efficiency (savings)		4
Start date	2015-16	Project Details:	Joint Passenger Transport Framework with neighboring boroughs Sutton and Kingston.	2	2	
End date	2019-20					
Project 2		Project Title:	Benchmarking - Internal Services	Improved efficiency (savings)		4
Start date	2014-15	Project Details:	To carry out benchmarking exercises on internal services to find alternative options, value for money and possible savings to client departments	2	2	
End date	2016-17					

DETAILS OF MAJOR PROJECTS (INCLUDING PROCUREMENT) - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Waste Management

PROJECT DESCRIPTION		MAJOR PROJECT BENEFIT	Risk		
			Likelihood	Impact	Score
Project 1		Improved efficiency (savings) to ensure sustainable and affordable waste disposal solutions mitigating the need for Landfill	2	4	8
Project Title:	South London waste partnership (phase B)				
Start date	2012-13	The partnership manages the waste disposal for Merton, Kingston, Croydon and Sutton. Management consists of disposing waste in a sustainable manner and to ensure cost effectiveness. Interim service commencing on 1 April 2014. A rolling 3 month plan to be developed covering Communications, Construction and Operational plans for the construction period and commissioning of new facility.			
End date	2016-17				
Project 2		Improved efficiency (savings)	3	2	6
Project Title:	Mobile technology including GPS and in cab monitors				
Start date	2014-15	Procurement and introduction of the GPS, driver behavioural management, route optimisation system. This project has been delayed as planned to introduce during 2014-15. Will not start to be implemented until 2015-16, planned savings have been deferred. Revised specification and service requirements amended.			
End date	2016-17				
Project 3		Improved efficiency (savings)	2	2	4
Project Title:	LWARB efficiency review of Domestic waste collections				
Start date	2014-15	Review of existing service to ensure we have the most efficient service and consider options for the future. Phase one completed need to agree if we move forward with phase 2.			
End date	2016-17				
Project 4		Improved efficiency (savings)	3	2	6
Project Title:	South London waste partnership (phase C)				
Start date	2014-15	The SLWP includes Merton, Sutton, Croydon and Kingston. If Members of the 4 boroughs agree the partnership will procure contracts for a wide range of environmental services including : waste collection, street cleansing , grounds and parks maintenance, winter gritting and fleet maintenance as well as commercial waste collection. On schedule for contract award December 2016 with contract start date of April 17.			
End date	2017-18				

Section F

List of Revenue Savings 2016-20

Department:

Community & Housing
Childrens Schools & Families
Environment & Regeneration
Corporate Services

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

SAVINGS IN THE MTFS 2016-20

TOTAL OVERALL SAVINGS	£000s		2016/17	2017/18	2018/19	2019/20	TOTAL
Corporate Services	5,816		£000s	£000s	£000s	£000s	£000s
Children, Schools and Families	3,757	FYE Previous Years	15,960	5,432	1,148	0	22,540
Environment and Regeneration	9,307	Replacements, deferrals etc	-1,504	398	1,106	0	0
Community and Housing	11,207	New Savings 2016/17	200	3,857	3,490	0	7,547
GRAND TOTAL	30,087		14,656	9,687	5,744	0	30,087

SUMMARY SAVINGS BY DEPARTMENT	SAVINGS					
		2016/17	2017/18	2018/19	2019/20	TOTAL
		£000s	£000s	£000s	£000s	£000s
Corporate Services		2,316	1,937	1,563	0	5,816
Children, Schools and Families		2,191	1,050	516	0	3,757
Environment and Regeneration		4,770	4,000	537	0	9,307
Community and Housing		5,379	2,700	3,128	0	11,207
GRAND TOTAL		14,656	9,687	5,744	0	30,087
CUMULATIVE FROM 2016/17		14,656	24,343	30,087	30,087	

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
2013/14						
CH01	Adult Social Care	Below inflation uplift to third party suppliers	38,465	500		
CH02	Adult Social Care	Promoting Independence	1,657	100		
CH03	Adult Social Care	Brokerage Efficiency savings, by finding the best value option and setting personal budgets on this basis	5,357	150		
CH04	Adult Social Care	Reduce Management costs and reduction in staffing costs	453	100		
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	500		
CH06	Adult Social Care	Voluntary Organisations - SLA reduction	1,556	0		
CH07	Adult Social Care	Direct Provision - Day services options (staff reduction)	454	0		
CH08	Adult Social Care	Transport	278	0		
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	0		
CH10	Adult Social Care	Procurement Opportunities	5,357	250		
CH11	Adult Social Care	Restructuring Supporting People, continuing the mainstreaming of the procurement process, and reducing overall expenditure within these contracts	2,666	0		
		Sub-total Adult Social Care		1,600	0	0

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
CH12	Housing Needs	Homelessness Prevention Grant	500	0		
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	0		
CH14	Merton Adult Education	Income generation	(564)	0		
CH15	Merton Adult Education	Staffing cost reductions	1,108	8		
Total Community and Housing Savings 2013/14				1,608	0	0

COMMUNITY AND HOUSING SAVINGS BY YEAR

2014/15

Ref	Service	Description of Saving	Baseline Budget 2014/15 £000	2016/17 £000	2017/18 £000	2018/19 £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	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	242	107	
CH3	Placements	Procurement Opportunities (Placement budget)	36,658	244	108	
Total Commissioning & Placements				728	322	0
CH4	Access & Assessment	Staffing reductions across Access and Assessment	5,895	0	0	
Total Access & Assessment				0	0	0
CH5	Library & Heritage Service	Reduction in media fund	513	0	0	
CH6	Library & Heritage Service	Increase income	333	0	0	
CH7	Library & Heritage Service	Introduce self-serve libraries at off peak times	1,224	0	90	
Total Library & Heritage Service				0	90	
CH8	Housing Needs & Enabling	Reduction of Homelessness Prevention Grant	400	56	0	
CH9	Housing Needs & Enabling	Rationalisation of admin budget	172	30	36	
CH10	Housing Needs & Enabling	Deletion of one staffing post	1,048	0	36	
Total Housing Needs & Enabling				86	72	0
Total Community and Housing Savings 2014/15				814	484	0

COMMUNITY AND HOUSING SAVINGS BY YEAR

2015/16

Ref	Service	Description of Saving	Baseline Budget 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)	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	511	500	483
CH21	Direct Provision Employees	Staff Savings - 11 FTE to be deleted	1,706	274	0	0
CH22	Commissioning Employees	Staff Savings - 4 FTE to be deleted	996	156	0	0
CH23	Directorate	Staff Savings - 0.46 FTE to be deleted	657	21	0	0
CH24	Learning Disabilities - High Cost Packages	Review of High Cost Packages using the progression model	1,618	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	400	0	0
CH26	Learning Disabilities - Direct Payments	Review of all Direct Payments in Learning Disabilities using the progression model.	704	£50	£0	£0

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
CH27	Mental Health - Care Packages	Review of support packages within all areas of Mental Health services.	1,554	76	0	0
CH28	Older People - Home Care	Review of Home Care within support packages	4,455	387	0	0
CH29	Older People - Managing Crisis	Managing crisis (including hospital discharge) admissions to residential care.	5,267	125	0	0
CH30	Older People - Direct Payments	Review of Direct Payments support packages	2,338	345	0	0
CH31	Physical Disabilities - Direct Payments	Review of all Direct Payments for clients with physical disabilities using the progression model.	1,414	134	0	0
CH32	Physical Disabilities - Home Care	Review of Home Care within support packages	595	48	0	0
CH33	Physical Disabilities - High Cost Packages	Review of PD Residential and 1-1 packages	856	60	0	0
CH34	Substance Misuse Placements	Actively manage throughput in residential rehab placements	128	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	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	56	200
CH37	Direct Provision	Residential and supported living management - staff reductions	1,266	0	200	

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
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	17	720	0
CH39	Extra Care Sheltered Housing	A review of, and reduction in, the extra care sheltered housing provision.	753	0	0	450
Total Adult Social Care Savings				2,710	1,576	1,133

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
CH40	Housing Strategy	Housing Strategy officer - deletion of 1 FTE	94	43	0	0
CH41	Environmental Health Housing	Environmental health Technical officer deletion of 1 FTE	218	33	0	0
CH42	Housing Options	Housing options adviser deletion of 1.5 FTE	543	53	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	0	100	62
Total Housing General Fund Savings				129	100	62
CH44	Library & Heritage Service	Deletion of all administrative support	59	26	0	0
CH45	Library & Heritage Service	Reduction in activities programme	2	2	0	0
CH46	Library & Heritage Service	Withdrawal from annual CIPFA public library user survey (PLUS)	3	3	0	0
CH47	Library & Heritage Service	Reduction in volunteering contract	38	20	0	0
CH48	Library & Heritage Service	Reduction in media fund	239	45	0	0
CH49	Library & Heritage Service	Additional staff savings	1,070	0	38	0
CH50	Library & Heritage Service	Deletion of Projects & Procurement Manager post	184	0	22	0
Total Libraries Savings				96	60	-
Total Community & Housing Savings 2015/16				2,935	1,736	1,195

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £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)	200	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	0	300	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	0	600	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	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	0	987
CH56	Description	Introduce a coffee shop franchise across 6 libraries	£0	0	0	30
CH57	Housing Needs	Staff reduction in Housing Services	£929	0	50	118
Total Community & Housing Savings				200	950	1,285

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
CH01	Adult Social Care	Below inflation uplift to third party suppliers	£38,465	-500		
CH03	Adult Social Care	Brokerage Efficiency savings, by finding the best value option and setting personal budgets on this basis	£5,357	-150		
CH10	Adult Social Care	Procurement Opportunities	£5,357	-250		
CH1	Adult Social Care Placements	Brokerage efficiency savings, by finding the best value option and setting personal budgets on this basis	£36,658	-242		
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	-242		
CH3	Adult Social Care Placements	Procurement Opportunities (Placement budget)	£36,658	-244		
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	-17		
Total Community & Housing Savings Deleted October Cabinet 2015				-1,645	0	0

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
CH20	Adult Social Care	Staff reductions in Assessment and Commissioning teams. (Bring forward staff savings proposals from 2017/18 & 2018/19)		700	-500	-200
CH3	Adult Social Care	Staffing reductions in Direct Provisions		100	-100	0
CH38	Adult Social Care	CONTRACTS - South Thames Crossroads Caring for Carers		294	0	0
CH1	Adult Social Care	CONTRACTS - Meals on Wheels (Sodexo)		153	0	0
CH01	Adult Social Care	CONTRACTS - Supported accommodation mental health -Family Mosaic (Waldemar Road)		106	0	0
CH02	Adult Social Care	CONTRACTS - day support Imagine Independence		84	0	0
	Adult Social Care	Staffing savings- Directorate. This position is now funded from Public Health budget and no longer required.		30	0	0
Total Community & Housing Savings Replacements October Cabinet 2015				1,467	-600	-200
CH65	Adult Social Care	Reduce management costs through "Joint Posts" in a shared service arrangement with a nearby LA/NHS Org.	£5,031	0	0	400
CH66	Adult Social Care	Look at opportunities for shared services for in-house services	£3,886	0	0	400
CH67	Library & Heritage	Shared Management Structure	£1,074	0	130	0

COMMUNITY AND HOUSING SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
CH68	Library & Heritage	Completion of Shared Library & Heritage Service Management Structure with another borough - £25k	£1,074	0	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	0	23
Total Community & Housing Savings Replacements December Cabinet 2015				0	130	848
Total Community & Housing Savings 2016/17				22	480	1,933
				2016/17 £000	2017/18 £000	2018/19 £000
Total Community & Housing Savings Grand Total				5,379	2,700	3,128

CHILDREN, SCHOOLS AND FAMILIES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
13/14						
CSF01	CSF School Standards and Quality	Increased income generation and management efficiencies	524	40		
CSF02	CSF SEND Integrated Service	Restructuring within the service to deliver efficiencies as well as reduced commissioning.	1,936	10		
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	50		
CSF05	CSF SEN Transport	Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport	2,882	50		
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	100		
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				250		

LDR S OOLS D L S S S B R

2014/15

Ref	Service	Description of Saving	Baseline Budget 2014/15 £000	2016/17 £000	2017/18 £000	2018/19 £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	7	250	
CSF02	School Improvement	Reduced service offer	448		75	
Total Children, Schools and Families Savings 2014/15				7	325	0

CHILDREN, SCHOOLS AND FAMILIES SAVINGS BY YEAR

15/16

Ref	Service	Description of Saving	Baseline Budget 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 2015/16				1,934	296	0

CHILDREN, SCHOOLS AND FAMILIES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
2016/17						
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				0	240	315
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				0	189	201
CSF2014-05	Commissioning, Strategy and Performance	Reduction in commissioning of early intervention and prevention services.	700	-400		
CSF2014-05	Commissioning, Strategy and Performance	Reduction in commissioning of early intervention and prevention services.	700	300		
CSF2015-01	Children Social Care	Remove Serious Case Review.	77	77		
CSF2015-02	Cross Cutting	Service management review across CSF Department	1,171	23		
Total Children, Schools and Families Savings Replacements etc 2016/17				0	0	0
Total Children, Schools and Families Savings 2016/17				0	429	516
				2016/17 £000	2017/18 £000	2018/19 £000
Total Children, Schools and Families Savings Grand Total				2,191	1,050	516

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £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)	226		
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	52		
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			

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
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					
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	10		
EN28	Traffic and Highways	Contract Negotiation	666			
EN29	Traffic and Highways	Re-Structure of Traffic and Highway Services				

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
EN30	Traffic and Highways	Reduction in supplies and Services Costs	188	20		
EN31	Traffic and Highways	Reduction in energy costs	612	30		
EN32	Traffic and Highways	Renegotiation of J C Deceaux Contract	(160)	10		
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)	14		
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)	10		
EN37	Leisure & Culture Development Team	Merton Active Plus - Increased Income	(49)	5		
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	-1		
EN39	Senior Management & Support	Removal of vacant Policy & Projects Officer post.	719			
EN40	Senior Management & Support	Reduction in various supplies and services budgets within the section, including stationery and subscriptions.	485			

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
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	50		
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	13		
Sub-total Environment & Regeneration Savings 2013/14				439	0	0

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £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		414		
Total Environment & Regeneration Savings Amendments				414	0	0
Total Environment & Regeneration Savings 2013/14				853	0	0

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

2014/15

Ref	Service	Description of Saving	Baseline Budget 2014/15 £000	2016/17 £000	2017/18 £000	2018/19 £000
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	125	
Total Environment and Regeneration Savings 2014/15				125	125	0

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

2015/16

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

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
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	
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		

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
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	
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		

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £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)	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	

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
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	
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	
Sub-total Environment and Regeneration Savings				4,196	810	-212

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Deferred Savings

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Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
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.		200		
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.		40		
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.		100		
Sub-total Environment and Regeneration Deferred Savings 2015/16				340	0	
Total Environment and Regeneration Savings 2015/16				4,536	810	-212

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

2016/17

Ref	Service	Description of Saving	Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000
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

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
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	
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

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
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			0	2,013	524

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £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			0	308	225
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.		-200		
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.		-40		
EN11	Development & Building Control	Staff reduction. DC deputy area team leader		-52		
E&R28	Development & Building Control	Proposed shared services with Wandsworth			-157	

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
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		-40		
E&R30	Development & Building Control	Reduce staffing levels within the enforcement team by 2 FTE's		-80		
	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	
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.		-414		

ENVIRONMENT AND REGENERATION SAVINGS SUMMARY BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
	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		130	214	
	Property Management	Restructure of team to provide more focus on property management and resilliance within the team.		52	18	
E&R14	Regulatory Services	Further expansion of the shared service.		-100	100	
Sub-total Environment and Regeneration Amendment to Savings 2016/17				-744	744	0
Total Environment and Regeneration Savings 2016/17				-744	3,065	749
				2016/17 £000	2017/18 £000	2018/19 £000
Total Environment and Regeneration Savings Grand Total				4,770	4,000	537

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
2012/13						
	Customer Services – Council Tax collection					
Page 116	CS10 - Reduce Revenue Officers by 1 f.t.e			31		
	Customer Services – Support Service					
Page 117	CS12 - Delete 1 f.t.e manager post			50		
		Total CS Savings from 2012/13		81	0	0

CORPORATE SERVICES SAVINGS BY YEAR

2013/14

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
CS1	Business Improvement	Rationalisation of management costs	230			
CS3	Business Improvement - Programme Management	Generate income through triinign	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	50		
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	20		
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	20		
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	20		
CS11	I & T	Deletion of One Van	15			

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
CS12	I & T	Information Governance Vacant Post	574	37		
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	50		
CS24	I&T - Facilities Management	Project Manager - Accommodation (Vacant Post)	575			
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			

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
CS28	I&T - Facilities Management	M&E Term Contract (Amalgamation) of Intruder Alarms	108	20		
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		345			
		Rationalise teams - possible shared service				
		Possible sharing of resources				
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	10		
CS37	Customer Services	Increase Registrars Income	-398			
CS38	Customer Services	Review of Welfare Benefits and New Welfare Support program	1232			
CS39	Customer Services	Impact of Customer Service Review	929	30		
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			

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
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			
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	103		
CS48	Further rationalisation of HR Services	Reduction of HR business partner (HRBP's) posts	543	130		
CS49	Introduction of new application tracking system	Reduction of employees as processes are automated	124	10		
CS50	Occupational Health & Employee Assistance	Review OH and EAP contracts	107	40		
CS51	HR Transactions - including HR Support	HR Support - centralisation	265	90		
Total Corporate Services Savings Agreed 2013/14				630	0	0

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
CS16	<u>I & T</u>	Surrender of remainder of ITSD Overtime budget		35		
	HR Business Partners	Deferral of saving to be able to assist organisation with necessary transformation in the short term.	140	140		
Total Corporate Services Amendment to Savings Agreed 2013/14				175	0	0
Total Corporate Services Savings Agreed				175	0	0

CORPORATE SERVICES SAVINGS BY YEAR

2014/15

Ref	Service	Description of Saving	Baseline Budget 2014/15 £000	2016/17 £000	2017/18 £000	2018/19 £000
CS60	Corporate services	Deletion of Assistant Director post	109		109	
CS61	Corporate services	Dividend income from CHAS 2013 Limited		58		
CS62	Corporate services	Recharges to Public Health		70		
CS63	Business Improvement	Reorganisation of systems development and support arrangements.	1122	88	74	
CS64	Resources	Reduction of treasury running costs through review, improvement and efficiency	34	20		
CS65	Resources	Consolidation of various budgets within Resources division	95	35	31	
CS66	Resources	Review recharges of Resources support function to pension fund	47		47	
CS67	Resources	Reduction in bank and giro charges	237	12		
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	60	20	
CS74		Review of L&D spend	622	69		
CS75		Review of COT team staffing in light of potential for 4-borough shared service opportunities	506		58	
Total Corporate Services Savings 2014/15				412	493	0

CORPORATE SERVICES SAVINGS BY YEAR

2015/16

Ref	Service	Description of Saving	Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000
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	150	
CSD3	Infrastructure & Transactions	Rationalise IT Service Delivery support & maintenance contracts.	Various - see cell note	86		
CSD4	Infrastructure & Transactions	Rationalise Facilities Management Building Repairs & Maintenance budgets.	617	15		
CSD5	Infrastructure & Transactions	Increase income generation from external bookings at Chaucer centre.	-12	40		
CSD6	Infrastructure & Transactions	Reduction in the number of vehicles operated by Infrastructure & Transactions division from three to two.	10	5		
CSD7	Infrastructure & Transactions	Restructure Post & Print section and delete 2 FTE posts.	382	47		
CSD8	Infrastructure & Transactions	Restructure IT Service Delivery section and delete 1 FTE post.	489	40		
Total Infrastructure & Transactions Services Savings			1,486	383	150	0
CSD9	Customer Services	Ending of e-Capture Service	53	9		
CSD10	Customer Services	Ending of Risk Based Verification	53	22		
CSD11	Customer Services	Terminate the Experian trace and search system contract	12	10		

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
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	30		
CSD15	Customer Services	Increase in Court Costs (council tax) - Increase from £110.00 to £115.00	-930	40		
CSD16	Customer Services	Reduction in discretionary relief	316	231		
Total Customer Services Savings			1,018	342	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	32		
CSD19	Communications	My Merton and staff reductions - Delete 1 FTE - Communication Asisstant	256	25		49
Total Communication Services Savings			535	57	73	49
CSD20	Resources	Increased income		16	16	16
CSD21	Resources	Rephase existing Savings		42		
CSD22	Resources	Treasury Management/Interest income				
CSD23	Resources	Cut Running costs budgets	102	30	3	
CSD24	Resources	Consultancy Budget	206	100		
CSD25	Resources	Increased Charge to Pension Fund		20		
CSD26	Resources	Delete 1 Business Partner	233		78	
CSD27	Resources	Further Restructuring	2,391			100
Total: Resources Savings			2,932	208	97	116
CSD28	Human Resources	COT review	425	38		
CSD29	Human Resources	Recruitment and DBS review	425	50		

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
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	5		
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	18	134	
Total HR Savings			2,184	111	304	0
CSD36	Business Improvement	Business Systems Team Restructure Phase 1	1,125			
CSD37	Business Improvement	PO Restructure	209	64		
CSD38	Business Improvement	Reduction in support budget				
		Reduced resource for hardware/software costs		5		
CSD39	Business Improvement	Business Systems Team Restructure Phase 2	1,125	50		
CSD40	Business Improvement	Secure additional income generated through gazetteer maintenance and Street Naming/Numbering	0	30		
CSD41	Business Improvement	Consolidation of systems support	0	20		
CSD42	Business Improvement	Restructure functions delete 1 AD and other elements of management	0		170	
Total BI Services Savings			2,459	169	170	0
CSD43	Corporate Governance	Share FOI and information governance policy with another Council.	322	40	10	0
CSD44	Corporate Governance	Stop web casting meetings, Remove scrutiny support fund and reduce other supplies and services	68	35	0	0
CSD45	Corporate Governance	share audit and investigation service	465	60	20	0
Total Corporate Governance Savings			855	135	30	0
CSD46	Policy Unit	Reduce budget for LCGS to match actual contribution	1,090		81	
CSD47	Policy Unit	Delete 1 post	275	50		

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
Total Policy Unit Savings			1,365	50	81	0
CSD48	Other	CHAS Dividend	0	145	258	
Total Other Savings/Income			0	145	258	0
Total - Corporate Services				1,600	1,163	165

CORPORATE SERVICES SAVINGS BY YEAR

2016/17

Ref	Service	Description of Saving	Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000
CS2015-01	<u>Business Improvement</u>	Reduction in IT support/maintenance contracts	616		0	3
CS2015-02	<u>Business Improvement</u>	Expiration of salary protection	1124			16
CS2015-03	<u>Transactional Services</u>	Restructure of Transactional Services team	475			100
CS2015-04	<u>Programme Management</u>	Increase in Registrars income	-102		25	
CS2015-05	<u>Resources</u>	<u>Staffing Costs and income budgets</u>	2985			216
CS2015-06	<u>Corporate governance - audit service</u>	delete auditor post and fees				50
CS2015-07	<u>Chief Executive's Office</u>	Reduction in running cost budgets			28	
Total Corporate Services Savings 2016/17 Cabinet October 2015				0	53	385
	<u>Business Improvement</u>	<u>Staffing support savings</u>	200		13	
I&T 04	<u>Safety Services & Emergency Planning</u>	Restructure of Safety Services & Emergency Planning team.	226		18	30
I&T 05	<u>Facilities Management - Energy 'Invest to Save' Initiatives</u>	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

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
	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				0	104	555
CS46	Resources	<u>Deletion of 3 Posts within the Division</u>	2,985	103		
CS65	Resources	Consolidation of various budgets within Resources division	95	35	31	
CS46	Service	<u>Resources -Deletion of 3 Posts within the Division</u>	2,985	(25)	(78)	
CS65	Resources	Consolidation of various budgets within Resources division	95	(66)	0	
CS12	Customer Services - Support Service	Delete 1 x FTE manager post.	379	50		
CS13	Customer Services - Recovery/Bailiffs	Reduce 10.6 FTE Debt Recovery Officers/Bailiff Admin to 9.6 FTE -	1,684	31		
CS1	Customer Services	Reduction in discretionary relief (replacement of CS12 and CS13 which had both been deferred until 2016/17)	95	(81)		
	Further rationalisation of HR Services	Reduction of HR business partner (HRBP's) posts	543	130		(130)
CS51	HR Transactions - including	HR Support - centralisation	265	90		(90)
CS49	Human Resources - Business Partners	Further consolidation of HR advisory work	585	140		(140)
CSD28	Human Resources	COT review	425	38		(38)
CSD29	Human Resources	Recruitment and DBS review	425	50		(50)

CORPORATE SERVICES SAVINGS BY YEAR

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	2017/18 £000	2018/19 £000
Total Corporate Services Savings 2016/17 Replace/Amend Cabinet October 2015				495	(47)	(448)
Ref	Original Saving		Baseline Budget 14/15 £000	2016/17 £000	2017/18 £000	2018/19 £000
CSD7	<u>Infrastructure & Transactions</u>	Restructure Post & Print section and delete 2 FTE posts.	382	47	(47)	
CSD43	<u>Corporate Governance</u>	Share FOI and information governance policy with another Council.	322	40	(40)	0
	<u>Service Implication</u>	Reduction in management capacity			10	(10)
Total Corporate Services Savings 2016/17 Replace/Amend Cabinet October 2015				87	(77)	(10)
Total Corporate Services Savings 2016/17 Replace/Amend Cabinet October 2015				582	(124)	(458)

DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2013/14

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000
CH01	Adult Social Care	Below inflation uplift to third party suppliers	38,465	0	500	500
CH02	Adult Social Care	Promoting Independence	1,657	500	200	100
CH03	Adult Social Care	Brokerage Efficiency savings, by finding the best value option and setting personal budgets on this basis	5,357	200	200	150
CH04	Adult Social Care	Reduce Management costs and reduction in staffing costs	453	148	0	100
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	0	0	500
CH06	Adult Social Care	Voluntary Organisations - SLA reduction	1,556	150	0	0
CH07	Adult Social Care	Direct Provision - Day services options (staff reduction)	454	100	0	0
CH08	Adult Social Care	Transport	278	100	0	0
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	0	250	0
CH10	Adult Social Care	Procurement Opportunities	5,357	0	250	250
CH11	Adult Social Care	Restructuring Supporting People, continuing the mainstreaming of the procurement process, and reducing overall expenditure within these contracts	2,666	100	0	0
Sub-total Adult Social Care				1,298	1,400	1,600
CH12	Housing Needs	Homelessness Prevention Grant	500	92	0	0
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	(240)	0	0
CH14	Merton Adult Education	Income generation	(564)	20	0	0
CH15	Merton Adult Education	Staffing cost reductions	1,108	20	14	8
Total Community and Housing Savings				1,190	1,414	1,608

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 & HOUSING - SAVINGS TO BE REPLACED

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
CH01	Adult Social Care: Access and Assessment	Below Inflation uplift to third party suppliers	37,621	150	0	0	0
CH03	Adult Social Care: Access and Assessment	Brokerage Efficiency Savings.	37,621	200	0	0	0
ASC18	Commissioning	Supporting People. (Restructure and refocus the use of supporting people services)	2,392	50	0	0	0
Total Community & Housing Savings				400	0	0	0

DEPARTMENT: COMMUNITY & HOUSING - REPLACEMENT SAVINGS

Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
CH11	Adult Social Care: Access and Assessment	First Contact service	125	125	0	0	0
CH12	Adult Social Care: Access and Assessment	Review of Care Packages	37,621	75	0	0	0
CH13	Direct Provision	Day care services	1,612	200	0	0	0
Total Community & Housing Savings				400	0	0	0
		Change		0	0	0	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									
		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	<p>Service Description 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.</p> <p>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.</p> <p>Staffing Implications Redundancies - Some staff would be subject to redundancy</p> <p>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.</p> <p>Impact on other departments None - main impact is on service users, carers and providers</p> <p>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.</p> <p>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.</p>	£5,286	£0	£0	£150	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)
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 Impact on other Equalities Implications	We would continue to follow the appropriate model of promoting independence for the client group. None. 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.							
		TOM Implications	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 Impact on other departments Equalities Implications TOM Implications	Supports improving income generation identified in Service Plan and providing additional services in libraries. None identified. None identified. 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)		

DEPARTMENT: COMMUNITY AND HOUSING

PROPOSED SAVINGS FOR DELETION: 2016/17 ELEMENT ONLY

DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CH01	<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>Adult Social Care</p> <p>Below inflation uplift to third party suppliers</p> <p>The proposal aims to continue the below inflation uplift .This will be a total of 7 years at 0% or below inflation uplift to 16/17. There will be resistance and challenge from providers who may require that clients are removed from their care and support, or refuse to take newly referred clients. To date Merton has been acting consistently with neighbouring authorities.</p> <p>None</p> <p>Contributes to efficiency savings</p> <p>None</p> <p>See overall EA</p>	38,465	500	High	High		SP1
HC&OP	CH03	<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>Brokerage Efficiency savings, by finding the best value option and setting personal budgets on this basis</p> <p>Care and support packages will be negotiated and brokered to deliver the best value solution based on assessed need. There is likely to be complaints from some customers who would prefer a different package.</p> <p>None</p> <p>In line with the aim of delivering cost effective, person centred services.</p> <p>None</p> <p>See overall EA</p>	5,357	150	High	High		SP1
HC&OP	CH10	<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>Procurement Opportunities</p> <p>Delivering further efficiencies through contract negotiations.</p> <p>None</p> <p>In line with the aim of delivering cost effective, person centred services.</p> <p>None</p> <p>See overall EA</p>	5,357	250	High	Medium		SP1

DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2014/15

Panel	Ref	Description of Saving	Baseline Budget 2014/15 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
	CH1	<p>Service</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>Commissioning</p> <p>Placement budget: Further reduction of the ASC placement budget, increasing the targets on 3 already agreed and ambitious proposals as follows: Brokerage efficiency savings, by finding the best value option and setting personal budgets on this basis</p> <p>These savings add to the targets of existing programmes: procurement, brokerage and contracting for home care. The ASC transformation plan will continue with its existing principles of promoting greater independence. This approach would be driven through all ASC access channels (Brokerage, MAAT, OT and MILES), and through reviews.</p> <p>None identified.</p> <p>None identified.</p> <p>None identified.</p> <p>ASC customers are more likely to be older and have disabilities compared with the general population.</p>	36,658	242	High	High		SNS2
	CH2	<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>Placements</p> <p>Remodelling and re-procuring the domiciliary care service, following the end of the 3 year contract starting in 2012</p> <p>These savings add to the targets of existing programmes: procurement, brokerage and contracting for home care. The ASC transformation plan will continue with its existing principles of promoting greater independence. This approach would be driven through all ASC access channels (Brokerage, MAAT, OT and MILES), and through reviews</p> <p>None identified.</p> <p>None identified.</p> <p>None identified.</p> <p>ASC customers are more likely to be older and have disabilities compared with the general population.</p>	36,658	242	High	High		SNS2
	CH3	<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>Placements</p> <p>Procurement Opportunities (Placement budget)</p> <p>These savings add to the targets of existing programmes: procurement, brokerage and contracting for home care. The ASC transformation plan will continue with its existing principles of promoting greater independence. This approach would be driven through all ASC access channels (Brokerage, MAAT, OT and MILES), and through reviews</p> <p>None identified.</p> <p>None identified.</p> <p>None identified.</p> <p>ASC customers are more likely to be older and have disabilities compared with the general population.</p>	36,658	244	High	High		SNS2

DEPARTMENT: COMMUNITY AND HOUSING SAVINGS - BUDGET PROCESS 2015/16

Panel	Ref	Description of Saving	Baseline Budget 2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Risk Analysis - Deliverability	Risk Analysis - Reputational Impact	Type of Saving (see key)
HC&OP	CH38	<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>Assessment and Commissioning</p> <p>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)</p> <p>We anticipate this being a further reduction of 2% 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 2016/17.</p> <p>Staff would need to conduct these reviews; which are likely to be more intensive than the standard review. Staff will also need additional training, to ensure these reviews are done in a new way.</p> <p>We would continue to follow the appropriate model of promoting independence for the client group.</p> <p>None</p> <p>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>	34,392	17	H	H		SNS2
TOTAL: Deleted Savings				1,645					

**COMMUNITY AND HOUSING DEPARTMENT
REPLACEMENT FOR PREVIOUSLY AGREED SAVINGS**

Original Savings			Revised Savings										
Ref		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	
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 plan ss 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	(100)	100	0	0	H	M			SS2	CH59	
2014/15	Service Implications	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 .											
	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										
Ref		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	
CH38 2015/16	Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	CONTRACTS - South Thames Crossroads Caring for Carers Decommission the crossroads service for carers. Replace with domiciliary care service/ Direct Payment offer and commissioned holistic carers support service from voluntary sector. None In line with TOM and ASC commissioning and procurement plan None See EA	(294)	0	0	0	M	H			SP1	CH60	
CH1 2015/16	Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	CONTRACTS - Meals on Wheels (Sodexo) Decommissioning service and embed support within community, neighbourhood and voluntary support infrastructure None In line with TOM and ASC commissioning and procurement plan None See EA	(153)	0	0	0	M	H			SP1	CH61	
CH01 2013/14	Description Service Implications Staffing Implications Business Plan Implications Impact on other departments Equalities Implications	CONTRACTS - Supported accommodation mental health -Family Mosaic (Waldemar Road) Decommission service as a result of Provider notice to cease service in Merton None In line with TOM and ASC commissioning and procurement plan None 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 CONTRACTS - day support Imagine Independence Service Implications Decommission service and recommission cost effective peer led day opportunities for people with mental health Staffing Implications None Business Plan Implications In line with TOM Impact on other departments None Equalities Implications See EA	(84)	0	0	0	M	H			SP1	CH63
	Description Staffing savings- Directorate. This position is now funded from Public Health budget and no longer required. Service Implications None Staffing Implications None Business Plan Implications None Impact on other departments None Equalities Implications 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 Shared Service Arrangement Reduce management costs through "Joint Posts" in a shared service arrangement with a nearby LA/NHS Org.</p> <p>Service Implication This opens up new possibilities for partnership working and economies of scale. It may lead to less strategic management capacity.</p> <p>Staffing Implications Possible redundancies.</p> <p>Business Plan implications This is consistent with aims to promote partnership working with other local authorities and integration with the NHS.</p> <p>Impact on other departments Access to senior ASC Managers may be harder where cross cutting work is under consideration.</p> <p>Equalities Implications 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 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 Direct Provision Look at opportunities for shared services for in-house services</p> <p>Service Implication The services would continue but would possibly be rationalised across the Organisation.</p> <p>Staffing Implications 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 None.</p> <p>Impact on other departments 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 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 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 Library & Heritage Service</p> <p>Service Implication Shared Management Structure</p> <p>Staffing Implications 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>Business Plan 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>Impact on other departments None.</p> <p>Equalities Implications Access to Library & Heritage Service managers may be more limited.</p> <p>TOM Implications 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	130	0	H	M	SS1
SC	CH68	<p>Description 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	Description	Full rationalisation of staffing structures and building usage with another borough (phase 2) – Sum to be agreed	£1,074	0	0	23	H	M	SS2
		Service Implication	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.							
		Staffing Implications	These changes may impact on staff.							
		Business Plan implications	None.							
		Impact on other departments	Access to Library & Heritage Service managers may be more limited.							
		Equalities Implications	These changes impact on staff. A detailed EA would be undertaken at the time of the reorganisation.							
		TOM Implications	Identified as a key action within the new Library & Heritage Service TOM.							
Total (Libraries)					0	130	48			
Total Housing Needs					0	0	0			
Total C&H Savings Proposals					0	130	848	978		

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000
CSF01	CSF School Standards and Quality	Increased income generation and management efficiencies	524	0	40	40
CSF02	CSF SEND Integrated Service	Restructuring within the service to deliver efficiencies as well as reduced commissioning.	1,936	0	10	10
CSF03	CSF Commissioning Function and Commissioning Budgets	Reduction in commissioning budgets for Early Intervention and Prevention service	972	50		
CSF04	CSF Commissioning Function and Commissioning Budgets	Reduce expenditure on LAC and SEN placements	4,702	0	100	50
CSF05	CSF SEN Transport	Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport	2,882	0	161	50
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	100	220	100
CSF08	CSF Children Social Care & Youth Inclusion	Post 16 LAC/CL accommodation cost. Smarter commissioning/contracts	774		100	
Total Children, Schools and Families Savings				150	631	250

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 - SAVINGS TO BE REPLACED							
Ref	Service	Description of Saving	Baseline Budget 2015/16 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
CSF2012-01	School Standards and Quality	Increased income generation and management efficiencies	524	40	40		
CSF2012-05	SEN Transport	Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport.	2,882	161	50		
CSF2012-08	Children Social Care & Youth Inclusion	Post 16 LAC/CL accommodation cost. Smarter commissioning/contracts	774	100			
Total Children, Schools and Families Savings				301	90	0	0
DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS							
Ref	Service	Description of Saving	Baseline Budget 14/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
CSF2014-01	School Standards and Quality	This is a re-profiling of the budgeted savings for 2015-17 agreed by Council on 5 March 2014. Instead of spreading the income generation and management efficiencies saving of £80k over two years, we propose bringing the total saving forward to 2015/16.	524	80			
CSF2014-02	Commissioning, Strategy and Performance	This is a re-profiling of the budgeted saving agreed by Council for 2015-17 on 5 March 2014. Due to demographic pressures on the budget we are proposing to reduce the post 16 LAC/CL accommodation saving for 2015/16 from £100k to £58k.	774	58	50		
CSF2014-03	Commissioning, Strategy and Performance	This will be achieved through a combination of reducing our training for facilitators of parenting programmes and decommissioning a service where the commissioned outcomes are not being delivered.		63	40		
Total Children, Schools and Families Savings				201	90	0	0
DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS							
Ref	Service	Description of Saving	Baseline Budget 14/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
CSF2014-04	Youth Services	Reduced investment in commissioned and in-house youth services.	583	100			
Total Children, Schools and Families Savings				100	0	0	0
		Change		0	0	0	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>	Income (1,489) Retained budgets 18,553		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>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>Commissioning rationalisation. 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. 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. We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs. 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
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. There will be a lower volume of capital works to expand school provision by 2018-19 enabling a reduction in project management capacity. 1 FTE project manager post ot 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. 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

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	CSF2015-06	<u>Service</u> Description 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. 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 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.	377		40		Medium	Low	SS2
Total						0	240	315		

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
- SI1** Income - increase in current level of charges
- SI2** 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**

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	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
C&YP	CSF2014-05	<p>Service Description Commissioning, Strategy and Performance Reduction in commissioning of early intervention and prevention services.</p> <p>Service Implication The council would not re-commission a number of early help and other Family Support services historically provided by local VCS providers. Residual commissioning will be increasingly targeted to most vulnerable children & young people and their families. Reduced investment in early help services could result in increased pressure on children's social care services.</p> <p>Staffing Implications Reductions in staffing, both in-house and voluntary organisations. Potential risk to sustainability of some local VCS organisations. Potential for increased workloads in children's social care services.</p> <p>Business Plan implications Reduced service offer for children and families in Merton.</p> <p>Impact on other departments None.</p> <p>Equalities Implications These services are focussed on disadvantaged groups within the community.</p> <p>TOM Implications Commissioning approach being delivered within reduced budgets available</p>	700	400				Medium	High
Total Children, Schools and Families Savings				400	0	0	0		

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

Panel	Ref	Description of Saving	Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
C&YP	CSF2014-05	<p>Service Description Commissioning, Strategy and Performance Reduction in commissioning of early intervention and prevention services.</p> <p>Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p> <p style="text-align: center;">AS PER THE ABOVE BUT SAVING REDUCED BY £100k.</p>	700	300				Medium	High

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - REPLACEMENT SAVINGS

Panel	Ref	Description of Saving	Baseline Budget 15/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact
C&YP	CSF2015-01	<p><u>Service</u> Children Social Care</p> <p>Description Remove Serious Case Review.</p> <p>Service Implication Any future reviews will be funding from MSCB/CSC learning and development underspends and Health commissioners.</p> <p>Staffing Implications N/a</p> <p>Business Plan implications N/A</p> <p>Impact on other departments Request for ad hoc funding for SCR. Possible risk if other agencies will not contribute.</p> <p>Equalities Implications N/A</p> <p>TOM Implications None</p>	77	77				Low	Medium
C&YP	CSF2015-02	<p><u>Service</u> Cross Cutting</p> <p>Description Service management review across CSF Department</p> <p>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 CSF department. A phased approach across three years is proposed to enable a managed transition to a significantly downsized department.</p> <p>Staffing Implications Estimated 0.4 FTE (part year effect of 1 from 13 service manager posts)</p> <p>Business Plan implications We will prioritise our core statutory education and social care functions however there will likely be reductions in volume and outcomes.</p> <p>Impact on other departments A smaller management team will reduce our ability to work on cross cutting issues and new developments. Management support for partnership working will be impacted</p> <p>Equalities Implications We will use the Council's agreed HR policies and procedures for restructuring and will complete EAs.</p> <p>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.</p>	1,171	23				Medium	Medium
Total Children, Schools and Families Savings				400	0	0	0		

SERVICE REVIEW OPTIONS AGREED BY OVERVIEW AND SCRUTINY PANELS IN NOVEMBER 2011 AND APPROVED BY COUNCIL 01/02/2012 (with proposed amendments)

CORPORATE SERVICES OPTIONS AGREED BY CABINET AND SCRUTINY

Corporate Services		
Options pack		16/17
	Service Items	£000s
	<u>Customer Services – Council Tax collection</u>	
Page 116	CS10 - Reduce Revenue Officers by 1 f.t.e	31
	<u>Customer Services – Support Service</u>	
Page 117	CS12 - Delete 1 f.t.e manager post	50
Total Corporate Services - Supported Options		81

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000
CS1	Business Improvement	Rationalisation of management costs	230	
CS3	Business Improvement - Programme Management	Generate income through triinign	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	50
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	20
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	20
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	20
CS11	I & T	Deletion of One Van	15	
CS12	I & T	Information Governance Vacant Post	574	37
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	50
CS24	I&T - Facilities Management	Project Manager - Accommodation (Vacant Post)	575	
CS25	I&T - Facilities Management	Delete 1 post from the Builing Repair and Maintenance team (Compulsory Redundancy)	575	
CS26	I&T - Facilities Management	Savings realised from the renegotiation of Corporate Cleaning Contract	379	

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000
CS27	I&T - Facilities Management	Consolidation of Utilities budgets	350	
CS28	I&T - Facilities Management	M&E Term Contract (Amalgamation) of Intruder Alarms	108	20
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		345	
		Rationalise teams - possible shared service		
		Possible sharing of resources		
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	10
CS37	Customer Services	Increase Regsitrars Income	-398	
CS38	Customer Services	Review of Welfare Benefits and New Welfare Support program	1232	
CS39	Customer Services	Impact of Customer Service Review	929	30
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	

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000
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	
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	103
CS48	Further rationalisation of HR Services	Reduction of HR business partner (HRBP's) posts	543	130
CS49	Introduction of new application tracking system	Reduction of employees as processes are automated	124	10
CS50	Occupational Health & Employee Assistance programme	Review OH and EAP contracts	107	40
CS51	HR Transactions - including COT	HR Support - centralisation	265	90
Total Corporate Services Savings				630
Total Corporate Services Target Savings				691
(Shortfall)/Surplus				(61)
Cummulative (Shortfall)/Surplus				(639)

**CORPORATE SERVICES DEPARTMENT
AMENDMENT TO PREVIOUSLY AGREED SAVINGS**

		Original Savings	Revised Savings		
Original Ref	Description of Saving	2014/15 £000	2016/17 £000	2017/18 £000	Description of Saving
	HR Business Partners	140	140	0	Deferral of saving to be able to assist organisation with necessary transformation in the short term.

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	2013/14 £000	2016/17 £000	2017/18 £000
CS16				
	<u>I & T</u>			
	Surrender of remainder of ITSD Overtime budget		35	
	Where currently general housekeeping, maintenance and upgrading works on the IT equipment and infrastructure are currently undertaken outside of normal working hours, servers and associated systems will be taken down during normal working hours in order to complete the necessary works.	Cabinet 11/11/13 deferred this to 2016/17		
	None			
	None			
	Loss of systems during normal working hours is likely to have a major impact on service delivery for departments and the Councils general operations.			
None				

Panel	Ref	2013/14 £000	2016/17 £000	2017/18 £000
	Net change to CS Savings		175	0

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	CS60	<u>Corporate services</u>		109		109	Low	Low	SS2
		Description	Deletion of Assistant Director post						
		Service Implication	None. Duties to be reallocated						
		Staffing Implications	One post (one assistant director post currently vacant)						
		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	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	<p>Corporate services</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>Recharges to Public Health</p> <p>Public Health function transferred to the local authority and is supported by numerous in house services. The recharge will reflect total cost of service</p> <p>None</p> <p>None.</p> <p>None.</p> <p>None</p>		70		Low	Low	SI1

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)
	CS63	<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 align="center"><u>Business Improvement</u></p> <p>Reorganisation of systems development and support arrangements.</p> <p>The anticipated streamlining of systems and support arrangements is expected to increase efficiency and reduce overheads without impacting negatively on the quality of services.</p> <p>Reduction in posts anticipated.</p> <p>None - proposal is in line with intended streamlining and rationalisation of systems and support arrangements.</p> <p>None - proposal is supported by transformational work planned to streamline systems and reduce support demand.</p> <p>None</p>	1122	88	74	Medium	Low	SS2

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	<u>Resources</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Reduction in interest charges through cash management. None None None None None				Low	Low	SP1

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	CS70	<p>Infrastructure & Transactions</p> <p>Description Apply a £3 administrative charge to customers requesting a hard copy paper invoice for services administered by Transactional Services team.</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>			35	Low	High	SI2
O&S	CS71	<p>Infrastructure & Transactions</p> <p>Description Delete two in house trainers posts</p> <p>Service Implication None</p> <p>Staffing Implications 2 posts</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p>			85	Low	Low	SS2

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	CS72	Infrastructure & Transactions							
		Description	Consolidation of Infrastructure & Transactions revenue budgets						
		Service Implication	None			34	Low	Medium	SNS1
		Staffing Implications	None						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						
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						

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)
	CS74	<u>Human Resources</u>							
		Description	Review of L&D spend	622	69		M	M	SNS1
		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		

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	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Infrastructure & Transactions</u> 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	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Infrastructure & Transactions</u> 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	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Infrastructure & Transactions</u> 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 Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Infrastructure & Transactions</u> Rationalise Facilities Management Building Repairs & Maintenance budgets. Requests for building repairs and maintenance works will be assessed and where possible grouped together with planned maintenance activities to reduce cost. None None Some delays may be experienced in respect to the time taken to complete non urgent repair and maintenance works. None	617	15			L	L	SNS2
O&S	CSD5	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Infrastructure & Transactions</u> Increase income generation from external bookings at Chaucer centre. None None None None None	-12	40			M	L	SI2
O&S	CSD6	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Infrastructure & Transactions</u> Reduction in the number of vehicles operated by Infrastructure & Transactions division from three to two. None None None None None	10	5			L	L	SNS1

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	<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	None							
		Impact on other departments	Reduction in current level of service may impact some time critical processes.							
		Equalities Implications	None							
O&S	CSD8	<u>Division</u> Description	<u>Infrastructure & Transactions</u> 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	None							
		Impact on other departments	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

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)	
	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
	CSD11	<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>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></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>Rationalisation of Divisional Budgets (E02180 DJ04 £6k, DE03 £5k, AB02 £4k</p> <p>None</p> <p>None</p>	24				L	L	SNS1

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)
	CSD13	<p><u>Division</u> Description</p> <p><u>Customer Services</u> Reduce Customer Access Point Assistant by 0.6FTE</p> <p>Service Implication None due to improved channel migration</p> <p>Staffing Implications 0.6 redundancy</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications</p>	566				L	L	SS1
	CSD14	<p><u>Division</u> Description</p> <p><u>Customer Services</u> Reduction of 1 FTE Revenues Officer</p> <p>Service Implication Automated processes will be implemented in 15/16 which will reduce manual intervention on some changes</p> <p>Staffing Implications 1 FTE Redundancy unless there is a vacant post within the next 10 months</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications</p>	1240	30			L	L	SS1
	CSD15	<p><u>Division</u> Description</p> <p><u>Customer Services</u> Increase in Court Costs (council tax) - Increase from £110.00 to £115.00</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</p>	-930	40			L	M	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)
	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
	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

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)
	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
	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

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)
	CSD22	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Resources</u> Treasury Management/Interest income None Directly None Consistent with Business Plan None None					M	M	SI2
	CSD23	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Resources</u> Cut Running costs budgets Some reduction in level of departmental support None Not significant Some reduction in level of departmental support None	102	30	3		L	M	SNS2
	CSD24	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Resources</u> Consultancy Budget The ability to engage specialist external skills will be reduced Ability to use interim staff will be reduced Deliverables will need to be revised to accommodate this There will be a substantial reduction in the ability to advise on more complex projects None	206	100			L	M	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)
	CSD25	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Resources</u> Increased Charge to Pension Fund None Directly None Consistent with Business Plan None None		20			L	L	SNS2
	CSD26	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Resources</u> Delete 1 Business Partner Reduction in level of departmental support Reduction of 1 post Deliverables will need to be revised to accommodate this Reduction in the level of support The reduction will be carried out in a manner that is consistent with the council's equalities policies.	233		78		L	M	SS2
	CSD27	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Resources</u> Further Restructuring Reduction in level of departmental support TBD but in the order of 2 to 4 posts Deliverables will need to be revised to accommodate this Reduction in the level of support as core central legal responsibilities will have to form an increasing proportion of the work carried out. The reduction will be carried out in a manner that is consistent with the council's equalities policies.	2,391			100	H	H	SS2
Total: Resources Savings						208	97	116		

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)
	CSD28	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Human Resources</u> COT review Reduced business support Reduced staffing levels Less transactional support Less transactional support Proposals affect a female workforce	425	38			M	M	SS2
	CSD29	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Human Resources</u> Recruitment and DBS review Reduction in HR managerial support Reduction in staffing Reduction in transactional support Reduction in transactional support Impacts on a largely female workforce	425	50			M	M	SS1
	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

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)
	CSD31	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Human Resources</u> Review of HR business support Less business support for HR Reduction in posts Less business support for HR Possibly less efficiency of response Impacts upon a largely female workforce	90				L	L	SS1
	CSD32	<u>Division</u> Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Human Resources</u> Review of HR business support (printing and stationery) Less business support for HR Reduction in posts Less business support for HR Possibly less efficiency of response Impacts upon a largely female workforce	20	5			L	L	SNS1

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)
	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	S11
	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

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)	
	CSD35	<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>Human Resources</u></p> <p>Learning and Development budget</p> <p>Targeted L&D offer</p> <p>None</p> <p>Need to ensure underpins TOM's/business plan</p> <p>Need to ensure targeted L&D activity</p> <p>Ensure equal access to L&D</p>	630	18	134		M	M	SP1
Total HR Savings					111	304	0			
	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 less 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><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>	209	64			L	M	SS2

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)
		Impact on other departments	Reduced coordination of change projects - interdependencies, benefits, critical paths and delivery assurance support not available.							
		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)	
	CSD38	<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>Reduction in support budget</p> <p>Reduced resource for hardware/software costs</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>		5			L	L	SNS1
	CSD39	<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 2</p> <p>Reduction in availability/increase in response times for 'fix-on-fail' support</p> <p>Reduction by 1 FTE</p> <p>Availability for support calls will be reduced and response times affected. Increase in single points of failure for system support likely.</p> <p>Availability for support calls will be reduced and response times affected. Increase in single points of failure for system support likely.</p> <p>None</p>	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	<u>Division</u>	<u>Business Improvement</u>							
		Description	Secure additional income generated through gazetteer maintenance and Street Naming/Numbering	0	30			M	H	SI1
		Service Implication	Move to cost-neutral gazetteer maintenance							
		Staffing Implications	Sustains 1 existing FTE							
		Business Plan implications	None							
		Impact on other departments	Requires agreement with E&R where income from gazetteer is largely generated.							
		Equalities Implications	None							
	CSD41	<u>Division</u>	<u>Business Improvement</u>							
		Description	Consolidation of systems support	0	20			M	M	SS1
		Service Implication	Seeks to achieve economies of scale with minimal impact on services through centralisation							
		Staffing Implications	TBC - rationalisation of functions will be sought							
		Business Plan implications	Widen support responsibilities within the Business Systems Team							
		Impact on other departments	Migrates technical support arrangements to CS. May offer some dept savings.							
		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)
	CSD42	<u>Division</u>	<u>Business Improvement</u>							
		Description	Restructure functions delete 1 AD and other elements of management	0		170		M	M	SS1
		Service Implication	Seeks to achieve economies of scale with minimal impact on services through centralisation							
		Staffing Implications	TBC - rationalisation of functions will be sought							
		Business Plan implications	Widen support responsibilities within the Business Systems Team							
		Impact on other departments	Migrates technical support arrangements to CS. May offer some dept savings.							
		Equalities Implications	None							
Total BI Services Savings						169	170	0		
	CSD43	<u>Division</u>	<u>Corporate Governance</u>							
		Description	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							

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)
	CSD44	<p>Division</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>Corporate Governance</p> <p>Stop web casting meetings, Remove scrutiny support fund and reduce other supplies and services</p> <p>Reduce support to members</p> <p>none</p> <p>reduction in capacity</p> <p>none</p>	68	35	0	0	L	M	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)	
	CSD45	<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>Corporate Governance</u></p> <p>share audit and investigation service</p> <p>reduction in management capacity for the authority. Reduction in audit and investigation capacity</p> <p>reduction in 0.5 FTE manager and 1fte auditor</p> <p>impact on audit assurance capacity</p> <p>reduced audit resource</p> <p>none</p>	465	60	20	0	M	M	SS1
Total Corporate Governance Savings					135	30	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)
	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	1,090		81		L	L	SNS1

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)
	CSD47	<u>Division</u>	<u>Policy Unit</u>							
		Description	Delete 1 post	275	50			L	L	SS1
		Service Implication	Small reduction in capacity							
		Staffing Implications	Delete 1 post							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							
Total Policy Unit Savings						50	81	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)
	CSD48	Division	Other							
		Description	CHAS Dividend	0	145	258		L	L	SI
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							
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 TDA. 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			

DEPARTMENT: Corporate Services SECTION: Business Improvement

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)
O&S	CS2015-03	Service Description	Transactional Services Restructure of Transactional Services team	475			100	L	M	SS2
		Service Implication	Will increase the time taken to process payments and requests for new vendors to be set up on the financial system.							
		Staffing Implications	Up to 3 FTE posts deleted through voluntary/compulsory redundancy from an establishment of 13.3.							
		Business Plan implications	Existing BP targets will need to be revised to align with reduced resources							
		Impact on other departments	Will increase the time taken to process payments and requests for new vendors to be set up on the financial system.							
		Equalities Implications	TBA							
		TOM Implications	To be determined as the potential benefits of both the new financial and Social Care Information systems are currently unknown.							
Total						0	0	100		

SECTION: Customer Services

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)
O&S	CS2015-04	Service Description	Programme Management Increase in Registrars income	-102		25		L	L	SI2
		Service Implication	Achieveable through increase in service provision within existing resource.							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							
		TOM Implications	None							
Total						0	25	0		

SECTION: Resources - Policy

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
Total				0	0	0		

SECTION: Resources

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	
		<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>Replacement Saving</p> <p>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>Efficiency improvements will be delayed</p> <p>Delay in reduction in staff numbers</p> <p>Efficiency improvements will be delayed</p> <p>Delay in wider roll out of self service</p> <p>None</p> <p>Efficiency improvements will be delayed</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	Service Description	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 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	2985			216			
		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							
		Staffing Implications	3 to 4 posts will need to be deleted							
		Business Plan implications	It is consistent with the streamlining proposed in the business plan							
		Impact on other departments	This will require a substantial increase in the move to self help by departmental managers							
		Equalities Implications	The down sizing will be managed in line with the corporate managing of change policies							
		TOM Implications	The change is consistent with TOM themes of process improvement and streamlining							
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	Division Description	Corporate governance - audit service delete auditor post and fees				50		L
		Service Implication	reduced audit resource						
		Staffing Implications	1 possible redundancy						
		Business Plan implications	none						
		Impact on other departments	None						
		Equalities Implications	None						
Total						0	0	50	

SECTION: Chief Executive's Office

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
	CS2015-07	<u>Service Description</u>	<u>Running Costs</u> Reduction in running cost budgets			28		L	L
		Service Implication	A small reduction in the services that can be purchased						
		Staffing Implications	None						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						
		TOM Implications	None						
Total					0	28	0		

TOTAL

- 53 385

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>	<u>Business Improvement</u>	200		13	L	L	SS2
		Service Implication	None						
		Staffing Implications	0.5 FTE reduction within division. This is a shared resource with the Resources Division. The saving will actually be delivered by a						
		Business Plan implications	In line with IT Strategy						
		Impact on other departments	None						
		Equalities Implications	None						
		TOM Implications	None						
Total					0	13	0		

CURRENT SAVINGS IN MTFS 2016-20

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverabi lity	Risk Analysis Reputatio nal Impact	Type of Saving (see key)
O&S	CS46	<u>Service</u> Description	<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.	103			Medium	Medium	SS1
		Service Implication	None						
		Staffing Implications	Reduction of 3 Posts						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15

Panel	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverabi lity	Risk Analysis Reputatio nal Impact	Type of Saving (see key)
O&S	CS65	<u>Resources</u> Description	Consolidation of various budgets within Resources division	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						

		TOTAL		138	31	0			
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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 Deliverabi lity	Risk Analysis Reputatio nal Impact	Type of Saving (see key)
O&S	CS46	Service Description	Resources -Deletion of 3 Posts within the Division Further efficiency reviews and enhancements in systems will result in staff savings in the Resources Division.	25	78		Medium	Medium	SS1
		Service Implication	None						
		Staffing Implications	Reduction of 3 Posts						
		Business Plan implications	None						
		Impact on other departments	None						
		Equalities Implications	None						

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2014/15

Panel	Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000	Risk Analysis Deliverabi lity	Risk Analysis Reputatio nal Impact	Type of Saving (see key)
O&S	CS65	Resources Description	Consolidation of various budgets within Resources division	66	0		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						

			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 - Deliverabi lity	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>Customer Services - Support Service</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>Customer Services - Recovery/Bailiffs</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 - Deliverabi lity	Risk Analysis - Reputatio nal Impact	Type of Saving (see key)
O&SC	CS1	Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Customer Services Reduction in discretionary relief (replacement of CS12 and CS13 which had both been deferred until 2016/17) None None None None None	(81)				Low	Low	SS2
			Net Change: Customer Services	0	0	0	0			

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 Deliverabi lity	Risk Analysis Reputatio nal Impact	Type of Saving (see key)	
O&S	CS48	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>Further rationalisation of HR Services Reduction of HR business partner (HRBP's) posts High risk to HR BP support to departments at time of change</p> <p>Approximately two/three HR BP's at risk Risk of supporting departments through change from PVR and other programmes Will diminish HR support to customers on change management, employee relations, Will impact women in the division as a high number of HR employees are female</p>	(130)		130		High	High	SS1
O&S	CS51	<p>Service Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications</p>	<p>HR Transactions - including COT HR Support - centralisation More self service Reduction in staff numbers HR transactions review part of long-term HR business plans resistance to change Will impact women in the division as a high number of HR employees are female</p>	(90)		90		Medium	High	SS1

**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 - Deliverabi lity	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 - Deliverabi lity	Risk Analysis - Reputatio nal Impact	Type of Saving (see key)	
	CSD28	Division Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Human Resources</u> COT review Reduced business support Reduced staffing levels Less transactional support Less transactional support Proposals affect a female workforce	(38)		38		M	M	SS2
	CSD29	Division Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	<u>Human Resources</u> Recruitment and DBS review Reduction in HR managerial support Reduction in staffing Reduction in transactional support Reduction in transactional support Impacts on a largely female workforce	(50)		50		M	M	SS1
		Net Change: Human Resources	(448)	0	448	0				

Net -495 47 448 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	None							
		Impact on other departments	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	None							
		Impact on other departments	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	<p><u>Division</u> Description</p> <p><u>Service Implication</u> <u>Staffing Implications</u> <u>Business Plan implications</u> <u>Impact on other departments</u> <u>Equalities Implications</u></p>	<p><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</p>	322	40	10	0	H	L	SS1
	CSD43	<p><u>Division</u> Description</p> <p><u>Service Implication</u> <u>Staffing Implications</u> <u>Business Plan implications</u> <u>Impact on other departments</u> <u>Equalities Implications</u></p>	<p><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</p>	322	(40)	40	0	H	L	SS1
		Net Change		(40)	30	10				
		Net Change		-87	77	10				

DEPARTMENT: ENVIRONMENT AND REGENERATION TAKEN SAVINGS - BUDGET PROCESS 2013-17

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000
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)	226
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	52
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 Service/Section	Reduction in Staffing 1.5 FTE	405	
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	

DEPARTMENT: ENVIRONMENT AND REGENERATION TAKEN SAVINGS - BUDGET PROCESS 2013-17

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000
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	10
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	20
EN31	Traffic and Highways	Reduction in energy costs	612	30
EN32	Traffic and Highways	Renegotiation of J C Deceaux Contract	(160)	10
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)	14
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)	10
EN37	Leisure & Culture Development Team	Merton Active Plus - Increased Income	(49)	5
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	-1
EN39	Senior Management & Support	Removal of vacant Policy & Projects Officer post.	719	
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	

DEPARTMENT: ENVIRONMENT AND REGENERATION TAKEN SAVINGS - BUDGET PROCESS 2013-17

Ref	Service	Description of Saving	Baseline Budget 12/13 £000	2016/17 £000
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 management working practices adopted by FutureMerton team.	0	50
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	13
Total Environment & Regeneration Savings				439
Total Environment & Regeneration Target Savings				1,065
(Shortfall)/Surplus				(626)
Cummulative (Shortfall)/Surplus				(1,796)

ENVIRONMENT AND REGENERATION DEPARTMENT

AMENDMENT TO PREVIOUSLY AGREED SAVINGS

		Original Savings	Revised Savings				
Original Ref	Description of Saving	2014/15 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Description of Saving
ER23	FutureMerton	414	-414		414		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 uplift and external funding.
Total Environment and Regeneration Savings		414	-414	0	414	0	

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2014/18

Ref	Service	Description of Saving	Baseline Budget 2014/15 £000	2016/17 £000
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				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	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	Removal of borough wide dog bins including Parks	42	42		
E&R23	Waste Services - Dog Waste	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	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
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(SURPLUS)/ SHORTFALL	137	4,066	2,514
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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 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

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)
	ENV04	<p>Service/Section Description 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.</p> <p>Service Implication Improvement in overall enforcement strategy</p> <p>Staffing Implications None projected at this stage.</p> <p>Business Plan implications None</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p> <p>TOM Implications 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
	ENV05	<p>Service/Section Description Parking Services Review the back office structure based upon the anticipated tailing off of ANPR activity and the movement of CCTV into parking services.</p> <p>Service Implication Could impact upon the level of service provided</p> <p>Staffing Implications To be assessed but could mean the deletion of 2 management posts [of 10fte]</p> <p>Business Plan implications Reduction in the costs of 2 posts</p> <p>Impact on other departments None</p> <p>Equalities Implications None</p> <p>TOM Implications Consistent with TOM direction of travel in reducing back office costs</p>	1,189		70		Medium	Medium	SS2

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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)	
	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 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

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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 None</p> <p>Implications Consistent with drive to increase commercialisation in TOM generally</p> <p>TOM Implications</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 None</p> <p>Implications consistent with TOM direction of travel</p> <p>TOM Implications</p>	123		10		Low	Low	SNS1

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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

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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 Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Leisure & Culture Staff savings through the reorganisation of the back office through channel shift from phone and face to face contact. 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. Reduction of 3 fte [of 9.6fte] None None None consistent with TOM direction of travel</p>	336		70		Low	Low	SS1
	ENV14	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Property Management Increase in income from rent reviews of c60 properties. none - would be within existing resources Part of the current team's core work. In line with the TOM outcomes None None consistent with TOM direction of travel</p>	(4,022)			100	Medium	Low	SI2

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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)
	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
	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

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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)	
	ENV17	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Traffic & Highways Reduction in reactive works budget Reduction in carriageway and footpath reactive maintenance with possible increase in insurance claims. None Reduction in response times and possibly intervention threshold. Increase in corporate services insurance workload None consistent with TOM direction of travel</p>	650		30	35	Low	Medium	SNS2
	ENV18	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Greenspaces Increased income from events in parks Increased income through a broader range of commercial opportunities - over and above those previously agreed. Some unquantified extra resource likely to be required, linked to the business case for each initiative. In line with the TOM outcomes None None In line with the TOM direction of travel</p>	231		100	100	Medium	Medium	SI2

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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

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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 Staffing Implications Business Plan implications Impact on other departments Equalities Implications 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 Staffing Implications Business Plan implications Impact on other departments Equalities Implications 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

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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)
	ENV24	<p>Service/Section Description 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>Service Implication None</p> <p>Staffing Implications None</p> <p>Business Plan implications None</p> <p>Impact on other departments Would require corporate learning and development to prioritise these training opportunities.</p> <p>Equalities Implications None</p> <p>TOM Implications Consistent with TOM direction of travel</p>	18		10		Low	Low	SNS2
	ENV25	<p>Service/Section Description Waste Department restructure of the waste section</p> <p>Service Implication Moving from a support function towards a commercialised commissioning and clienting service post Phase C contract award</p> <p>Staffing Implications equivalent of c5fte [of 13.19fte] across all levels of staff</p> <p>Business Plan implications To be assessed following contract award and SLWP clienting requirements</p> <p>Impact on other departments TBC</p> <p>Equalities Implications TBC</p> <p>TOM Implications Consistent with TOM direction of travel</p>	514		191		Low	Medium	SS2

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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)
	ENV26	<p>Service/Section Waste Operations: waste collection</p> <p>Description Re-balancing of rounds</p> <p>Service Implication 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)</p> <p>Staffing Implications Reduction in overtime and agency usage</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities TBC</p> <p>Implications</p> <p>TOM Implications Consistent with TOM direction of travel</p>	2,568		20		Medium	Medium	SNS1
	ENV27	<p>Service/Section Waste Services</p> <p>Description Remove free provision of food waste liners</p> <p>Service Implication Potential reduction in participations levels</p> <p>Staffing Implications None</p> <p>Business Plan implications Potential reduction in recycling / composting performance.</p> <p>Impact on other departments None</p> <p>Equalities To be completed</p> <p>Implications</p> <p>TOM Implications Consistent with TOM direction of travel</p>	137		66		Low	Medium	SNS2

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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)	
	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
	ENV29	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>Waste Services: recyclate income Realign budget to reflect actual income achieved through sale of textiles None None None None None Consistent with TOM direction of travel</p>	N/A		20		Low	Low	SP1
	ENV30	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>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</p>	(329)		30		Low	High	SI1

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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)	
	ENV31	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>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</p>	N/A		102	9	Low	Medium	SI1
	ENV32	<p>Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications TOM Implications</p>	<p>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</p>	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		

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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 engined 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							

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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

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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

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Budget Process	Ref	Service	Description of Saving	2016/17 £000	2017/18 £000
2012/15	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.		
2014/17	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.		
Total Environment and Regeneration Savings				0	0

Deferred Savings proposals

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Budget Process	Ref	Service	Description of Saving	2016/17 £000	2017/18 £000
2012/15	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.	200	
2014/17	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.	40	
Total Environment and Regeneration Savings				240	0

Previously Agreed Savings

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Budget Process	Ref	Service	Description of Saving	2015/16 £000	2016/17 £000	2017/18 £000
2014/17	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.	100		
Total Environment and Regeneration Savings				100	0	0

Deferred Savings proposals

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Budget Process	Ref	Service	Description of Saving	2015/16 £000	2016/17 £000	2017/18 £000
2014/17	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.	-100	100	
Total Environment and Regeneration Savings				-100	100	0

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	Level 1 1)	<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>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>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>During the implementation period there may be a limited impact on service delivery.</p> <p>reduce 1FTE</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>Initially a reduced ability to help coordinate wider council strategies</p> <p>none</p>	40		

Previously Agreed Savings

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000
EN11	Service/Section	Building and Development Control			
	Description	Staff reduction. DC deputy area team leader	52		
	Service Implication	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.			
	Staffing Implications	reduce 1FTE			
	Business Plan implications	Impact on ability to meet major applications targets			
	Impact on other departments	reduced ability to help coordinate wider council regen strategies			
	Equalities Implications	none			

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 Building and Development Control</p> <p>Description 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.</p> <p>Service Implication 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>Staffing Implications Still to be determined through the shared services report. Likely impact on management levels, enforcement and admin functions and working arrangements.</p> <p>Business Plan implications consistent with Transformation Plan</p> <p>Impact on other departments unknown at present</p> <p>Equalities Implications 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	Service/Section	Building & Development Control			
	Description	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	40		
	Service Implication	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.			
	Staffing Implications	No changes although there will be additional pressure on existing staff to deliver.			
	Business Plan implications	Potential impact on performance figures especially in relation to major schemes. Reduced ability to deliver regeneration projects in the			
	Impact on other departments	none			
	Equalities Implications	none			

Previously Agreed Savings

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS

Ref	Description of Saving		2016/17 £000	2017/18 £000	2018/19 £000
E&R30	Service/Section	Building & Development Control - Planning Enforcement			
	Description	Reduce staffing levels within the enforcement team by 2 FTE's	80		
	Service Implication	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.			
	Staffing Implications	Reduce the staff dealing with enforcement investigations in the team by 1 team leader and 1 officer.			
	Business Plan implications	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			
	Impact on other departments	Joint enforcement investigations will be severely hindered.			
	Equalities Implications	none			
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
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Alternative Savings Proposals

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)
	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 resiliance 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	<p>Regulatory Services</p> <p>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.</p>	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	<p>Regulatory Services</p> <p>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.</p> <p>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).</p> <p>N.B. Neither of these proposals will result in an increase to actual fees being charged.</p>	230		
Total Environment and Regeneration Savings				230	0	0

Section G

Departmental Budget Summaries 2016-17

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Standard Subjective Analysis – The Key

Introduction

The subjective analysis is the analysis of income and expenditure that is applicable to all Best Value reporting requirements for all accounting periods from 1 April 2008.

We use a set standard subjective analysis for a number of reasons:-

- The subjective analysis is a CIPFA recommended structure.
- It minimises the reporting requirements for Government statistical reporting.
- It provides information in a multi dimensional format for Best Value
- It improves consistency and therefore helps Authorities to make effective comparisons for Best Value and other financial requirements
- A subjective Analysis provides further information that is useful for benchmarking analysis.
- For analysing costs in reviews.

Glossary of the standard Subjective analysis

Details of Expenditure groups and what is included:

1 Employees: This group includes the costs of employee expenses, both direct and indirect to the Authority.

Direct employee expenses

- Salaries
- Employer's National Insurance contribution
- Employers retirement benefit costs
- Agency Staff
- Employee expenses

Indirect employee expenses

- Relocation
- Interview
- Training
- Advertising
- Severance payments
- Employee - related schemes

2 Premises: This group includes expenses directly related to the running of the premises and land.

- Energy costs
- Rent
- Rates
- Water Services
- Fixtures and Fittings
- Apportionment of expenses of operating buildings
- Cleaning and Domestic Supplies
- Grounds maintenance costs
- Premises Insurance
- Contribution to premises - related provisions.

3 Transport: This group includes all costs associated with the provision, hire or use of transport, including travelling allowances and home to school transport..

Direct Transport costs

- Repair and maintenance, running costs and contributions to provisions in respect of vehicles.
- Repairs and maintenance of (e.g.) roads included in this heading, but should be included in the relevant subjective headings (such as staff costs, supplies and services etc),

- This could include the write-off in the year of any assets not deemed material by the authority's capital accounting policies i.e. below de minimis thresholds set).
 - Contract hire and operating leases
 - Public Transport
 - Staff Travelling expenses
 - Car allowances
 - Contribution to transport related provisions
- 4** Supplies and Services: This group includes all direct supplies and service expenditure to the authority.
- Equipment, furniture and materials
 - Catering Services
 - Communications and computing includes expenses
 - Grants and subscriptions
 - Private Finance Initiatives and Public Private Partnership schemes.
 - Contributions to provisions
 - Miscellaneous expenses
- 5** Third Party Payments: Independent units within the council; included services defined as category (a) to (e) in Appendix D of BVACOP
- Joint Authorities
 - Other Local authorities
 - Health authorities
 - Government departments
 - Voluntary associations
 - Other establishments
 - Private contractors
 - Other agencies
 - Debit resulting from soft loans
- 6** Transfer Payments: This includes the cost of payments to individuals for which no goods or services are received in return by the local authority. Four sub-groups are suggested: However, this list is not exhaustive.
- Schoolchildren and students
 - Adult Social Services clients
 - Housing benefits
 - Debit resulting from soft loans
- 7** Support Services: Charges for services that support the provision of services to the public.
- Finance
 - IT

- Human Resources
- Property Management /Office Accommodation
- Legal services (not included in the definition of Corporate and democratic Core)
- Procurement Services
- Corporate Services not included in the definition of Corporate and democratic Core)
- Transport Functions

8 Depreciation and Impairment losses: This provides the subjective analysis that will record the revenue impact of capital items in the services revenue accounts for the authority,

9 Income: This group included all income received by the services from external users or by way of charges or recharges to internal users.

Government Grants

- Specific and special government grants

Other Reimbursements and contributions

- Revenue Income received to finance a function/project jointly or severally undertaken with other bodies.
- Contributions from other local authorities.
- Value of costs recharged to outside bodies including other committees.

Customer and Client Receipts

- Sales products or materials, data technology or surplus products.
- Fee and charges for services, use of facilities, admissions and lettings
- Rents, tithes, acknowledgements. way leaves and other land and property-based charges of a non-casual user.

Interest

Recharges

- Value of costs recharged to internal users

Reserves

- All credits resulting from soft loans should be included in this subjective (as a corporate entry).

SUMMARY

FULL TIME EQUIVALENTS

Total FTE Staff

2015/16	2016/17
2,246.0	2,113.0

SERVICE AREA ANALYSIS

	2015/16 Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Corporate Services	14,025	74	(2,740)	11,359
Education Services]				
Children's Services] CSF	50,894	293	(1,004)	50,183
Environment and Regeneration]				
Adult Social Care]				
Cultural Services] C&H	61,400	243	(5,425)	56,218
Housing General Fund]				
Single Status	100	0	0	100
Pay Award	189	0	693	883
TOTAL NET SERVICE EXPENDITURE	150,593	735	(11,356)	139,972
<i>Corporate Provisions/Appropriations</i>	<i>4,423</i>	<i>0</i>	<i>3,202</i>	<i>7,625</i>
NET EXPENDITURE	155,016	735	(8,154)	147,597
Funded by:				
Revenue Support Grant	(30,425)	0	7,269	(23,156)
Business Rates	(34,820)	0	(232)	(35,052)
New Homes Bonus	(2,642)	0	(1,550)	(4,192)
Council Tax	(76,758)	0	(1,862)	(78,620)
Council Tax Freeze Grant 2015/16	(861)	0	861	0
Council Tax Freeze Grant 2014/15	0	0	0	0
WPCC Levy	(293)	0	(7)	(300)
Collection Fund	(4,420)	0	2,941	(1,479)
PFI Grant	(4,797)	0	0	(4,797)
	(155,016)	0	7,419	(147,597)
NET	0	735	(735)	0
NB				
Public Health	320	0	96	416
Appropriations to/from reserves	(320)		(96)	(416)
Net Public Health	0	0	0	0

Other Variations: Contingency/Other

Major Items: Corporate Provisions	£000	fte
Corporate borrowing and Investment	(654)	0.0
Further provision for revaluation/RCCO	(805)	0.0
Pension Fund and Auto-enrolment	190	0.0
Contingency and centrally held provisions	197	0.0
Change in Grants	134	0.0
Appropriation to/from Reserves	6,684	0.0
Depreciation and impairment	(1,132)	0.0
CHAS - IP	(978)	0.0
Overheads - Charge to non-general fund	(44)	0.0
Transport - Additional provision	(1,192)	0.0
Merton Adult Education	600	0.0
Loss of HB Admin. Grant	200	0.0
Levies	2	0.0
TOTAL	3,202	0

SUMMARY - SUBJECTIVE ANALYSIS

FULL TIME EQUIVALENTS

Total FTE Staff

2015/16	2016/17
2,246.0	2,113.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	95,328	23	(3,827)	91,524
Premises	8,196	45	135	8,376
Transport	13,598	34	937	14,569
Supplies and Services	186,924	260	(22,810)	164,375
Third Party Payments	85,029	372	(4,000)	81,401
Transfer Payments	103,934	1	177	104,112
Support Services	30,127	0	251	30,378
Depreciation and Impairment Losses	16,506	0	1,132	17,637
GROSS EXPENDITURE	539,643	735	(28,005)	512,373
Income				
Government Grants	(274,532)	0	17,984	(256,548)
Other Reimbursements and Contributions	(25,190)	0	1,436	(23,754)
Customer and Client Receipts	(58,363)	0	(2,525)	(60,888)
Interest	(44)	0	(2)	(46)
Recharges	(30,944)	0	17	(30,927)
Reserves	24	0	(262)	(238)
GROSS INCOME	(389,049)	0	16,648	(372,401)
NET EXPENDITURE	150,593	735	(11,356)	139,972
Corporate Provisions	4,423	0	3,202	7,624
NET EXPENDITURE	155,016	735	(8,155)	147,596
Funded by:				
Revenue Support Grant	(30,425)	0	7,269	(23,156)
Business Rates	(34,820)	0	(232)	(35,052)
New Homes Bonus	(2,642)	0	(1,550)	(4,192)
Council Tax	(76,758)	0	(1,862)	(78,620)
Council Tax Freeze Grant 2015/16	(861)	0	861	0
Council Tax Freeze Grant 2014/15	0	0	0	0
WPCC Levy	(293)	0	(7)	(300)
Collection Fund	(4,420)	0	2,941	(1,479)
PFI Grant	(4,797)	0	0	(4,797)
	(155,016)	0	7,419	(147,597)
NET	0	735	(735)	0

Other Variations: Contingency/Other

Major Items: Corporate Provisions	£000	fte
Corporate borrowing and Investment	(654)	0.0
Further provision for revaluation/RCCO	(805)	0.0
Pension Fund and Auto-enrolment	190	0.0
Contingency and centrally held provisions	197	0.0
Change in Grants	134	0.0
Appropriation to/from Reserves	6,684	0.0
Depreciation and impairment	(1,132)	0.0
CHAS - IP	(978)	0.0
Overheads - Charge to non-general fund	(44)	0.0
Transport - Additional provision	(1,192)	0.0
Merton Adult Education	600	0.0
Loss of HB Admin. Grant	200	0.0
Levies	2	0.0
TOTAL	3,202	0

CORPORATE ITEMS ANALYSIS

	2015/16 Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Cost of Borrowing including Minimum Revenue Provision	14,117	0	(474)	13,643
Further provision for revaluation/RCCO	1,939	0	(805)	1,134
Pension Fund	3,742	0	190	3,932
Pensions: Auto-enrolment	300	0	0	300
Centrally held provision for Utilities inflation	100	0	200	300
Adjustment re Income re P3/P4	400	0	0	400
Overheads - Charge to non-general fund	194	0	(44)	150
Provision for excess inflation	543	0	(3)	540
Bad Debt Provision	500	0	0	500
Redundancy/Pension Strain	1,000	0	0	1,000
Transport - Additional provision	1,322	0	(1,192)	130
Contingency	1,500	0	0	1,500
Apprenticeship Levy	0	0	0	0
Merton Adult Education	0	0	600	600
Loss of HB Admin. Grant	0	0	200	200
Change in Corporate Specific and Special Grants	70	0	134	204
Levies:-				
Lee Valley	209		(5)	204
London Pensions Fund	264		(3)	262
Environment Agency	159		3	162
WPCC	293		7	300
GROSS EXPENDITURE	26,653	0	(1,193)	25,460
Income				
Investment Income	(559)		(180)	(739)
Depreciation & Impairment	(16,505)		(1,132)	(17,638)
Appropriations to/from reserves (excluding Public Health)	(4,991)		6,684	1,693
CHAS - IP	(174)		(978)	(1,152)
GROSS INCOME	(22,230)	0	4,394	(17,836)
NET EXPENDITURE	4,423	0	3,202	7,625



2016/2017 ESTIMATES

CORPORATE SERVICES DEPARTMENT

SUMMARY: CORPORATE SERVICES DEPARTMENT

FULL TIME EQUIVALENTS (FTE)

Number of Permanent Staff
Number of Fixed term contracts
Number of FTE Sutton TUPE staff
Number of FTE Richmond TUPE staff
Total FTE

2015/16	2016/17
454.6	474.9
71.0	57.0
39.0	0.0
0.0	6.0
564.6	537.9

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	26,172	10	(2,415)	23,768
Premises	2,787	12	24	2,823
Transport	139	1	(3)	137
Supplies and Services	11,661	45	(1,142)	10,565
Third Party Payments	1,343	6	524	1,873
Transfer Payments	93,710	0	0	93,710
Support Services	8,432	0	357	8,789
Depreciation and Impairment Losses	2,045	0	278	2,322
GROSS EXPENDITURE	146,290	74	(2,377)	143,986
Income				
Government Grants	(95,165)	0	287	(94,878)
Other Reimbursements and Contributions	(5,531)	0	(59)	(5,590)
Customer and Client Receipts	(6,526)	0	(110)	(6,636)
Interest	0	0	0	0
Recharges	(25,043)	0	(481)	(25,524)
Reserves	0	0	0	0
GROSS INCOME	(132,265)	0	(363)	(132,628)
NET EXPENDITURE	14,024	74	(2,740)	11,359

SUMMARY: CORPORATE SERVICES DEPARTMENT

FULL TIME EQUIVALENTS (FTE)
Number of Permanent Staff
Number of Fixed term contracts
Number of FTE Sutton TUPE staff
Number of FTE Richmond TUPE staff
Total FTE

2015/16	2016/17
454.6	474.9
71.0	57.0
39.0	0.0
0.0	6.0
564.6	537.9

SERVICE AREA ANALYSIS

	CHANGE BETWEEN YEARS			2016/17 Estimate £000
	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	
Customer Services	2,394	8	80	2,483
Infrastructure & Transactions	77	25	215	317
Business Improvement	2,272	4	(2,276)	(0)
Corporate Governance	1,793	2	(543)	1,252
Resources	2,225	19	87	2,331
HR	291	5	(295)	1
Corporate Items	4,973	11	(8)	4,976
TOTAL EXPENDITURE	14,025	74	(2,740)	11,359
Contingency / Other	0	0	0	0
Capital Financing Adjustment	0	0	0	0
Levies	0	0	0	0
NET EXPENDITURE	14,025	74	(2,740)	11,359

INFRASTRUCTURE & TRANSACTIONS

The Infrastructure & Transactions Division consists of Facilities Management, IT Service Delivery, Post & Print Room and Transactional services.

FULL TIME EQUIVALENTS (FTE)
Number of Permanent Staff
Number of Fixed term contracts
Total FTE

2015/16	2016/17
90.7	88.7
0.0	0.0
90.7	88.7

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	3,655	0	83	3,738
Premises	2,645	11	17	2,673
Transport	36	0	(7)	29
Supplies and Services	2,812	13	(278)	2,547
Third Party Payments	210	1	106	317
Transfer Payments	0	0	9	9
Support Services	837		38	875
Depreciation and Impairment Losses	2,045		278 0	2,322
GROSS EXPENDITURE	12,238	25	247	12,510
Income				
Government Grants	0		0	0
Other Reimbursements and Contributions	0		0	0
Customer and Client Receipts	(2,406)		(63)	(2,469)
Interest	0			0
Recharges	(9,755)		31	(9,724)
Reserves	0			0
GROSS INCOME	(12,161)	0	(32)	(12,193)
NET EXPENDITURE	77	25	215	317

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(567)	(2.0)
Transfer between departments	214	6.0
Technical adjustments	175	(6.0)
Depreciation adjustments	278	
Overheads adjustments	69	
Use of reserves		
TOTAL	169	(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

	2015/16	2016/17
Number of Permanent Staff	137.3	134.0
Number of Fixed term contracts	11.0	9.0
Total FTE	148.3	143.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	5,113	0	60	5,173
Premises	20	0	8	29
Transport	64	0	5	70
Supplies and Services	1,425	6	(342)	1,089
Third Party Payments	458	2	(35)	425
Transfer Payments	0			0
Support Services	1,910		500	2,410
Depreciation and Impairment Losses	0			0
GROSS EXPENDITURE	8,991	8	196	9,196
Income				
Government Grants	(1,519)		287	(1,232)
Other Reimbursements and Contributions	(930)		(40)	(970)
Customer and Client Receipts	(2,184)		(44)	(2,228)
Interest	0			0
Recharges	(1,964)		(319)	(2,283)
Reserves	0			0
GROSS INCOME	(6,597)	0	(116)	(6,713)
NET EXPENDITURE	2,394	8	80	2,483

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(520)	(3.0)
Transfer between departments		
Technical adjustments	372	2.7
Depreciation adjustments		
Overhead adjustments	181	
Use of Reserves	25	(5.0)
TOTAL	58	(5.3)

CORPORATE GOVERNANCE

The Corporate Governance Division consists of the South London Legal Partnership, Internal Audit, Investigations, Democracy Services, Electoral Services and Information Governance. Internal audit joined the Richmond and Kingston shared internal audit service in October 2015.

FULL TIME EQUIVALENTS (FTE)

Number of Permanent Staff
 Number of Fixed term contracts
 Number of FTE Richmond TUPE staff
 Total FTE

2015/16	2016/17
123.3	121.0
4.0	2.0
0.0	6.0
127.3	129.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	6,606	0	(825)	5,781
Premises	7	0	(1)	6
Transport	32	0	1	33
Supplies and Services	1,549	2	(57)	1,494
Third Party Payments	0		493	493
Transfer Payments	0			0
Support Services	540		(48)	492
Depreciation and Impairment Losses	0			0
GROSS EXPENDITURE	8,735	2	(437)	8,299
Income				
Government Grants	0			0
Other Reimbursements and Contributions	(4,527)		(19)	(4,545)
Customer and Client Receipts	(530)		0	(530)
Interest	0			0
Recharges	(1,886)		(87)	(1,973)
Reserves	0			0
GROSS INCOME	(6,942)	0	(106)	(7,048)
NET EXPENDITURE	1,793	2	(543)	1,252

Other Variations are analysed as follows:

Major Items	£000	fte
Previous years savings	(155)	
New savings		
Transfer between departments		
Technical adjustments	(23)	0.7
Depreciation adjustments		
Overhead adjustments	(135)	
Use of Reserves	(234)	1.0
TOTAL	(547)	1.7

BUSINESS IMPROVEMENT

The Business Improvement Division consists of IT Business Systems, IT Business Process Re-engineering, Business Improvement and Programme Office.

FULL TIME EQUIVALENTS

Number of Permanent Staff
Number of Fixed term contracts
Total FTE

	2015/16	2016/17
Number of Permanent Staff	31.5	29.0
Number of Fixed term contracts	13.0	20.0
Total FTE	44.5	49.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	3,576	0	(1,214)	2,363
Premises	0	0	0	0
Transport	3	0	0	3
Supplies and Services	1,230	4	(223)	1,011
Third Party Payments	0		0	0
Transfer Payments	0		0	0
Support Services	386		(51)	335
Depreciation and Impairment Losses	0		0	0
			0	
GROSS EXPENDITURE	5,196	4	(1,487)	3,712
Income				
Government Grants	0			0
Other Reimbursements and Contributions	0			0
Customer and Client Receipts	(84)		(30)	(114)
Interest	0			0
Recharges	(2,840)		(759)	(3,599)
Reserves	0			0
GROSS INCOME	(2,924)	0	(789)	(3,713)
NET EXPENDITURE	2,272	4	(2,276)	(0)

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(278.0)	(4.0)
Transfer between departments		
Technical adjustments	39.0	1.5
Depreciation adjustments		
Overheads adjustments	(810.0)	
Use of reserves	(1,227.0)	7.0
TOTAL	(2,276.0)	4.5

RESOURCES

The Resources Division consists of Policy & Strategy, Commercial Services, Business Planning, Accountancy and Business Partners . The Pensions service is managed by LB Wandsworth.

FULL TIME EQUIVALENTS

Number of Permanent Staff
Number of Fixed term contracts
Total FTE

2015/16	2016/17
67.3	58.6
3.0	3.0
70.3	61.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	4,071	0	(426)	3,645
Premises	100	0	(1)	100
Transport	4	0	(2)	2
Supplies and Services	4,110	19	(223)	3,906
Third Party Payments	171	0	0	171
Transfer Payments	9		(9)	0
Support Services	602		(65)	537
Depreciation and Impairment Losses	0			0
GROSS EXPENDITURE	9,068	19	(726)	8,361
Income				
Government Grants	0			0
Other Reimbursements and Contributions	(54)			(54)
Customer and Client Receipts	(753)		27	(726)
Interest	0			0
Recharges	(6,036)		786	(5,250)
Reserves	0			0
GROSS INCOME	(6,843)	0	813	(6,030)
NET EXPENDITURE	2,225	19	87	2,331

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(381)	(2.5)
Transfer between departments	(214)	(6.0)
Technical adjustments	107	(0.2)
Depreciation adjustments		
Overhead adjustments	721	
Use of Reserves	(146)	
TOTAL	87	(8.7)

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 but will be brought back in house from April 2016.

FULL TIME EQUIVALENTS (FTE)
Number of Permanent Staff
Number of Fixed term contracts
Number of FTE Sutton TUPE staff
Total FTE

2015/16	2016/17
4.5	43.5
40.0	23.0
39.0	0.0
83.5	66.5

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	2,463	2	(94)	2,372
Premises	15	0	0	15
Transport	(0)	0	0	(0)
Supplies and Services	221	1	(15)	207
Third Party Payments	263	1	(40)	224
Transfer Payments	0			0
Support Services	480		(13)	467
Depreciation and Impairment Losses	0			0
GROSS EXPENDITURE	3,442	5	(162)	3,285
Income				
Government Grants	0			0
Other Reimbursements and Contributions	(20)			(20)
Customer and Client Receipts	(569)			(569)
Interest	0			0
Recharges	(2,562)		(133)	(2,695)
Reserves	0			0
GROSS INCOME	(3,151)	0	(133)	(3,284)
NET EXPENDITURE	291	5	(295)	1

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(142)	
Transfer between departments		
Technical adjustments	43	
Depreciation adjustments		
Overheads adjustments	(146)	
Use of reserves	(50)	(17.0)
TOTAL	(295)	(17.0)

CORPORATE ITEMS

Corporate Management is composed of Housing Benefit subsidy payments and entitlements, Agency contract, Coroners Court and Severance payments.

FULL TIME EQUIVALENTS(FTE) Number of Permanent Staff

2015/16	2016/17
0	0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees*	688	8	0	696
Premises	0	0		0
Transport	0	0		0
Supplies and Services	313	2	(4)	310
Third Party Payments	242	1		243
Transfer Payments	93,700			93,700
Support Services	3,677		(4)	3,673
Depreciation and Impairment Losses	0			0
GROSS EXPENDITURE	98,620	11	(8)	98,623
Income				
Government Grants	(93,647)			(93,647)
Other Reimbursements and Contributions	0			0
Customer and Client Receipts	0			0
Interest	0			0
Recharges	(0)			(0)
Reserves	0			0
GROSS INCOME	(93,647)	0	0	(93,647)
NET EXPENDITURE	4,973	11	(8)	4,976

Other Variations are analysed as follows:

Major Items	£000	fte
Savings		
Transfer between departments		
Technical adjustments	0	
Overheads adjustments	(4)	
TOTAL	(4)	0.0

* The employee budgets shown here relate to employee redundancy payments. There are no FTE's in Corporate Items



2016/2017 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

	2015/16	2016/17
Number of Permanent Staff	445.0	430.5
Number of DSG Staff	66.4	75.4
Number of Fixed term contracts	24.5	22.5
Total FTE	535.9	528.4

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000	2016/17 DSG Estimate £000	2016/17 LA Estimate £000
Expenditure						
Employees	26,420	11	141	26,572	4,423	22,149
Premises	1,465	4	79	1,548	73	1,475
Transport	3,375	16	910	4,301	66	4,235
Supplies and Services	164,049	180	(18,936)	145,293	130,036	15,257
Third Party Payments	30,573	82	(2,242)	28,413	12,260	16,153
Transfer Payments	360	0	28	388	0	388
Support Services	4,614	0	223	4,837	258	4,579
Depreciation and Impairment Losses	5,237	0	74	5,311	0	5,311
GROSS EXPENDITURE	236,093	293	(19,723)	216,663	147,116	69,547
Income						
Government Grants	(174,826)	0	17,617	(157,209)	(145,397)	(11,812)
Other Reimbursements and Contributions	(7,327)	0	1,189	(6,138)	(1,238)	(4,900)
Customer and Client Receipts	(3,026)	0	177	(2,849)	(243)	(2,606)
Interest	(44)	0	(2)	(46)	0	(46)
Recharges	0	0	0	0	0	0
Reserves	24	0	(262)	(238)	(238)	0
GROSS INCOME	(185,199)	0	18,719	(166,480)	(147,116)	(19,364)
NET EXPENDITURE	50,894	293	(1,004)	50,183	0	50,183

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(2,191)	-3.4
Overhead adjustments	222	
Depreciation adjustments	74	
Technical adjustments	1,579	
Revenuisation	(27)	
Use of Reserves adjustment	(661)	
TOTAL	(1,004)	(3.4)

SUMMARY: CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

SERVICE AREA ANALYSIS	2015/16	Inflation £000	Other	2016/17	2016/17 DSG	2016/17 LA
	Estimate £000		Variations £000	Estimate £000	Estimate £000	Estimate £000
Senior Management	1,505	2	17	1,524	0	1,524
Childrens Social Care	13,137	10	144	13,291	117	13,174
Commissioning, Strategy and Performance	14,128	41	(1,087)	13,082	3,780	9,302
Education	35,356	43	(889)	34,510	23,732	10,778
Schools	(20,872)	0	(1,622)	(22,494)	(27,629)	5,135
Other Childrens, Schools and Families	7,640	197	2,433	10,270	0	10,270
TOTAL NET EXPENDITURE	50,894	293	(1,004)	50,183	0	50,183

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Senior Management

This budget contains provision for the Senior Management of Children, Schools and Families Department.

FULL TIME EQUIVALENTS

	2015/16	2016/17
Number of Permanent Staff	4.0	4.0
Number of DSG Staff	0.0	0.0
Number of Fixed term contracts	0.0	0.0
Total FTE	4.0	4.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000	2016/17 DSG Estimate £000	2016/17 LA Estimate £000
Expenditure						
Employees	609	0	4	613	0	613
Premises	0	0	0	0	0	0
Transport	1	0	0	1	0	1
Supplies and Services	864	2	(10)	856	0	856
Third Party Payments	7	0	0	7	0	7
Transfer Payments	0	0	0	0	0	0
Support Services	24	0	23	47	0	47
Depreciation and Impairment Losses	0	0	0	0	0	0
GROSS EXPENDITURE	1,505	2	17	1,524	0	1,524
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	1,505	2	17	1,524	0	1,524

Other Variations are analysed as follows:

Major Items	£000	fte
Overhead adjustments	23	
Transfer between departments	0	
Shared legal services devolved budgets	0	
Technical adjustments	(6)	
TOTAL	17	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, placements and looked after children; as well as safeguarding, standards and training.

FULL TIME EQUIVALENTS

Number of Permanent Staff
Number of DSG Staff
Number of Fixed term contracts
Total FTE

2015/16	2016/17
190.9	187.4
2.0	2.0
22.0	18.2
214.9	207.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000	2016/17 DSG Estimate £000	2016/17 LA Estimate £000
Expenditure						
Employees	9,841	0	(164)	9,677	105	9,572
Premises	93	0	(40)	53	0	53
Transport	188	1	(24)	165	1	164
Supplies and Services	1,084	3	(254)	833	4	829
Third Party Payments	1,242	6	(87)	1,161	0	1,161
Transfer Payments	341	0	28	369	0	369
Support Services	1,744	0	266	2,010	7	2,003
Depreciation and Impairment Losses	11	0	(11)	0	0	0
GROSS EXPENDITURE	14,544	10	(286)	14,268	117	14,151
Income						
Government Grants	(881)	0	140	(741)	0	(741)
Other Reimbursements and Contributions	(526)	0	290	(236)	0	(236)
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	(1,407)	0	430	(977)	0	(977)
NET EXPENDITURE	13,137	10	144	13,291	117	13,174

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(200)	(2.4)
Overhead adjustments	265	
Depreciation adjustments	(11)	
Use of Reserves adjustment	(583)	
Technical adjustments	673	
TOTAL	144	(2.4)

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Commissioning, Strategy and Performance

This page contains the budgets for access to resources service; policy, planning and performance; joint commissioning and partnerships; as well as contract procurement and school organisation.

FULL TIME EQUIVALENTS

Number of Permanent Staff
Number of DSG Staff
Number of Fixed term contracts
Total FTE

2015/16	2016/17
36.8	37.2
5.9	5.9
2.5	2.5
45.2	45.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000	2016/17 DSG Estimate £000	2016/17 LA Estimate £000
Expenditure						
Employees	2,208	0	(95)	2,113	211	1,902
Premises	418	2	0	420	20	400
Transport	36	0	(1)	35	3	32
Supplies and Services	4,317	21	(789)	3,549	46	3,503
Third Party Payments	7,262	18	(286)	6,994	3,496	3,498
Transfer Payments	0	0	0	0	0	0
Support Services	472	0	39	511	32	479
Depreciation and Impairment Losses	0	0	0	0	0	0
GROSS EXPENDITURE	14,713	41	(1,132)	13,622	3,808	9,814
Income						
Government Grants	(77)	0	9	(68)	0	(68)
Other Reimbursements and Contributions	(283)	0	76	(207)	(28)	(179)
Customer and Client Receipts	(225)	0	(40)	(265)	0	(265)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
GROSS INCOME	(585)	0	45	(540)	(28)	(512)
NET EXPENDITURE	14,128	41	(1,087)	13,082	3,780	9,302

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(759)	0.0
Overhead adjustments	34	
Use of Reserves adjustment	(52)	
Revenuisation	(25)	
Technical adjustments	(285)	
TOTAL	(1,087)	0.0

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 educational needs and disability integrated service.

FULL TIME EQUIVALENTS

Number of Permanent Staff
 Number of DSG Staff
 Number of Fixed term contracts
 Total FTE

2015/16	2016/17
211.1	199.8
58.5	67.6
0.0	1.7
269.6	269.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000	2016/17 DSG Estimate £000	2016/17 LA Estimate £000
Expenditure						
Employees	10,955	0	400	11,355	3,434	7,921
Premises	908	1	117	1,026	5	1,021
Transport	3,150	15	936	4,101	61	4,040
Supplies and Services	15,368	20	(1,707)	13,681	11,926	1,755
Third Party Payments	11,761	7	(1,933)	9,835	8,765	1,070
Transfer Payments	19	0	0	19	0	19
Support Services	2,358	0	(111)	2,247	219	2,028
Depreciation and Impairment Losses	172	0	4	176	0	176
GROSS EXPENDITURE	44,691	43	(2,294)	42,440	24,410	18,030
Income						
Government Grants	(3,243)	0	503	(2,740)	(146)	(2,594)
Other Reimbursements and Contributions	(3,292)	0	923	(2,369)	(51)	(2,318)
Customer and Client Receipts	(2,800)	0	217	(2,583)	(243)	(2,340)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	(238)	(238)	(238)	0
GROSS INCOME	(9,335)	0	1,405	(7,930)	(678)	(7,252)
NET EXPENDITURE	35,356	43	(889)	34,510	23,732	10,778

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(1,025)	(1.0)
Overhead adjustments	(106)	
Transfer between departments	(2)	
Use of Reserves adjustment	(50)	
Depreciation adjustments	4	
Technical adjustments	290	
TOTAL	(889)	(1.0)

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

2015/16	2016/17
0.0	0.0
0.0	0.0
0.0	0.0
0.0	0.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000	2016/17 DSG Estimate £000	2016/17 LA Estimate £000
Expenditure						
Employees	654	0	20	674	674	0
Premises	46	0	2	48	48	0
Transport	0	0	0	0	0	0
Supplies and Services	142,104	0	(15,966)	126,138	118,059	8,079
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	5,054	0	81	5,135	0	5,135
GROSS EXPENDITURE	147,858	0	(15,863)	131,995	118,781	13,214
Income						
Government Grants	(167,701)	0	14,371	(153,330)	(145,251)	(8,079)
Other Reimbursements and Contributions	(1,029)	0	(130)	(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	0	0
GROSS INCOME	(168,730)	0	14,241	(154,489)	(146,410)	(8,079)
NET EXPENDITURE	(20,872)	0	(1,622)	(22,494)	(27,629)	5,135

Other Variations are analysed as follows:

Major Items	£000	fte
Depreciation adjustments	81	
Technical adjustments	(1,703)	
TOTAL	(1,622)	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

2015/16	2016/17
2.2	2.2
0.0	0.0
0.0	0.0
2.2	2.2

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000	2016/17 DSG Estimate £000	2016/17 LA Estimate £000
Expenditure						
Employees	2,152	10	(22)	2,140	0	2,140
Premises	0	0	0	0	0	0
Transport	0	0	0	0	0	0
Supplies and Services	312	135	(212)	235	0	235
Third Party Payments	10,301	52	64	10,417	0	10,417
Transfer Payments	0	0	0	0	0	0
Support Services	16	0	6	22	0	22
Depreciation and Impairment Losses	0	0	0	0	0	0
GROSS EXPENDITURE	12,781	197	(164)	12,814	0	12,814
Income						
Government Grants	(2,923)	0	2,594	(329)	0	(329)
Other Reimbursements and Contributions	(2,198)	0	29	(2,169)	0	(2,169)
Customer and Client Receipts	0	0	0	0	0	0
Interest	(44)	0	(2)	(46)	0	(46)
Recharges	0	0	0	0	0	0
Reserves	24	0	(24)	0	0	0
GROSS INCOME	(5,141)	0	2,597	(2,544)	0	(2,544)
NET EXPENDITURE	7,640	197	2,433	10,270	0	10,270

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(207)	
Overhead adjustments	6	
Use of Reserves adjustment	24	
Technical adjustments	2,610	
TOTAL	2,433	0.0



2016/2017 ESTIMATES

ENVIRONMENT AND REGENERATION DEPARTMENT

SUMMARY: ENVIRONMENT & REGENERATION

FULL TIME EQUIVALENTS (FTE)

Permanent Staff

Fixed Term Contract

Total FTE

2015/16	2016/17
644	620
11	9
654	628

SERVICE AREA ANALYSIS

CHANGE BETWEEN YEARS

	2015/2016 Original Estimate £000	Inflation £000	Other Variations £000	2016/2017 Estimate £000
Street Scene and Waste	17,733	71	(1,045)	16,759
Public Protection and Development	(7,944)	9	(1,411)	(9,346)
Sustainable Communities	14,196	44	(423)	13,817
Senior Management and Support	0	1	(1)	0
TOTAL EXPENDITURE	23,985	125	(2,880)	21,230

ENVIRONMENT AND REGENERATION DEPARTMENT

Departmental Summary

FULL TIME EQUIVALENTS (FTE)

Permanent Staff

Fixed Term Contract

Total FTE

2015/16	2016/17
644	620
11	9
654	628

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/2016 Original Estimate £000	Inflation £000	Other Variations £000	2016/2017 Estimate £000
Expenditure				
Employees	23,428	0	(275)	23,153
Premises	2,966	24	44	3,034
Transport	8,861	13	(184)	8,690
Supplies and Services	4,728	16	(1,359)	3,385
Third Party Payments	10,289	72	(462)	9,899
Transfer Payments	9	0	(7)	2
Support Services	8,825	0	267	9,092
Depreciation and Impairment Losses	8,583	0	956	9,539
GROSS EXPENDITURE	67,689	125	(1,020)	66,794
Income				
Government Grants	(481)	0	365	(116)
Other Reimbursements and Contributions	(3,658)	0	307	(3,351)
Customer and Client Receipts	(36,908)	0	(2,745)	(39,653)
Interest	0	0	0	0
Recharges	(2,656)	0	213	(2,443)
Reserves	0	0	0	0
GROSS INCOME	(43,703)	0	(1,860)	(45,563)
NET EXPENDITURE	23,985	125	(2,880)	21,230

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(4,771)	(22)
Depreciation adjustments	957	
Overheads adjustments	480	
Transfer between departments	(104)	
Technical adjustments	1,670	
Use of Reserves adjustments	(1,112)	(3)
TOTAL	(2,880)	(24.4)

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

2015/16	2016/17
314	302
1	0
315	302

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/2016 Original Estimate £000	Inflation £000	Other Variations £000	2016/2017 Estimate £000
Expenditure				
Employees	9,338	0	33	9,371
Premises	276	0	(22)	254
Transport	8,231	10	(149)	8,092
Supplies and Services	1,137	3	(446)	694
Third Party Payments	6,674	58	(189)	6,543
Transfer Payments	2	0	0	2
Support Services	3,171	0	(239)	2,932
Depreciation and Impairment Losses	1,193	0	(89)	1,104
GROSS EXPENDITURE	30,022	71	(1,101)	28,992
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(1,016)	0	142	(874)
Customer and Client Receipts	(11,273)	0	(86)	(11,359)
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	(12,289)	0	56	(12,233)
NET EXPENDITURE	17,733	71	(1,045)	16,759

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(544)	(11.0)
Depreciation adjustments	(88)	
Overheads adjustments	(239)	
Transfer between departments	(84)	
Technical adjustments	185	
Use of reserves adjustments	(275)	(1.0)
TOTAL	(1,045)	(12.0)

ENVIRONMENT AND REGENERATION DEPARTMENT

Public Protection: Regulatory Services Partnership, Parking Control, Safer Merton.

FULL TIME EQUIVALENTS (FTE)

Permanent Staff *

Fixed Term Contract

Total FTE

2015/16	2016/17
146	142
1	0
147	142

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/2016 Original Estimate £000	Inflation £000	Other Variations £000	2016/2017 Estimate £000
Expenditure				
Employees	5,577	0	86	5,663
Premises	643	2	(24)	621
Transport	185	1	(16)	170
Supplies and Services	566	3	0	569
Third Party Payments	617	3	(5)	615
Transfer Payments	0	0	0	0
Support Services	1,474	0	305	1,779
Depreciation and Impairment Losses	212	0	(80)	132
GROSS EXPENDITURE	9,274	9	266	9,549
Income				
Government Grants	(108)	0	0	(108)
Other Reimbursements and Contributions	(1,279)	0	111	(1,168)
Customer and Client Receipts	(15,830)	0	(1,788)	(17,618)
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	(17,217)	0	(1,677)	(18,894)
NET EXPENDITURE	(7,944)	9	(1,411)	(9,346)

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(3,065)	(3.0)
Depreciation adjustments	(80)	
Overheads adjustments	305	
Technical adjustments	1,429	
Use of Reserves adjustments	0	
TOTAL	(1,411)	(3.0)

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

2015/16	2016/17
173	166
7	9
180	175

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/2016 Original Estimate £000	Inflation £000	Other Variations £000	2016/2017 Estimate £000
Expenditure				
Employees	7,574	0	(208)	7,366
Premises	2,046	22	90	2,158
Transport	425	2	(7)	420
Supplies and Services	2,825	9	(916)	1,918
Third Party Payments	2,998	11	(268)	2,741
Transfer Payments	7	0	(7)	0
Support Services	4,033	0	217	4,250
Depreciation and Impairment Losses	7,179	0	1,125	8,304
GROSS EXPENDITURE	27,087	44	26	27,157
Income				
Government Grants	(373)	0	365	(8)
Other Reimbursements and Contributions	(1,363)	0	54	(1,309)
Customer and Client Receipts	(9,804)	0	(871)	(10,675)
Recharges	(1,350)	0	3	(1,347)
Reserves	(0)	0	0	(0)
GROSS INCOME	(12,891)	0	(449)	(13,340)
NET EXPENDITURE	14,196	44	(423)	13,817

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(1,092)	(6.2)
Depreciation adjustments	1,125	
Overheads adjustments	220	
Transfer between departments	(20)	
Technical adjustments	31	
Use of Reserves adjustments	(687)	0.4
TOTAL	(423)	(5.8)

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

2015/16	2016/17
11	9
2	0
13	9

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/2016 Original Estimate £000	Inflation £000	Other Variations £000	2016/2017 Estimate £000
Expenditure				
Employees	939	0	(186)	753
Premises	1	0	0	1
Transport	20	0	(12)	8
Supplies and Services	199	1	3	203
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	147	0	(16)	131
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	1,306	1	(211)	1,096
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Recharges	(1,306)	0	210	(1,096)
Reserves	0	0	0	0
GROSS INCOME	(1,306)	0	210	(1,096)
NET EXPENDITURE	0	1	(1)	0

Other variations are analysed as follows:

Major Items	£000	fte
Savings	(70)	(1.6)
Overheads adjustments	194	
Technical adjustments	25	
Use of Reserves adjustments	(150)	(2.0)
TOTAL	(1)	(3.6)



2016/2017 ESTIMATES

COMMUNITY AND HOUSING DEPARTMENT

SUMMARY: COMMUNITY AND HOUSING

	2015/16	2016/17
Number of FTE Staff	466.32	394.33
Number of FTE PCT TUPE staff	22.74	22.18
Number of Fixed Term contract	2.00	2.00
Total FTE	491.06	418.51

SERVICE AREA ANALYSIS

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Adult Social Care	55,678	227	(4,889)	51,016
Libraries and Heritage	3,089	4	(229)	2,864
Merton Adult Education	80	3	(151)	(68)
Housing General Fund	2,151	8	(149)	2,010
Senior Management	402	1	(7)	396
NET EXPENDITURE	61,400	243	(5,425)	56,218

COMMUNITY AND HOUSING DEPARTMENT Total

The department includes Adult Social Care, Housing, Libraries and Merton Adult Education.

FULL TIME EQUIVALENTS

	2015/16	2016/17
Number of FTE Staff	466.32	394.33
Number of FTE PCT TUPE staff	22.74	22.18
Number of Fixed Term contract	2.00	2.00
Total FTE	491.06	418.51

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	19,019	2	(1,970)	17,051
Premises	978	5	(12)	971
Transport	1,223	4	214	1,441
Supplies and Services	6,486	19	(1,373)	5,132
Third Party Payments	42,824	212	(1,820)	41,216
Transfer Payments	9,855	1	156	10,012
Support Services	8,256	0	(596)	7,660
Depreciation and Impairment Losses	641	0	(176)	465
GROSS EXPENDITURE	89,282	243	(5,577)	83,948
Income				
Government Grants	(4,060)	0	(285)	(4,345)
Other Reimbursements and Contributions	(8,674)	0	(1)	(8,675)
Customer and Client Receipts	(11,903)	0	153	(11,750)
Interest	0	0	0	0
Recharges	(3,245)	0	285	(2,960)
Reserves	0	0	0	0
GROSS INCOME	(27,882)	0	152	(27,730)
NET EXPENDITURE	61,400	243	(5,425)	56,218

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(5,379)	(61.97)
Growth	212	0
Overheads adjustments	(311)	0
Depreciation adjustments	(175)	0
Rebasing of Income	0	0
Technical adjustments	54	0
Transfers between departments	266	0
Grants	83	0
Other	295	0
Use of Reserves Adjustment	(470)	0.00
TOTAL	(5,425)	(61.97)

COMMUNITY AND HOUSING DEPARTMENT

Adult Education

Provides high quality learning and training needs of Merton communities for ages 16-65. Funded by LSC, MAE is able to support financially qualifying learners and or offer free courses. Services are provided through two main town centres Whatley Avenue, Wimbledon's Marlborough hall, and four neighbourhood centres, Cobham Court, Mictam's Canons house, Pollards Hill and Morden libraries. (Cabinet have approved decision to move the Adult Education model to a Commissioning model)

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of Fixed Term contract

Total FTE

	2015/16	2016/17
Number of FTE Staff	27.29	24.26
Number of Fixed Term contract	0.00	0.00
Total FTE	27.29	24.26

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16		Other	2016/17
	Original	Inflation	Variations	Estimate
	£000	£000	£000	£000
Expenditure				
Employees	1,891	0	(479)	1,412
Premises	166	1	(1)	166
Transport	4	0	(1)	3
Supplies and Services	350	2	0	352
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	335	0	(156)	179
Depreciation and Impairment Losses	92	0	(6)	86
GROSS EXPENDITURE	2,838	3	(643)	2,198
Income				
Government Grants	(1,955)	0	492	(1,463)
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(803)	0	0	(803)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	(2,758)	0	492	(2,266)
NET EXPENDITURE	80	3	(151)	(68)

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(8)	(0.50)
Growth	0	
Overheads adjustments	(156)	
Depreciation adjustments	(6)	
Rebasing of Income	0	
Technical adjustments	0	
Transfers between departments	(1)	
Grants	0	
Other	20	
Use of Reserves Adjustment	0	
TOTAL	(151)	(0.50)

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

2015/16	2016/17
45.71	42.56
1.00	1.00
46.71	43.56

Number of Fixed Term Contract

Total FTE

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	1,325	0	23	1,348
Premises	397	2	4	403
Transport	4	0	0	4
Supplies and Services	465	2	(18)	449
Third Party Payments	28	0	(1)	27
Transfer Payments	0	0	0	0
Support Services	696	0	(8)	688
Depreciation and Impairment Losses	490	0	(187)	303
GROSS EXPENDITURE	3,405	4	(187)	3,222
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	(42)	(42)
Customer and Client Receipts	(316)	0	0	(316)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	(316)	0	(42)	(358)
NET EXPENDITURE	3,089	4	(229)	2,864

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(96)	(1.00)
Growth	0	
Overheads adjustments	(8)	
Depreciation adjustments	(186)	
Rebasing of Income	0	
Technical adjustments	42	
Transfers between departments	(5)	
Grants	0	
Other	24	
Use of Reserves Adjustment	0	
TOTAL	(229)	(1.00)

COMMUNITY AND HOUSING DEPARTMENT
Housing General Fund

Housing Needs and Enabling Service

FULL TIME EQUIVALENTS

Number of FTE Staff

2015/16	2016/17
30.53	26.82
0.00	0.00
30.53	26.82

Number of Fixed Term Contract

Total FTE

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	1,222	0	(103)	1,119
Premises	39	0	0	39
Transport	28	0	0	28
Supplies and Services	203	1	15	219
Third Party Payments	1,396	6	860	2,262
Transfer Payments	304	1	(56)	249
Support Services	251	0	41	292
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	3,443	8	757	4,208
Income				
Government Grants	(1,140)	0	(860)	(2,000)
Other Reimbursements and Contributions	(5)	0	(15)	(20)
Customer and Client Receipts	(147)	0	(31)	(178)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	(1,292)	0	(906)	(2,198)
NET EXPENDITURE	2,151	8	(149)	2,010

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(215)	(3.71)
Growth	0	
Overheads adjustments	41	
Depreciation adjustments	0	
Rebasing of Income	0	
Technical adjustments	3	
Transfers between departments	0	
Grants	0	
Other	22	
Use of Reserves Adjustment	0	
TOTAL	(149)	(3.71)

COMMUNITY AND HOUSING DEPARTMENT Adult Social Care

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

Number of FTE Staff
Number of FTE PCT TUPE staff
Number of Fixed Term Contract
Total FTE

2015/16	2016/17
360.79	298.69
22.74	22.18
1.00	1.00
384.53	321.87

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	14,357	2	(1,411)	12,948
Premises	376	2	(15)	363
Transport	1,187	4	215	1,406
Supplies and Services	5,332	13	(1,370)	3,975
Third Party Payments	41,400	206	(2,679)	38,927
Transfer Payments	9,551	0	212	9,763
Support Services	6,932	0	(466)	6,466
Depreciation and Impairment Losses	59	0	17	76
GROSS EXPENDITURE	79,194	227	(5,497)	73,924
Income				
Government Grants	(965)	0	83	(882)
Other Reimbursements and Contributions	(8,669)	0	56	(8,613)
Customer and Client Receipts	(10,637)	0	184	(10,453)
Interest	0	0	0	0
Recharges	(3,245)	0	285	(2,960)
Reserves	0	0	0	0
GROSS INCOME	(23,516)	0	608	(22,908)
NET EXPENDITURE	55,678	227	(4,889)	51,016

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	(5,060)	(56.76)
Growth	212	
Overheads adjustments	(181)	
Depreciation adjustments	17	
Rebasing of Income	0	
Technical adjustments	9	
Transfers between departments	272	
Grants	83	
Other	229	
Use of Reserves Adjustment	(470)	
TOTAL	(4,889)	(56.76)

COMMUNITY AND HOUSING DEPARTMENT Senior Management

This area includes the cost of the Director and Executive Assistant

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of Fixed Term Contract

Total FTE

2015/16	2016/17
2.00	2.00
0.00	0.00
2.00	2.00

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	224	0	0	224
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	136	1	0	137
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	42	0	(7)	35
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	402	1	(7)	396
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	402	1	(7)	396

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	0	
Growth	0	
Overheads adjustments	(7)	
Depreciation adjustments	0	
Rebasing of Income	0	
Technical adjustments	0	
Transfers between departments	0	
Grants	0	
Other	0	
Use of Reserves Adjustment		
TOTAL	(7)	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

Number of FTE Staff

Number of Fixed Term Contracts

Total FTE

2015/16	2016/17
14.77	15.43
0.00	0.00
14.77	15.43

SUBJECTIVE ANALYSIS OF ESTIMATES

	2015/16 Original Estimate £000	Inflation £000	Other Variations £000	2016/17 Estimate £000
Expenditure				
Employees	995	0	95	1,090
Premises	2	0	0	2
Transport	2	0	0	2
Supplies and Services	4,721	0	(971)	3,750
Third Party Payments	4,155	0	2,731	6,886
Transfer Payments	0	0	0	0
Support Services	172	0	(5)	167
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	10,047	0	1,850	11,897
Income				
Government Grants	(9,236)	0	(1,945)	(11,181)
Other Reimbursements and Contributions	(491)	0	191	(300)
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	(9,727)	0	(1,754)	(11,481)
NET EXPENDITURE	320	0	96	416

Other Variations are analysed as follows:

Major Items	£000	fte
Savings	0	
Growth	0	
Overheads adjustments	0	
Depreciation adjustments	0	
Rebasing of Income	0	
Technical adjustments	(1,112)	
Transfers between departments	400	
Grants	1,945	
Other	16	
Use of Reserves Adjustment	(1,153)	
TOTAL	96	0.00

BUSINESS PLAN - GLOSSARY OF TERMS

ANNUAL MINIMUM REVENUE PROVISION

The council is required to pay off an element of the accumulated General Fund capital spend each financial year through a revenue charge, as required by the Local Government and Housing Act 1989.

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. This information is reviewed annually.

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 national 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)

Is 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.

CAPITAL PROGRAMME

Is 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.

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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

CODE OF PRACTICE LOCAL AUTHORITY ACCOUNTING

These are designed to support consistent standards of financial accounting in local authorities. There are two accounting codes :-

The Code of Practice on Local Authority Accounting supports consistent financial reporting at the level of the formal statements of accounts.

The Service Reporting Code of Practice (SerCOP) supports consistent financial reporting between local authorities below the level of the formal statement of accounts. In particular the SerCOP is designed to support consistency and comparability in reporting the cost of individual services and activities. The IFRS based Code of Practice requires that the analysis of services in the Consolidated Revenue Account should follow that prescribed by the SerCOP.

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.

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. 31

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. The bands are set out below:

Value of home estimated at 1 April 1991		Proportion of the tax due April 1991 for a band D property
Band A	Under £40,000	66.7%
Band B	£40,001 - £52,000	77.8%
Band C	£52,001 - £68,000	88.9%
Band D	£68,001 - £88,000	100%
Band E	£88,001 - £120,000	122.2%
Band F	£120,001 - £160,000	144.4%
Band G	£160,001 - £320,000	166.7%
Band H	Over £320,001	200%

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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

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.

COUNTERPARTIES'DOWNGRADES Combine with Counterparties

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.

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.

DEBT RESCHEDULING

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. The reduction in the value of a fixed asset in the balance sheets is in line with the expected useful life. But 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

Money received by the Authority which has certain conditions / restrictions (loose terminology) over its use limiting the type of expenditure that it may be applied against. IFRS refers to Stipulations and sub divides them into Conditions and Restrictions. Earmarked grants (revenue or capital) are grants which are subject to restrictions..

ESTIMATED BUSINESS RATES AGGREGATE

The total business rates forecast at the outset of the business rate retention scheme to be collected by all billing authorities in England in 2013-14. The Estimated Business Rates Aggregate is updated year on year in line with the change in the small business multiplier (usually the September Retail Price Index).

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

FINANCE LEASE

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident 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 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 lease assets are of a specialised nature such that only the lessee can use them without major modifications being made

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

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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

IMPAIRMENT

This is where there is an adverse mismatch between the value of an asset to that stated on the balance sheet. When this occurs the asset must be written down to the required value. This cost is charged to revenue (written through the income and expenditure account)

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 and emerging and developing economies.. The Code of Practice on Local Authority is based on IFRSs.

INVESTMENT POLICY

The London Borough of Merton's investment policy has regard to the CLG's Guidance on Local Government Investments and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. The council's investment priorities will be security first, liquidity second, then return.

INVESTMENT STRATEGY

The investment of the Authority's cash balances to optimise its strategic and operational needs.

INVESTMENT TREASURY INDICATOR AND LIMIT

This is a prudential indicator for funds invested for more than 364 days, designed to measure the need for early investment redemption against the Authority's liquidity requirement.

LENDERS OPTION BORROWERS OPTION (LOBO)

When borrowing or lending money, certain time related limits may be established when the arrangement is made e.g. at a certain point in time the interest rate of a loan will increase; at this point both parties have the opportunity to opt in / out of the arrangement.

LEVY

Mechanism to limit disproportionate benefit from business rates. 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

An entity's obligations to transfer economic benefits as a result of past transactions or events.

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

The council is required to pay off an element of the accumulated General Fund capital spend each financial year through a revenue charge, as required by the Local Government and Housing Act 1989.

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.

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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

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 capitalized; 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 final salary and length of service (this current scheme is currently under review).

The scheme is financed by a combination of employee and employer contributions, together with income from a fund of investments. The employee contribution rate is set at 6% of pensionable pay, 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.

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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

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 OF BORROWING

The Local Government Finance Act (NI) 2011 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.

RECEIVING AUTHORITIES

These are the 421 authorities that are eligible to receive Revenue Support Grant (billing authorities plus county councils and fire and rescue authorities).

RESCHEDULING OF DEBT

The switching of debt between the short term and the longer term and vice versa to obtain favourable borrowing rates.

REVENUE RESERVES

These are amounts set aside for specific purposes. The Council has discretion in whether it wishes to set aside these amounts as distinct from sums set aside in provisions.

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.

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.

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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

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.

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, uprated 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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

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.

SUPPORTED CAPITAL EXPENDITURE

This is the term for central government support for local authority capital expenditure with effect from 1 April 2004. Under the new system, central government provides allocations to replace the previous system of credit approvals. The allocations enable services to borrow to finance capital schemes. The services also receive revenue funding through the revenue support grant to pay for the borrowing.

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.

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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...

TREASURY MANAGEMENT PRACTICES / TREASURY MANAGEMENT CODE OF PRACTICE

The Local Government Finance Act (NI) 2011 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 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	Our new 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/DV	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
NNDR	National 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