

Business Plan

2013 - 2017



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INTRODUCTION

Welcome to Merton Council's Business Plan for 2013/17, 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 Management 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 2015 Merton Council will be smaller, reducing in size. Our top priority will continue to be to provide safe services of the best possible quality. 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 finding innovative solutions to maximise future efficiency.

We will deliver services that customers want and need and, where possible, involve our customers in service specification and design.

Delivering quality and value services in an era of significantly reduced resources will require strong and determined leadership. A single business view is essential to ensure a 'One Council' approach is followed in everything we do. Leaders at all levels will be visible and lead by example.

Change of this magnitude will only be achieved through a unified effort.

- Get Involved! – identify and implement improvements.
- One team – Directors, managers and staff have an equal part to play.
- Learn – from each other, our mistakes and from what our customers say.
- Determination – to try out new ideas.

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 2012/16 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.

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 players from the public, private and voluntary sectors in Merton, including the council, Primary Care Trust (PCT) 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 Partnership consists of three main groups:

The Merton Partnership – this is the full partnership body that provides the governance, overall leadership and representation to ensure that the Partnership delivers the community's priorities. It is chaired by the Leader of the Council, the person with the clearest democratic authority in the borough. It receives reports and briefings on the strategic issues for the borough and co-ordinates the work of the Partnership.

The Executive Board – this is the decision making body for the Partnership. It is chaired by the Chief Executive of the council. The Executive Board meets every two months and brings together the organisations with the most significant budgets in the borough. It ensures the Partnership is given the leadership and capacity it needs to do its job. The Executive Board is committed to sharing information and resources, and to implementing cross-cutting projects to achieve the aspirations set out in the Community Plan.

Thematic Partnerships – these partnerships 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 groups mirror the themes of the Community Plan:

Children and Young People

- Improving health outcomes
- Maintaining robust safeguarding
- Improving educational outcomes
- Promoting the positive contribution
- Promoting the economic wellbeing

Health and Wellbeing (previously Healthier Citizens)

- Healthy living
- Safeguarding
- Citizenship and inclusion
- Service delivery group

Sustainable Communities and Transport

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

Safer and Stronger

- 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

In addition to the four themes above Merton Council has added the further theme of **Corporate Capacity** which encompasses:

- 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 change of Government in 2010 has had, and will continue to have, a profound impact on the delivery of services at a local level. For example:

- The cuts to reduce the national budget deficit are being felt locally with Merton's funding from central Government to be reduced over the next four years.
- New legislation has the potential to radically transform service delivery and the responsibilities of local government. For example, the Localism and Decentralisation Act will give local people the right to bid to run local services and the Health and Social Care Bill will transfer responsibility for improving public health from health authorities to local councils.
- The Government's drive to deliver the 'Big Society'.
- This Business Plan represents Merton's response to the challenges and opportunities over the next four years.

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.

- Adult Treatment Plan
- Air Quality Action Plan
- Anti Social Behaviour Strategy
- Asset Management Plan
- Capital Programme
- Children and Young Persons' Plan
- Civil Contingencies Plan
- Climate Change Strategy
- Commercial and Trading Standards Delivery
- Community Plan
- Core Planning Strategy
- Corporate Equality Scheme
- Corporate Procurement Strategy
- Cultural Strategy
- Customer Services Strategy
- Crime and Disorder (partnership plan)
- East Merton and Mitcham Neighbourhood Renewal Strategy
- Economic Development Strategy
- Ethnic Minority Housing Strategy
- Gypsy and Traveller Strategy
- Homelessness Strategy
- Housing Strategy
- ICT Policy
- Information Governance Policy
- Local Development Framework
- Local Implementation Plan
- Local Transport Plan
- Looked After Children's Strategy
- Medium Term Financial Strategy
- Older People's Housing Strategy
- Open Spaces Strategy
- Performance Management Framework
- Risk Management Strategy
- Road Safety Plan
- Safeguarding Children's Board Annual Plan
- School Expansion Plans
- School Improvement Strategy
- Social Inclusion Strategy
- Special Educational Needs and Inclusion Strategy
- Treasury Management Strategy
- Unitary Development Plan
- Voluntary Sector Strategy
- Waste Management Plan
- Workforce Development Plan

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 elected in May 2010) is:
 - Labour: 28 councillors
 - Conservative: 27 councillors
 - Merton Park Ward Independent Residents: three councillors
 - Liberal Democrats: two councillors
- 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 £151m in 2012/13 with around 45% of this being spent on social care.
- 4,081 FTE or 5,513 headcount (as at Jan 13) 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.

- Population of 199,700 (Census estimate at May 2011) living in 78,757 chargeable dwellings. The population according to the Greater London Authority population projections is set to increase as follows: 206,612 by 2016, 209,666 by 2021, 211,783 by 2026 and to 213,931 by 2031.
- Three main town centres: Wimbledon, Mitcham and Morden.
- 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.
- Census 2011 data estimated that 40.1% of the population is from black and minority ethnic (BME) groups, with the range across schools being 32% to 91%.

- 121 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.
- The top five areas of concern to residents are crime, the level of council tax, traffic congestion, street cleanliness and lack of jobs.
- Council tax is currently set at £1,409.71 (2012/13) 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.

According to the 2010 Index of Multiple Deprivation, Merton is the fourth least deprived of the 33 London boroughs. Nationally the borough is ranked 208 out of 326, where 1 is the most deprived. 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). This is illustrated by the following facts:

- Median household income is £34,461 per annum. However, it is estimated that 27% of those employed living in the east of the borough earn under £20,000.
- The east of the borough has much higher levels of serious illness and early deaths from illnesses such as cancer and heart disease.
- Life expectancy for men in the most deprived 10% of the borough which is in the east is 77.20 years whilst for the least deprived 10% it is 83 years
- Two of Merton's Super Output Areas (SOAs) both in the east, are amongst the 20% most deprived in the country, and fourteen are in the 30% most deprived nationally, with 13 of these located in the east of the borough.
- 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 (increase of 21% on 2010 eligibility indicators – school census 2012).

The data / figures from the 2011 national census were released in September 2012 and this information is being used to aid service planning in subsequent years.

Section A

Financial Resources

A) MEDIUM TERM FINANCIAL STRATEGY 2013/17

1. Background to Financial Planning

- 1.1 The Medium Term Financial Strategy (MTFS) supports the achievement of the business plan and any financial implications arising from the agreed plan are included in financial planning for 2013/14 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. The new approach to Medium Term Financial Planning introduced last year has been retained and this has provided much more flexibility in decision making and enabled 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 2013/14 to 2016/17 starts from the approved budget 2012/13 and is built up showing the cumulative effect of variations over the period.
- 1.3 The decisions made in respect of each element of the MTFS impact on the overall financial position of the Authority and have been taken into account as part of an overall package of decisions. In addition to the normal review of the base position, an appraisal of options and variables has been undertaken this year which has enabled the impact of different scenarios to be modeled. In particular, forecasting the level of funding due to the changes arising from the Business Rate Retention Scheme, localising support to Council Tax and technical reforms of council tax has been undertaken, incorporating the impact of the Local Government Finance Settlement 2013-15 with estimates beyond that based on latest available information, including those of the Institute of Fiscal Studies (IFS).
- 1.4 Regular reports were made to Cabinet throughout the process on 2 July 2012, 22 October 2012, 10 December 2012, 21 January 2013, and 18 February 2013 which presented updated information to Members, and set out the financial implications as assumptions were reviewed and decisions made. The final MTFS for 2013-2017 was approved by Council on 6 March 2013.

2. Setting a Balanced Budget

- 2.1 A four-year forward plan is presented in the MTFS, but it is a legal requirement that a balanced (i.e. fully funded) budget is achieved for 2013/14.
- 2.2 Resource and expenditure projections were continually updated throughout the year to inform Members and officers of the overall position for 2013-2017.

- 2.3 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 2012 and January 2013 and their feedback on the Council's spending proposals was taken into account as part of budget setting.

3. Review of previous year's Savings

- 3.1 The current MTFS includes the following amounts in respect of the full year effects of previous year's savings.

Table 1: Full Year Effects of previous years savings

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Children, Schools and Families	(822)	(710)	0	0
Corporate Services	(555)	(314)	0	0
Environment and Regeneration	(2,038)	(2,197)	0	0
Community and Housing	(6,317)	(1,625)	0	0
	(9,732)	(4,846)	0	0

- 3.2 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 2013-17.
- 3.3 Cabinet on 22 October 2012 considered revisions to current savings proposals from Children, Schools and Families, Environment and Regeneration and Corporate Services. The overall impact of these proposed amendments on the MTFS was as follows:-

Table 2: Revisions to current savings

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
CSF	0	0	0	0
E&R	600	(600)	0	0
CS	31	(31)	0	0
Total	631	(631)	0	0

- 3.4 Further revisions to existing savings were agreed by Cabinet on 10 December 2012 but there was no overall change to the level of savings in each year.
- 3.5 One of the key objectives is to balance the budget and one of the shortcomings of the process in previous years, which the Council started to address last year, has been the inability to look over a long-term period and identify significant savings over more than one year.

3.6 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. A four year planning horizon including the current year has been introduced.

4. **Growth**

4.1 The MTFS agreed by Council in March 2013 includes £1m p.a. for adult social care placements. This has been included for prudent planning purposes but greater rigour is needed in demonstrating this need for future years alongside options to manage the spending pressure, which has the potential to be an option to help balance the budget.

4.2 The growth included in the MTFS is summarised in the following table:

Table 3: Growth Contained in the MTFS

Revised Growth	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
C&H	1.000	2.000	3.000	3.000
Total	1.000	2.000	3.000	3.000

5. **Local Government Finance Settlement 2013-15**

5.1 The financial projections of resources are based on the information as announced in the provisional Local Government Finance Settlement on 19 December 2012 and confirmed in the Final Local Government Finance Settlement figures which were published on 4 February 2013.

5.2 As a result of the Business Rates Retention Scheme and Government localisation arrangements there have been some significant changes to the funding methodology for 2013/14 onwards.

5.3 Prior to 2013/14 the main source of Government funding was known as formula grant and comprised Revenue Support Grant, and business rates being the authority's share of the national pool. In the new methodology, a local authority's share of the local government spending control total is referred to as its start up funding assessment. It comprises of its Revenue Support Grant and baseline funding level (Business Rates). The overall changes in formula grant/start up funding assessment compared to 2012/13, the base estimate for 2013/14 and the funding announced in the Final Local Government Finance Settlement are summarised in the following table. To enable like-for-like comparison, the figures have been adjusted for rolled-in grants of £25.502m which were not included in the 2012/13 and base 2013/14 figures.

Table 4: Changes in Central Government Funding

	2012/13	2013/14 Original	2013/14 Final	2014/15 Provisional
	£m	£m	£m	£m
Formula Grant/Start Up Funding Assessment	59.961	52.970	79.241	71.680
Rolled in Grants	25.502	25.502	Included above	Included above
Total	85.463	78.472	79.241	71.680

6. Review of Corporate and Technical Provisions

6.1 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 2013/14. The main details are set out in the following paragraphs.

6.2 Inflation

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.

6.2.1 Pay

In the June 2010 Budget, the Government announced a two year pay freeze from 2011-12 for public sector workers earning over £21,000, with those earning less than this receiving at least £250 in each year.

In the Autumn Statement announced in November 2011, the Chancellor of the Exchequer announced that "in order to maintain economic stability and meet its fiscal rules, the Government will set public sector pay awards at an average of one per cent for each of the two years after the current pay freeze comes to an end (i.e. 2013/14 and 2014/15). Departmental budgets will be adjusted in line with this policy, with the exception of the health and schools budgets, where the money saved will be recycled."

The pay freeze has held in place for three years up to and including 2012/13. The National Joint Council (NJC) Trade Unions has submitted the following claim with the Local Government Employers for a pay increase for its members in 2013 - 2014:

"A substantial flat rate increase on all scale points as a step towards the longer term objective of restoring pay levels and achieving the living wage as the bottom NJC spinal column point."

If the Government is successful in achieving a pay freeze up to and including 2014/15, the current provision in the MTFs will be more than is required. The MTFs includes the following assumptions about pay inflation:-

Table 5: MTFS General Pay Inflation Provision

	2013/14	2014/15	2015/16	2016/17
Pay inflation in MTFS (%)	1%	1%	2%	2%
Estimate (cumulative £000)	790	1,580	3,160	4,740

6.2.2 Prices

The level of inflation has been high for some time and continues to exceed the Government's target level of 2% for CPI inflation. Inflation has not fallen as quickly back to target as many analysts predicted, due to continuing economic difficulties and uncertainty.

CPI annual inflation stood at 2.7 per cent in January 2012, unchanged since October 2012. RPI annual inflation was 3.3% in January 2013, up from 3.1 per cent in December 2012.

6.2.3 Outlook for inflation:

On 7 February 2013, the Bank of England's Monetary Policy Committee voted to maintain the Bank Base Rate at 0.5%. The Committee also voted to continue with its programme of asset purchases totalling £375 billion, financed by the issuance of central bank reserves. The latest inflation forecasts for the UK economy, based on a summary of independent forecasts are set out in the table below:-

Table 6(a): Forecasts of CPI and RPI Inflation Trends

Source: HM Treasury - Forecasts for the UK Economy (January 2013)			
	Lowest %	Highest %	Average %
2012 (Quarter 4)			
CPI	2.1	2.9	2.6
RPI	2.8	3.3	3.1
2013 (Quarter 4)			
CPI	1.7	3.3	2.3
RPI	1.7	3.6	2.7

The Government's Autumn Statement and the Office for Budget Responsibility's (OBR) "Economic and Fiscal Outlook – 2012" were published in December.

The OBR's forecast overview of CPI until 2017 is set out in the table below:-

Table 6(b): Office for Budget Responsibility's (OBR) Forecasts of CPI

Percentage Change %	Outturn 2011	2012	2013	2014	2015	2016	2017
CPI	4.5%	2.8%	2.5%	2.2%	2.0%	2.0%	2.0%

The Bank of England published its Inflation Report for February 2013 and concluded that as far as the prospects for inflation are concerned:-
 “The UK economy is set for a slow but sustained recovery, aided by a further easing in credit conditions and some improvement in the global environment. The pace of the recovery is likely to be subdued by historic standards, and the risks remain weighted to the downside, albeit to a lesser extent than in November.

CPI inflation is likely to rise further in the near term, and may remain above the 2% target for the next two years. That is a higher profile than three months ago, and partly reflects a persistent inflationary impact both from ‘administered and regulated’ prices and from the recent decline in sterling. Inflation is expected to fall back to around the target by the end of the forecast period, as a gradual revival in productivity dampens domestic cost growth, and external price pressures fade.”

The current assumptions regarding price inflation incorporated into the MTFs are:-

Table 7: MTFs General Price Inflation Provision

	2013/14	2014/15	2015/16	2016/17
Price inflation in MTFs (%)	1.5%	1.5%	1.5%	1.5%
Estimate (cumulative £000)	2,230	4,461	6,691	8,922

Given the downward trend for inflation, albeit slower than anticipated, and analysts recent forecasts for it to continue to fall in 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.

6.2.4 Inflation > 1.5% on volatile budgets

In recent years, provision has been included in the MTFs for a number of budgets where inflation traditionally exceeded the general level of price inflation. These budgets were reviewed earlier in 2011/12 and, based upon current projections for inflation it is considered that this provision should be retained but held centrally for departments to bid for, subject to identified criteria, demonstrable needs and review to test its validity.

Table 8: Central MTFs Inflationary Provision Above 1.5%

	2012/13	2013/14	2014/15	2015/16
Cumulative	£0.316m	£0.676m	£1.008m	£1.008m

6.3 **Collection Fund**

6.3.1 In preparing the budget for 2012/13 the estimated surplus on the Collection Fund as at 31st March 2012 was £4.981m and this was shared £1.089m to the GLA and £3.891m to Merton. The 2011/12 audited total surplus on the Collection fund was, however, £6.212m as at 31st March 2012. The

additional balance of £1.231m is shared £0.954m to Merton and £0.277m to the GLA. The further estimated surplus as at 31st March 2013 in respect of 2012/13 is £2.053m which is shared £0.462m to the GLA, and £1.591m to Merton. The increase in collection of council tax has been partially offset by a shortfall in bailiff income.

The original MTFs assumed that there would be a surplus of £1m p.a. in 2013/14. There will therefore be an additional £1.545m available to support the 2013/14 revenue budget. The following table summarises the position. The share of the surplus to Merton assumed in future years in the MTFs is £1.250m.

Table 9: Collection Fund – Share of surplus

	Total £m	Merton £m	GLA £m
Audited Surplus 31/03/2012	6.212	4.845	1.367
Payments based on estimate	4.981	3.891	1.090
Balance	1.231	0.954	0.277
Forecast Surplus 2012/13	2.053	1.591	0.462
Total Available 2013/14	3.284	2.545	0.739
Assumed in MTFs		1.000	
Additional Available		1.545	

6.3.2 The Collection Fund also accounts for National Non-Domestic Rates and there will be significant changes to the treatment of NNDR due to the changes to local government funding arising from business rates retention and the Local Government Finance Act 2012 (Section 3, part 2). While there remains a single Collection Fund, local authorities will need to be able to separate the elements relating to council tax and non-domestic rates and calculate separate surpluses on each.

6.4 Pension Fund

6.4.1 New staff and those with a relevant change of circumstances will be auto-enrolled into the pension scheme from April 2013. However, for staff who were already employed at 1st April 2013 but are not in an appropriate pension scheme, there are 2 options: enroll them all at that date or use transitional arrangements for them (not for new starters) to be enrolled at a later stage. There is a significant change in procedures to implement the new arrangements for existing staff, and there are significant penalties for those employers who fail to meet their staging date, with fines that can reach £10,000 per day and 2 years imprisonment in cases of willful non compliance. Given that the ITrent payroll project is still not producing satisfactory pensions data for our administrative purposes, and that there were just 4 months to the payroll deadlines for the deductions to commence, it was felt to be too high a risk to attempt to enroll existing staff from 1st April 2013, and a decision has been taken to defer auto-enrolment of existing staff until October 2017.

Officers will be exploring the potential for bringing this date forward. Staff will need to be contacted and reminded of their right to join the pension scheme. This could produce an increased cost to the council (and schools) and a central provision will be required to cover this, until more accurate information is available. A central provision of £0.300m has been included in the MTFS for this purpose.

6.4.2 The new scheme from 2014 could produce a saving on the employers cost of future service from 2014 but a definitive cost will not be available until the 2014 valuation is complete. There is also the option of a 50:50 scheme, which it is thought will be more attractive to staff not currently in the scheme and new lower paid workers.

6.4.3 The 2014 valuation will also revise the deficit contribution required. This will be based upon the position at 31st March 2013. It is not possible at this stage to predict the outcome of the recent period of increasing longevity and troubled financial markets.

6.5 **Single Status/Equal Pay**

6.5.1 The Supreme Court recently ruled in a case against Birmingham City Council that equal pay claims can be lodged up to a period of six years after the event, rather than within a six month time limit. Whilst Merton has made good progress with Single Status and other issues, there is a risk that there could be potential equal pay claims submitted. A provision has been set aside for this.

6.6 **Concessionary Fares – 2013/14 Freedom Pass Settlement and Taxicards**

(a) Taxicards

This scheme is administered by London Councils on behalf of London boroughs. London Councils have advised that the level of funding from TfL towards the scheme is reducing in 2013/14 and the cost of the scheme to Merton will increase from £134,230 in 2012/13 to £208,436 in 2013/14, an increase of £74,206.

(b) Concessionary Fares and Freedom Passes

This scheme is also administered by London Councils on behalf of London boroughs. At its meeting on 13 December 2012, London Councils' Transport and Environment Committee (TEC) considered the Concessionary Fares 2013/14 Settlement and Apportionment and the options for 2014/15 onwards.

For 2013/14 the apportionment is £8,570,893, an increase of £448,483 on the 2012/13 budget of £8,122,410.

2014/15: TEC agreed that the change to usage for national rail and London Overground would be phased in over 3 years starting 2014/15.

6.7 New Homes Bonus

6.7.1 The Government has top-sliced £500m in 2013-14 and £800m in 2014-15 from the local government spending control total to fund the New Homes Bonus. Any funding that is not needed for this will be redistributed back to local authorities in proportion to their individual authority start-up funding assessment. The Final Settlement included a provisional allocation for Merton in 2013-14 of £2.724m.

6.8 Localising support for Council Tax: transitional grant scheme

6.8.1 The Department for Communities and Local Government made available an additional £100m for one year to support local authorities in developing well-designed council tax support schemes and maintain positive incentives to work. The grant is for those authorities who adopt schemes that comply with criteria set by Government to ensure that low income households do not face an extensive increase in their council tax liability in 2013-14. This funding will enable councils to explore more sustainable approaches to managing the funding reduction that minimise the impact on vulnerable taxpayers. Merton's grant is £274,697 which includes an element of £76,142 payable to the GLA so the net amount payable to Merton is £198,555. It is for 2013/14 only.

6.9 Housing Benefit Administration Grant

6.9.1 The amount of grant expected in 2013/14 is £1,395,765 and provision for this amount has been included in the budget.

6.10 Contingency

6.10.1 The budget approved for 2012/13 included provision of £2m as a contingency to meet unforeseen cost and demand pressures, particularly those arising as the economy recovers from the recession.

6.10.2 This has been reduced to £1.5m from 2013/14 going forwards but will be reviewed regularly.

6.11 Vacancy Provision

6.11.1 An adjustment has been made to the MTFS to remove the vacancy provision from service department's budgets.

6.12 Income budgets

6.12.1 Estimated additional income has been built into the MTFs assuming that fees and charges are increased by 2% where feasible. The overall impact of including 2% inflation on fees and charges budgets is

Table 10: Income

Income (cumulative £000)	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Departmental Fees & Charges	(669)	(1,338)	(2,007)	(2,676)

6.13 Customer Relationship Management Growth

6.13.1 As reported to Cabinet on 2 July 2012, the Customer Contact Options Appraisal report set out the implications of looking to improve the way we do business with our customers over the various channels of communication. There was some initial growth identified until the strategy and Customer Relationship Management (CRM) system is in place in order to realise further opportunities for efficiencies. The growth included within the MTFs is as set out below:

Table 11:

Growth	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
CRM	159	202	344	344

6.14 Landfill Tax

6.14.1 There will be an increase in landfill tax in 2013/14. The planning assumption on the budget was that this could be contained within the significant and continuing under spending on waste disposal. Savings proposals for 2014/15 have been based upon the current tax and cost and are based on a new contract. There will now need to be a provision of c. £400,000 in 2013/14 only.

6.15 Bad Debt Provision

6.15.1 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 2013/14, even under the current economic circumstances. This will, however, need to be kept under review as there is some evidence of some upward pressure on debt levels.

6.16 Contractors Health and Safety Scheme (CHAS)

6.16.1 At its meeting on 21 January 2013, Cabinet gave approval to the setting up of CHAS as a trading company. The aim of establishing CHAS as a company limited by shares is to enable it to embrace the significant opportunities that changes in recent years to local government legislation have permitted with regards powers to trade and which have recently been significantly supplemented by the enactment of the General Power of Competence in the Localism Act 2011. The change in status will also enable the scheme to react more quickly to ever changing market conditions as well as taking up new opportunities.

6.16.2 The freedom provided by the trading vehicle should show an increase in future growth levels and profitability. The profit generated by CHAS can be maintained in the company and dividend income drawn when required to assist with the budget gap. The income from CHAS, the trading company, may be applied in to other areas of Merton's activities to support expenditure, subsidise services, or reduce council taxation.

6.16.3 The net budget for CHAS in 2012/13 is a credit of £1.226m.

6.16.4 The following financial assumptions have been made in the budget and MTFS:-

Table 12: CHAS

CHAS	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Removal of existing budgets	1,226	1,226	1,226	1,226
Dividend	0	0	(920)	(920)

6.17 Corporate provision for Utilities and energy measures

6.17.1 There is a corporate provision for energy costs and conservation investment. It is anticipated that in 2013/14 this can be used to fund ReFit schemes to provide guaranteed savings in future years. In 2014/15 this provision is available for either further conservation measures or to fund any increases in energy prices above core inflation.

6.18 Budgets previously funded by Schools as part of SLA arrangements

6.18.1 There are some budgets currently in the 2012/13 budgets which have been funded by Dedicated Schools Grant (DSG) as part of the schools SLA. Budgets within payroll (£60,000 w.e.f. 2014/15) and Human Resources (£86,000 w.e.f. 2013/14) will no longer be paid for from DSG.

6.19 Summary of Corporate and Technical Adjustments

6.19.1 The financial implications of the corporate and technical adjustments are summarised in Appendix 1.

7. Departmental Savings

- 7.1 The business planning process is a multi-year approach and this includes a review of total expenditure and income over the period 2013-17. A four-year planning horizon including the current year has been retained. Cabinet on 22 October agreed savings targets for each department.
- 7.2 Cabinet reviewed the savings proposals put forward by officers and referred them to the Overview and Scrutiny panels and Commission for consideration.
- 7.3 Following the scrutiny process which resulted in some savings being rejected and some re-profiled, the total savings agreed by Council for the period 2013-17 are set out in the following table:-

Table 13: Savings 2013-17 agreed by Council

IDENTIFIED SAVINGS BY DEPARTMENT	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s	Total £000s
Community and Housing	0	1,190	1,414	1,608	4,212
Children, Schools and Families	0	150	631	250	1,031
Environment and Regeneration	215	1,456	602	439	2,712
Corporate Services	0	1,446	801	630	2,877
Total Savings	215	4,242	3,448	2,927	10,832
Total Cumulative Savings	215	4,457	7,905	10,832	

8. Building in the Implications of Current Spending Patterns

8.1 As at 31st December 2012, there was a forecast underspend for the Council of £4.313m for 2012.13, net of the amount set aside to fund capital expenditure in future years.

8.2 The underspend of £4.313m is made up as follows –

- departmental overspend £0.451m
- corporate underspend (£4.764m)

8.3 Sound financial management and continued robust challenge are resulting in lower levels of forecast spend at year-end. Where appropriate these reduced projections are being incorporated into the Medium Term Financial Strategy for 2013-17.

- 8.4 There is to be a programme of Public Value Reviews for the period 2013/14 to 2016/17 and one of the first tasks will be to build into the base budget any ongoing underspends from 2012/13 as a matter of course once the outturn has been confirmed. The opportunity has already been taken to incorporate into the MTFs, the financial implications of some ongoing underspends identified as part of financial monitoring. Ongoing savings already identified through budget monitoring are set out in the following table:-

Table 14:

	£000
Income from Adult Social Care	800
Waste Services	500
Single Status	351
Total	1,651

9. Capital Financing and Treasury Management

- 9.1 Treasury Management, Capital Financing and Investment Income:
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 2013-17 and estimated revenue funding is built into the MTFs for the level of borrowing that is expected.
- 9.2 There have been a number of issues related to managing and financing the capital programme and these have been reported throughout the year, both as part of regular monthly monitoring reports and reports on the business plan 2012-16.
- 9.3 The main issues relate to:-
- capitalisation
 - re-venueisation
 - revenue financing implications arising from slippage, re-profiling of the programme, reductions/deletions and growth in the programme
- 9.4 Capitalisation
The need/scope for capitalisation has continued to be reviewed during 2012/13 and it is considered that there is no current need for this over the current MTFs and capital programme period 2013-17.

9.5 Revenuisation and Other Revenue Contributions to Capital

There is an ongoing review of classification of expenditure which has previously been budgeted for in the capital programme but has subsequently turned out to be revenue in nature. However, it is important that this expenditure takes place and additional amounts identified that were formerly included in the capital programme that need to be funded from revenue have been identified. There are also a variety of assets with a short economic life within the capital programme. In 2012/13 these will be revenuised and funded via a combination of any treasury management under spending in year and drawing down of earmarked reserves. This will provide a more sustainable medium term position. In 2013/14 it is proposed that provisions are set aside for re-enlisting such short life assets supplemented by earmarked reserves.

Table 15: Summary of Revenuisation/Revenue funding of capital

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
Original MTFs	1,485	1,150	0	0	2,635
Revenuisation/RCCO	2,907	1,600	2,353	1,870	8,730
Total	4,392	2,750	2,353	1,870	11,365

9.6 Revenue implications arising from slippage, re-profiling and reductions/amendments and growth in the programme

The capital programme continued to be subject to major review during 2012/13 as part of monthly monitoring and the process of developing the Business Plan for 2013-17.

9.7 In addition to reviewing the capital programme, focus was maintained on the treasury management aspects of funding the programme, improving forecasts of available funding and minimising as far as possible the costs of funding capital. This included improved cash flow forecasting to enable the programme to be funded from internal resources for as long as possible to take advantage of current low levels of interest. Work is also continuing to ensure that grants and contributions are utilised effectively and this work will continue into the closing of accounts process for 2012/13 to ensure that the revenue impact of the capital programme is minimised in 2013/14 and beyond.

9.8 The revenue budget implications of the capital programme 2013-17 approved by Council on 6 March 2013 are summarised in the following table:-

Table 16: Details of Budgets for capital financing costs

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
MRP	7,569	7,991	8,783	9,242
Interest	6,692	6,692	6,900	7,892
Capital financing costs	14,261	14,683	15,683	17,134
Investment Income	(383)	(331)	(353)	(300)
Net	13,878	14,352	15,330	16,834

10. Balances and Reserves

10.1 The General Fund balance can be seen as an authority's working balance. In considering the budget plans for the next financial year it is also necessary to give some attention to the level of this working balance. In coming to this decision a number of issues should be considered. These are:

- (a) the retention of working balances to cushion cash flow variations and to avoid increased borrowing costs;
- (b) the retention of sums to provide against inflation and pay awards being in excess of the assumptions made within the budget;
- (c) the retention of sums to provide for contingent liabilities; or
- (d) to meet unforeseen events.

10.2 General Fund and equivalent HRA balances were £13.975m as at 31st March 2012 (£14.566m in 2010/11), increased due to the closure of the Housing Revenue Account.

10.3 Details of reserves are provided in Appendix 2. At this stage it is not considered appropriate to take a positive decision to reduce the level of balances in an uncertain financial climate and also taking into account the gaps identified in the budgets for 2014/15, 2015/16 and 2016/17. In taking a decision on the level of balances, it is important to take into consideration current and future budget pressures and recognise that in order to set a balanced budget over the next four years there is a need for significant net reductions in the budget which inevitably will mean that there is very little room for manoeuvre in determining the level of balances. An additional risk factor from 2013/14 is the impact of the changes arising from localisation of council tax support and technical reforms to council tax and also the level of business rates appeals.

10.4 Incorporating the latest information, there is no change to the Council's current level of balances. It is currently proposed that the level of General Fund balances remains constant over the MTFS period. This will be subject to regular review.

11. Council Tax Strategy

11.1 Council Tax and Council Tax Freeze Grant

On 8 October 2012, the Chancellor of the Exchequer announced new support for local authorities in England to help them freeze council tax for a further year. Local authorities that freeze their council tax in 2013/14 will receive a share of £225m of funding in both financial years 2013-14 and 2014-15, equivalent to raising their 2012-13 council tax by one per cent.

11.2 The final Settlement includes £834,593 p.a. Council Tax Freeze Grant (equivalent to 1%) for Merton. This has been incorporated into the MTFS.

11.3 Council Tax Base

Details of the council tax base and the changes in methodology arising from the introduction of the localisation of council tax support and technical reforms to council tax were provided to Cabinet on 21 January 2013.

11.4 For 2013/14 the Council Tax Base has been calculated as:-

Council Tax Base 2013/14	66,981.2
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11.5 A separate council tax base calculation has been produced for the properties covered by the Wimbledon and Putney Common Conservators (WPCC) area. For 2013/14 the Council Tax Base for Wimbledon and Putney Commons Conservators has been calculated as:-

WPCC Council Tax Base 2013/14	9,645.2
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12. Greater London Authority Precept and Other Levies

12.1 The Greater London Authority (GLA) sets a budget for itself and each of the four functional bodies: Transport for London, the London Development Agency, the Metropolitan Police Authority, and the London Fire and Emergency Planning Authority. These budgets together form the consolidated budget.

12.2 The London Assembly agreed a GLA Band D Council Tax for 2013/14 of £303.00 which is a reduction of £3.72 (1.2%) on the 2012/13 Band D Council Tax of £306.72.

12.3 The budget comprises of £220.25 to support the Metropolitan Police service, £50.65 for the London Fire Brigade, £29.73 for the GLA (Mayor and Assembly) and £2.37 for Transport for London (TfL).

12.4 Other Levies

12.4.1 The Council is required by statute to pay certain levies to the organisations listed below. The levies for 2013/14 are set out in the following table:-

Table 17: Other Levies

	2012/13 £000	2013/14 £000	2013/14 Change %
London Pension Fund Authority	253	268	+6.2%
Lee Valley Regional Park	215	220	+2.3%
Environment Agency	146	157	+7.8%

12.5 Wimbledon and Putney Commons Conservators (WPCC)

12.5.1 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 2013/14 will be £268,514.71, a change of £1,613.66 from the 2012/13 levy of £266,901.05, due to the changes in Council Tax base.

Table 18: Wimbledon and Putney Commons Conservators Precept

	2012/13 £000	2013/14 £000	Change %
Wimbledon & Putney Commons Conservators	267	269	0.6%

13. Council Tax Calculation

13.1 The measure used to assess whether a local authority is eligible to receive council tax freeze grant is the year on year change in the average level of council tax. The average level of council tax for Merton includes the additional council tax payment made in respect of those properties in the Wimbledon and Putney Commons Conservators area. In 2012/13 the average council tax for Merton was £1,106.56.

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

Table 19: Average Band D Council Tax

Average Council Tax Calculation at Band D	2012/13 £m	2013/14 £m
Budget Requirement	154.634	164.261
RSG + Business Rates	*(62.021)	(79.241)
New Homes Bonus	(1.136)	(2.724)
PFI Grant	(4.797)	(4.797)
Council Tax Freeze Grant	-	(0.835)
Collection Fund Surplus	(3.891)	(2.545)
Council Tax Requirement	82.789	74.119
Council Tax Base	74,816.2	66,981.2
Average Council Tax	1,106.56	1,106.56

* includes Council Tax Freeze Grant 2011/12 £2.06m

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

Table 20: Council Tax calculation

Council Tax Calculation Band D	2012/13 £m	2013/14 £m
Budget requirement	154.634	164.261
WPCC	(0.267)	(0.269)
RSG + Business Rates	(62.021)	(79.241)
New Homes Bonus	(1.136)	(2.724)
PFI Grant	(4.797)	(4.797)
Council Tax Freeze Grant	-	(0.835)
Collection Fund Surplus	(3.891)	(2.545)
Balance to be met from Council Tax	87.319	73.850
Implied Council Tax (Band D)	1,102.99	1,102.55

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

Table 21: Band D Council Tax

Council Tax at Band D	2012/13 £	2013/14 £	% change from 2012/13
Merton (exc. WPCC)	1,102.99	1,102.55	(0.04)%
GLA Precept (Provisional)	306.72	303.00	(1.21)%
Implied Council Tax at Band D	1,409.71	1,405.55	(0.30)%

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 22: Cumulative MTFS Gap 2013-2017

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
MTFS gap (cumulative)	0	2.884	7.872	14.065

- 14.2 There is still much to be done to be able to set a balanced budget over the period of the MTFS. There is also a high level of uncertainty about funding in the future, certainly for 2015/16 and beyond, which will remain until the details of the Government's Spending Review, expected in the summer of 2013, is published.
- 14.3 As indicated in the updated MTFS there is a gap between the forecast level of resources and budget requirements for 2014/15, 2015/16 and 2016/17 which will need to be addressed if balanced budgets are to be set for those years. The updated MTFS is set out in Appendix 3.

APPENDIX 1

SUMMARY OF CORPORATE PROVISIONS IN THE MEDIUM TERM FINANCIAL STRATEGY 2013-2017

CORPORATE PROVISIONS:	2013/14	2014/15	2015/16	2016/17
Treasury Related Income & Expenditure:	£000	£000	£000	£000
External borrowing costs including MRP	14,261	14,683	15,683	17,134
Investment Income	(383)	(331)	(353)	(300)
Sub-total: Treasury related income & expenditure	13,878	14,352	15,330	16,834
Other Corporate Expenditure & Income:				
Superannuation Fund Revaluation	5,250	6,450	6,650	6,650
Recharge to Education of Past Service Deficiency/Redundancy	(463)	(463)	(463)	(463)
Superannuation Fund-Additional contribution renew pension regulations	-	200	400	400
Auto-enrolment	300	300	300	300
Corporate expenditure (utilities inflation)	1,000	500	500	500
Bad Debt provision	500	500	500	500
Contingency	1,500	1,500	1,500	1,500
Depreciation and Impairment	(13,692)	(13,692)	(13,692)	(13,692)
WPCC	269	269	269	269
Adjustment re Income re P3/P4	-	400	400	400
CHAS Council Tax loss	1,226	1,226	1,226	1,226
CHAS Dividend	-	-	(920)	(920)
Further provision for revaluisation/RCCO	1,618	648	751	370
Provision for inflation exceeding 1.5%	315	676	1,008	1,008
Sub-total: Other Corporate Expenditure/Income	(2,178)	(1,486)	(1,571)	(1,952)
Lee Valley	220	220	220	220
London Pensions Fund	269	269	269	269
Environment Agency	157	157	157	157
Sub-total: Levies	646	646	646	646
TOTAL CORPORATE PROVISIONS	12,346	13,511	14,404	15,527

Anticipated Movement in Reserves 2012 to 17

Appendix 2

Reserves	Balance at 31/3/12	Movement in year	Anticipated Movement to Year End	Forecast balance at 31/3/13	Anticipated Movement to 31/3/14	Forecast balance at 31/3/14	Anticipated Movement to 31/3/15	Forecast balance at 31/3/15	Anticipated Movement to 31/3/16	Forecast balance at 31/3/16	Anticipated Movement to 31/3/17	Forecast balance at 31/3/17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Reserve (including HRA)	13,975	0	0	13,975	0	13,975	0	13,975	0	13,975	0	13,975
Earmarked Reserves	33,865	(1,563)	(4,518)	27,784	(2,631)	25,153	(1,720)	23,433	(813)	22,620	130	22,750
Total Available General Fund revenue	47,840	(1,563)	(4,518)	41,759	(2,631)	39,128	(1,720)	37,408	(813)	36,595	130	36,725
Add reserves for future use towards Budget	6,319	0	4,974	11,293	(5,100)	6,193	(1,000)	5,193	0	5,193	0	5,193
Add DSG reserve for Schools	1,710	(140)	(170)	1,400	0	1,400	0	1,400	0	1,400	0	1,400
Add Schools own reserves	12,005	0	0	12,005	0	12,005	0	12,005	0	12,005	0	12,005
Revenue Reserves	67,875	(1,703)	286	66,458	(7,731)	58,727	(2,720)	56,006	(813)	55,193	130	55,323
Capital Receipts	15,199	0	6,222	21,421	0	21,421	0	21,421	0	21,421	0	21,421
Capital Grants	3,635	0	(1,339)	2,296	0	2,296	0	2,296	0	2,296	0	2,296
Capital	18,834	0	4,883	23,717	0	23,717	0	23,717	0	23,717	0	23,717
Reserves as per Council's accounts	86,709	(1,703)	5,169	90,175	(7,731)	82,444	(2,720)	79,723	(813)	78,910	130	79,040
Earmarked Reserves breakdown												
Outstanding Council Programme Board Reserve	7,703	(329)	(140)	7,234	(812)	6,422	(679)	5,743	(320)	5,423		5,423
Schools PFI Fund	5,161	0	485	5,646	282	5,928	262	6,190	203	6,393	180	6,573
Insurance Reserve	2,322	0	0	2,322	0	2,322	0	2,322	0	2,322	0	2,322
Closing the budget gap	2,052	0	(2,052)	0	0	0	0	0	0	0	0	0
Repairs & Renewal Fund	2,000	(250)	(200)	1,550	(500)	1,050	(500)	550	(500)	50	(50)	0
Performance Reward Grant	1,656	(412)	(206)	1,038	(576)	462	(461)	0	0	0	0	0
Pension Fund additional contribution	1,250	0	(172)	1,078	0	1,078	0	1,078	0	1,078	0	1,078
Community Care Reserve	996	0	0	996	0	996	0	996	0	996	0	996
Energy renewable reserve	841	0	0	841	0	841	0	841	0	841	0	841
Local Land Charges Reserve	850	0	0	850	(50)	800	0	800	0	800	0	800
LABGI Reserve	560	0	(278)	282	(240)	42	(42)	0	0	0	0	0
Schools Reserve	515	(58)	(95)	362	0	362	0	362	0	362	0	362
Apprenticeships	1,500	0	(308)	1,192	(101)	1,091	(197)	894	(196)	698	0	698
Corporate Services reserve	431	(249)	0	182	0	182	0	182	0	182	0	182
Merton Business Investment Fund	339	0	(300)	39	(20)	19	(19)	0	0	0	0	0
Schools Single Status	0	0	0	0	0	0	0	0	0	0	0	0
Waste & Recycling Reserve	225	0	0	225	0	225	0	225	0	225	0	225
ICES Reserve	200	0	0	200	0	200	0	200	0	200	0	200
E&R Partnerships	195	0	(135)	60	(60)	0	0	0	0	0	0	0
Facilities Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Sixth Form Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Wimbledon Tennis Courts Renewal Fund	125	0	(117)	8	0	8	0	8	0	8	0	8
Chief Executive's Reserves	0	0	0	0	0	0	0	0	0	0	0	0
Other	143	0	0	143	0	143	0	143	0	143	0	143
Grants and contributions	4,801	(265)	(1,000)	3,536	(554)	2,982	(83)	2,899	0	2,899	0	2,899
Sub Total	33,865	(1,563)	(4,518)	27,784	(2,631)	25,153	(1,720)	23,433	(813)	22,620	130	22,750
For use in future years for budget	0	0	7,820	7,820	(2,000)	5,820	(1,000)	4,820	0	4,820	0	4,820
VAT Reserve	28	0	0	28	0	28	0	28	0	28	0	28
Revenue Reserves for Capital/ Revenuesation	6,291	0	(2,846)	3,445	(3,100)	345	0	345	0	345	0	345
Total for future use in budget	6,319	0	4,974	11,293	(5,100)	6,193	(1,000)	5,193	0	5,193	0	5,193
DSG Reserve	1,710	(140)	(170)	1,400	0	1,400	0	1,400	0	1,400	0	1,400
Net Total	41,894	(1,703)	286	40,477	(7,731)	32,746	(2,720)	30,026	(813)	29,213	130	29,343

MEDIUM TERM FINANCIAL STRATEGY 2013-17				
	2013/14 £0	2014/15 £0	2015/16 £0	2016/17 £0
Departmental Base Budget 2012/13	140,853	140,853	140,853	140,853
Departmental Budget Changes	11,061	3,925	5,697	6,259
Departmental Re-priced Budget	151,914	144,778	146,550	147,112
Treasury items	13,878	14,352	15,330	16,834
Other Corporate items	(2,178)	(1,487)	(1,572)	(1,953)
Levies	646	646	646	646
CORPORATE PROVISIONS	12,346	13,511	14,404	15,527
BUDGET REQUIREMENT	164,260	158,289	160,954	162,639
FUNDING:				
RSG - Total	(47,221)	(39,301)	(36,978)	(32,470)
Business Rates Funding	(32,019)	(32,379)	(32,379)	(32,379)
Sub-Total: RSG + NNDR	(79,240)	(71,680)	(69,357)	(64,849)
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	(2,724)	(2,724)	(2,724)	(2,724)
Collection Fund	(2,545)	(1,250)	(1,250)	(1,250)
Council Tax Income	(73,850)	(73,850)	(73,850)	(73,850)
Council Tax - WPCC	(269)	(269)	(269)	(269)
Council Tax Freeze Grant 2011/12	-	-	-	-
Council Tax Freeze Grant 2013/14	(835)	(835)	(835)	(835)
TOTAL FUNDING	(164,260)	(155,405)	(153,082)	(148,574)
BUDGET GAP	0	2,884	7,872	14,065

A) CAPITAL STRATEGY

1 Introduction

1.1 Merton's Capital Strategy for 2013-17 has been aligned and integrated with the Business Plan for the period 2013-17. The introduction to 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:-

- Sustainable Communities and Transport;
- Safer and Stronger;
- Health and Well Being;
- Children and Young People;
- Corporate Capacity

These themes act as the drivers to implement the Community Plan.

1.2 Merton Partnership works towards to 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 2013/17 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:
 - v) Maintain clean streets and keep council tax low.
 - vi) Keep Merton as a good place for young people to go to school and grow up.
 - vii) Be the best it can for the local environment.
 - viii) 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 these 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 2013-2017

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 with regular communication between officers with responsibility for both aspects.

2.2 Service Plans

2.2.1 In developing the Capital Strategy, clear linkages have also been identified with not only the Business Plan 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.

2.2.2 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 Continued review of the Capital Programme to ensure expenditure meets the strict definition and to identify, items of a short life with limited merit to charge to capital has resulted in further reductions to the Capital Programme as follows:

Summary of Revenuisation/Revenue funding of capital

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
Original MTFS	1,485	1,150	0	0	2,635
Revenuisation/RCCO	2,907	1,600	2,353	1,870	8,730
Total	4,392	2,750	2,353	1,870	11,365

The Medium Term Financial Strategy (MTFS) has been amended and revenue provision has been made for this expenditure. Other similar expenditure may be funded from earmarked reserves.

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), consists of the Directors and their nominated senior officers from each service department, together with officers from the Business Planning Team.

4.1.2 The role of the board is to ensure that all capital expenditure and investment decisions are made in an informed way, consistent with the achievement of the council's overall corporate strategic objectives (paragraph 1.1). It also has a co-ordinating, reviewing, developing, encouraging, and reporting role, which ensures that Merton makes effective and efficient use of its capital resources, including management of its capital assets. During 2012/13 considerable work has been undertaken reviewing and developing the systems and processes for:

- i) Compiling the Capital Programme
- ii) Monitoring Expenditure and year end / multi-year projection
- iii) Identification and Realisation of Scheme Benefits
- iv) Financing the Programme

4.1.3 The board recommends to cabinet how capital resources should be allocated. The recommendations are based on a review of existing schemes and consideration of growth proposals. The existing Capital Programme is examined for potential reductions and reprofiling. The growth bids are prioritised on the criteria as set out later in this document.

- 4.1.4 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 revenue RCCO and earmarked reserves. It will be reported to Members as and when it is proposed to use external borrowing and capital receipts.
- 4.1.5 The council has had a robust policy for many years of reviewing and disposing of surplus property, detailed in the Asset Management Plan (AMP) which also includes policy and procedures for land and property acquisition. However, the economic recession has slowed disposals in recent years and will continue to have an effect for 2013/14 and probably future years. 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. The only exception is for loans to external bodies such as schools as the Authority is required to treat re-payments as capital receipts.

4.2 Capital Monitoring

- 4.2.1 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 regularly (normally monthly), key reviews are undertaken quarterly. December monitoring provides the final opportunity for budget managers to re-profile their budgets for the current financial year.
- 4.2.2 December monitoring information feeds into the Authority's Medium Term Financial Strategy (MTFS) and is used to assess the revenue impact over the period of the strategy.
- 4.2.3 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. For example, in relation to the Primary School Expansion programme, the progress on each school is set out e.g. consultation, planning consent, start on site etc.

4.3 Risk Management

4.3.1 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 and cabinet 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 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 2011/12 and 2012/13, 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 until 2015/16. 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:

Revenue effects of Capital Programme				
	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000
MRP	7,569	7,991	8,783	9,242
Interest	6,692	6,692	6,900	7,892
Capital financing costs	14,261	14,683	15,683	17,134
Investment Income	(373)	(331)	(353)	(300)
Net	13,888	14,352	15,330	16,834

6 Capital resources 2013-17

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 and from leaseholders and
- 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 is primarily based on the Asset Management Plan, 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.

7.1.2 Progress and estimates of capital receipts are considered at each meeting of the Capital Programme Board by consideration of the Capital Disposals Programme.

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 councillors.

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 such as the Special Educational Needs (SEN) Centre of Excellence, 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.

8 Summary of estimated disposals 2013-2017

8.1 Potential capital receipts

8.1.1 In 2008 there began severe economic world difficulties which have ever since depressed the sales of property in the whole of the UK. This has made it difficult to accurately estimate the level of capital receipts and continues to make it difficult to estimate receipts for the period 2013-2017. In addition the depressed market has lead to certain disposals being postponed until the market improves although the delay is being used to complete preparatory work such as planning applications to enhance receipt when the marketing begins. Therefore a cautious view has been taken of the potential capital receipts identified through the Asset Management Plan. The following table represents a 'best prudent view' at this time in respect of an anticipated cash flow and therefore future capital receipts have not been assumed as a source of funding for the capital programme at this stage, but do replace the need for external borrowing:-

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Total	2,956	3,041	2,602	800

Note a) The above includes Right to Buys and the VAT shelter
Although difficult to accurately predict, other sales of assets could improve the position.

8.1.2 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. Since 1 April 2008, the average interest payable on outstanding debt has fallen from 6.6% to 5.72%. For the period 2013-17, 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 make this economic and the option makes appropriate revenue savings, but will also be considered for funding parts of the programme.

9 Grant Funding Capital Resources

9.1 Environmental and Regeneration

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Transport for London LIP (earmarked)	1,919	1,839	1,839	TBA
Town Centre Grants (earmarked)	1,884	0	0	0
Disabled Facilities Grant (non-ringfenced)	444	444	444	444
Total: E&R	4,247	2,283	2,283	444

Note: Disabled Facilities Grant is an on-going grant programme, it has not been announced for the whole period 2013/17 but there are no indications that it will change

9.2 Children, Schools and Families

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Maintenance*	1,993	TBA	TBA	TBA
Basic Need	7,150	7,150		
Total Local Authority Funding (Both of the above grants are non-ringfenced)	9,143	TBA	TBA	TBA
Devolved Formula Capital (Earmarked)	362	TBA	TBA	TBA
TOTAL: CS&F	9,505	7,150	TBA	TBA
Assumed Maintenance & Basic Need (see note below)	0	850	8,000	8,000

*Excludes VA Schools allocation
TBA – To Be Advised

9.3 Community and Housing

9.3.1 In addition to the sums shown in the capital programme the following grant has been confirmed by the Department of Health

Financial Year	£
2012/13	399,246
2013/14	402,185
2014/15	410,310
Total	1,211,741

This grant is un ring-fenced, currently no scheme has been identified to utilise the funding.

9.4 Summary of Grant Funding 2013-2017

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 2013/14:-

Grant Funding	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Environment and Regeneration	4,247	2,283	2,283	444
Community and Housing	402	410	TBA	TBA
Total New Grant Funding	4,649	2,693	2,283	444
Assumed source of funding - CSF	8,500	8,000	8,000	8,000

10 Summary of Total Resources 2013-17:

10.1 Summary

10.1.1 The total anticipated resources over the plan period 2013-17, including existing grant funding and anticipated CS&F grants, is summarised in the following table:-

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Grant & Contributions	14,629	11,215	10,311	8,116
Council Funding	29,250	28,331	25,639	30,106
Total	43,879	39,546	35,950	38,222

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 2017 to 2022. Additional detail is provided as annexe 5:

Indicative Capital Programme 2017 to 2022

Department	Indicative 2017/18 Budget £000s	Indicative 2018/19 Budget £000s	Indicative 2019/20 Budget £000s	Indicative 2020/21 Budget £000s	Indicative 2021/22 Budget £000s
Corporate Services	2,916	1,750	1,355	1,771	1,656
Children, Schools and Families	38,925	400	400	15,400	400
Environment and Regeneration*	5,140	5,164	4,890	4,355	4,355
Community and Housing	0	0	0	0	0
Total	46,981	7,314	6,645	21,526	6,411

- 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 £225,000 for assets with a life of 5 years to £45,000 for an asset life of 50 years.

11 Capital bids and prioritisation criteria

11.1 Prioritisation of schemes 2016/17

11.1.1 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.

11.1.2 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 growth put forward over the period 2013-17, on the basis of these criteria by the board to cabinet was £54.076 million.

12 Detailed Capital Programme 2013-17

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 has a major project in 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 replacement of Civic Centre Windows. The new schemes for this department are listed in Annexe 1, Annexe 3 provides a detailed breakdown of projects and Annexe 4 provides the overall programme at scheme level for approval.

12.2 Children, Schools and Families

This department's main capital focus is the need for increased provision of pupil places. There was already provision in the 2012-16 capital programme, but the revised programme is as follows:

	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s
Primary Expansion	25,873	16,840	10,140	5,400
Secondary Expansion	0	400	1,150	22,150
Total	25,873	17,240	11,290	27,550

This is the most significant item in the council's capital programme and as such is set out in detail on the next page:

CSF capital programme 2013-17

The vast majority of the CSF capital programme relates to the requirement to provide sufficient primary school places but there is also some capital for other categories of expenditure.

Primary school places

The 2012-16 capital programme approved provision to deliver the primary school expansion for an additional 21 forms of entry (FE) in permanent buildings and three FE in temporary classrooms, compared to that provided in 2007/08.

As a result the council has either completed, or is in the progress of permanent expansion to provide 21 additional forms of entry since 2007/08. These are at the following 20 schools: Wimbledon Chase, Holy Trinity CE, St. Thomas of Canterbury, Benedict, Hollymount, Joseph Hood, Aragon, Cranmer, Merton Abbey, St Mary's, All Saints CE, Gorrington Park, Hillcross, Pelham, Dundonald, Poplar, Liberty, Singlegate (2FE extra, through additional adjacent site), Wimbledon Park, and William Morris.

Following updated demographic information there is a need to provide for additional primary school expansion to ensure the council can provide sufficient primary school places. The proposed 2013-17 capital programme therefore provides for a further four permanent schemes to provide for an additional 25 FE in total in permanent accommodation compared to 2007/08, and temporary provision has remained at 3 FE. It should be noted that two of the schemes would not start major construction works until the 2015/16 financial year, with the final phase being in 2017/18 so beyond the duration of this capital programme. The position will need to be reviewed on an annual basis.

The requirement to provide sufficient school places is a key statutory requirement. The government has provided capital grant to meet some of this need, but there is a significant shortfall for the council to fund. Based on the current projections the level of permanent expansion is sustainable in the longer term with three schools in temporary accommodation that can reduce should demand fall. It is considered not practicable to have more than three schools in temporary classrooms due to issues of site constraint, long term value for money, education standards and obtaining planning consent.

Secondary and special school places

The significant increase in demand for school places will reach the secondary phase from 2015/16 but it is expected it can be met through existing accommodation, or minor temporary provision for the first two years.

Significant build will be required thereafter so the proposed 2013-17 capital programme only accounts for some of the earlier design work. The capital programme includes a sum for additionally resources provision for pupils on the autism spectrum and more will be required after 2016 for permanent additional special school places.

The capital programme for 2013/17 includes £23.7 million for 5 secondary FE classes attached to our existing schools and some preliminary costs in respect of a new secondary school. The costs of the new school and an additional 5 secondary FE classes have yet to be built into the Capital Programme. Currently, there is uncertainty over the size, timing and cost of the secondary expansion, this includes a lack of clarity regarding government funding.

Other schemes

With regard to other capital schemes, £400,000 per annum is provided for schools capital improvement works. This has been reduced due to the need to fund the primary school expansion programme, so will be limited to urgent health and safety related needs, with the council expecting schools to fund all works below £20,000.

Sums remain in the capital programme for expending in 2012/13 some previously committed schemes such as improvements and school loans.

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 Annexe 3. Other than the grant funded Transport for London scheme for the upgrade of principal roads, the departments main schemes relate to 11 main areas:

	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s
Highways Planned Road Works	1,500	1,500	1,500	1,600
Footways Planned Works	1,024	1,000	1,000	1,000
Highways General Planned Works	653	412	412	159
Leisure Centres	300	1,300	10,300	300
Future Merton	3,155	1,250	878	1,037
Replacement of Fleet Vehicles	500	500	500	500
Transportation Enhancements*		2,500	2,500	
Traffic Schemes				306
Parks Investment	250	250	250	425
Street Lighting Replacement Programme	390	300	200	462
Street Scene	250	250	250	0
Total	8,022	9,262	17,790	5,789

*The transportation enhancements would be undertaken in partnership with external funding, which has not yet been confirmed.

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:

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Demand for Surface Water Drainage - Flooding	62	62	62	69
Highways bridges and structures improvements	260	260	260	0
Anti-Skid and Coloured	90	90	90	90

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. The funding currently in the programme would not be sufficient in itself to finance a full re-build of the centre.

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Replacement of Leisure Centre Plant and Machinery	350	300	300	300
Morden Park Pools		1,000	10,000	

12.3.4 Future Merton

Regeneration is a major part of the council's strategy. A vision for Wimbledon town centre is being developed and Mitcham town centre will be sustainably developed. The authority is also gaining from the Greater London Authority Outer London Fund and Regeneration Fund, the latter fund in recognition of the needs as a result of the summer 2011 riots. The main areas of expenditure over the Capital Programme period will be those below.

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Investment in industrial estates to create high-tech industrial park for key sectors	250	500	0	0
Colliers Wood Regeneration Fund	1,548	0	0	0
Mitcham - Outer London Fund	300	0	0	0
Town Centre Improvements	560	750	878	1,037

12.4 Community and Housing

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 2013/14 comprises:

	2013/14 £000
Adult Social Care Information Technology	1,220
Housing	316
Total	1,536

At present there are no Community and Housing Schemes in the Capital Programme for 2014-16. In 2016/17 there is a £550,000 budget for re-provision of Collier Wood Library.

There are two additions expected to the programme:

- A) An Affordable Housing Development at Western Road was approved by Council on 6 February 2013. This scheme is to be funded from Section 106 contributions. It will be added to the programme when arrangements are finalised and the cost confirmed.
- B) Department of Health Grant as detailed in section 9.3 for which a suitable scheme needs to be identified. This grant is un ring-fenced, currently no scheme has been identified to utilise the funding.

12.5 Overall Programme

12.5.1 The approved Capital Programme for 2013/17 follows at Annexe 1, e 3 provides an additional breakdown detail of the approved schemes. The summary is as follows:

Capital Programme	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Corporate Services	7,252	4,102	3,375	3,172
Children, Schools & Families	28,429	17,640	11,690	27,950
Environment & Regeneration	12,861	12,195	20,643	6,673
Community and Housing	1,536	0	0	550
Total	50,078	33,937	35,708	38,345

12.5.2 The funding details for the programme follow at Annexe 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 2012/13 is approved, the 2013/14 Capital Programme will be adjusted accordingly.

- 12.5.4 Annexe 1 Capital Investment Programme - Schemes for Approval
- Annexe 2 Funding the Capital Programme 2013-17
- Annexe 3 Detailed Capital Programme 2013-17
- Annexe 4 Analysis of Growth
- Annexe 5 Indicative Capital Programme 2017-22

CAPITAL INVESTMENT PROGRAMME – SCHEMES FOR APPROVAL

Department	2013/14	2014/15	2015/16	2016/17
Corporate Services	7,252	4,102	3,375	3,172
Children, Schools and Families	28,429	17,640	11,690	27,950
Environment and Regeneration	12,861	12,195	20,643	6,673
Community and Housing	1,536	0	0	550
Total	50,078	33,937	35,708	38,345

Corporate Services	2013/14	2014/15	2015/16	2016/17
	£000s	£000s	£000s	£000s
Infrastructure & Transactions	2004	224	1525	1672
Business Improvement	297	1,228	0	0
Resources	261	0	0	0
Corporate Governance	0	0	0	0
Corporate	1,000	2,000	1,000	500
FM Capital Works	3,690	650	850	1,000
Total	7,252	4,102	3,375	3,172

Children, Schools and Families	2013/14	2014/15	2015/16	2016/17
	£000s	£000s	£000s	£000s
Primary School Expansions	25,873	16,840	10,140	5,400
Garden PCP	248	0	0	0
Schools Capital Maintenance and Accessibility	400	400	400	400
Liberty Primary School	4	0	0	0
Primary school autism unit	612	0	0	0
Brightwell	100	0	0	0
Youth & Community centres re-provision	139	0	0	0
Secondary School expansion	0	400	1,150	22,150
Raynes Park Sports Pavilion	80	0	0	0
Ursuline Loan	600	0	0	0
Schools Equipment Loans	373	0	0	0
Total	28,429	17,640	11,690	27,950

CAPITAL INVESTMENT PROGRAMME – SCHEMES FOR APPROVAL

Environment and Regeneration	2013/14	2014/15	2015/16	2016/17
	£000s	£000s	£000s	£000s
Transport for London	1,919	1,839	1,839	0
CCTV and Anti-Social Behaviour (ASB)	165	40	0	0
Environmental Health	804	764	764	784
Highway Maintenance	3,177	2,912	2,912	2,759
Greenspaces	752	250	250	425
Leisure Centres	300	1,300	10,300	300
On and Off Street Parking	133	0	0	0
Plans and Projects	140	0	0	0
Future Merton (Regeneration & Partnerships)	3,155	1,250	878	1,037
Street Scene	451	315	275	100
Street Lighting	390	300	200	462
Traffic and Parking Management	323	135	135	306
Transport and Plant	683	3,000	3,000	500
Waste Operations	131	90	90	0
Other	338	0	0	0
TOTAL	12,861	12,195	20,643	6,673

* To be confirmed in future years

Community and Housing	2013/14	2014/15	2015/16	2016/17
	£000s	£000s	£000s	£000s
Libraries	0	0	0	550
Adult Education and Community	0	0	0	0
Adult Social Care	1,220	0	0	0
Housing*	316	0	0	0
Total	1,536	0	0	550

* Does not include Western Road Housing Development

Merton	Capital Programme £000s	Merton Funded £000s	Funded by Grant & Capital Contributions £000s
TOTAL Revised 2012/13	45,453	21,739	23,714
Potential Slippage c/f	(1,545)	(1,505)	(40)
TOTAL Spend 2012/13	43,908	20,235	23,674
2013/14 Revised Budget	50,078	34,408	15,670
Potential Slippage b/f	1,545	1,505	40
Potential Slippage c/f	(7,743)	(6,662)	(1,082)
TOTAL Spend 2013/14	43,879	29,251	14,629
2014/15 Draft Budget	33,937	23,634	10,303
Potential Slippage b/f	7,743	6,662	1,082
Potential Slippage c/f	(2,134)	(1,965)	(169)
TOTAL Spend 2014/15	39,546	28,331	11,215
2015/16 Draft Budget	35,708	25,445	10,263
Potential Slippage b/f	2,134	1,965	169
Potential Slippage c/f	(1,892)	(1,770)	(122)
TOTAL Spend 2015/16	35,950	25,639	10,311
2016/17 Draft Budget	38,345	30,345	8,000
Potential Slippage b/f	1,892	1,770	122
Potential Slippage c/f	(2,015)	(2,009)	(6)
TOTAL Spend 2016/17	38,222	30,107	8,116

Corporate Services	Scrutiny Panel *	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s
Infrastructure & Transactions					
IT Equipment	OSC	675	182	940	0
IT Strategy - unallocated	OSC	7	0	0	0
Transformation (IT) - I&T	OSC	155	35	85	250
Connect to N3 Network NHS Spine	OSC	66	0	0	0
Disaster recovery	OSC	111	0	0	0
Transformation (IT) - Unallocated	OSC	990	7	500	0
IT SD Stability	OSC	0	0	0	1422
Subtotal - I&T		2,004	224	1,525	1,672
Business Improvement					
Replacement parking system - E&R	OSC	0	0	0	0
Customer Contact Programme	OSC	127	658	0	0
Replacement document management system	OSC	170	570	0	0
Subtotal - BI		297	1,228	0	0
Resources					
Capital Reporting Project	OSC	27	0	0	0
Improve Information Systems	OSC	234	0	0	0
Subtotal - Resources		261	0	0	0
Corporate Governance					
Subtotal - Corporate Governance	OSC	0	0	0	0
Corporate					
Capital Bidding Fund	OSC	0	1,000	1,000	0
Acquisitions Budget	OSC	1,000	1,000	0	500
Subtotal - Corporate		1,000	2,000	1,000	500
FM Capital Works					
Civic Centre refurbishment	OSC	110	100	0	0
Energy Utilities Invest to Save	SC	100	100	0	150
Invest to Save schemes - General	OSC	273	100	0	150
Water Safety Works	OSC	0	0	0	150
Asbestos Works	OSC	0	0	0	250
Pollards Hill RG- Access Works	OSC	40	0	0	0
FM Capital Works - Facilities	OSC	200	200	200	300
Civic Centre Windows	OSC	2,967	150	0	0
Civic Centre - Upgrading of 4 main passenger lifts	OSC	0	0	650	0
Subtotal - FM		3,690	650	850	1,000
Total		7,252	4,102	3,375	3,172

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Children, Schools and Families	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
		£000s	£000s	£000s	£000s
Aragon Expansion	CYP	0	0	0	0
Benedict Expansion	CYP	0	0	0	0
Cranmer Expansion	CYP	4,001	0	0	0
Hollymount Permanent expansion	CYP	0	0	0	0
Joseph Hood Permanent expansion	CYP	199	0	0	0
St Mary's expansion	CYP	2,267	1,100	100	0
Pupil Growth - Unallocated (Split)	CYP	0	0	0	0
Gorringe Park expansion	CYP	962	150	0	0
Hillcross School Expansion	CYP	2,528	1,700	250	0
Merton Abbey Temp Accomodation	CYP	2,018	1,700	200	0
Pelham School Expansion	CYP	1,121	2,849	1,226	0
Cricket Grn Exp-Chapel Orchard	CYP	60	0	0	0
Beecholme 2 Temp. classrooms	CYP	545	2,775	1,575	0
23 FE School to be Confirmed	CYP	225	1,575	1,575	1,600
24 FE School to be Confirmed	CYP	0	300	1,575	1,600
25 FE School to be Confirmed	CYP	0	300	1,575	1,600
26FE Temporary Solution for Sept. 2015	CYP	0	0	325	0
27FE Temporary Solution for Sept. 2016	CYP	0	0	0	300
28FE Temporary Solution for Sept. 2016	CYP	0	0	0	300
Dundonald expansion	CYP	4,762	728	0	0
Poplar Permanent Expansion	CYP	588	3,113	1,739	0
Liberty expansion	CYP	0	0	0	0
Singlegate expansion	CYP	4,246	380	0	0
Wimbledon Park expansion	CYP	2,127	170	0	0
Holy Trinity Expansion	CYP	224	0	0	0
Primary School Expansions		25,873	16,840	10,140	5,400
Garden PCP	CYP	248	0	0	0
Schools Capital Maintenance and Accessibility	CYP	400	400	400	400
Liberty Primary School	CYP	4	0	0	0
Primary school autism unit	CYP	612	0	0	0
Brightwell	CYP	100	0	0	0
Youth & Community centres reprovion	CYP	139	0	0	0
Secondary School expansion	CYP	0	400	1,150	22,150
Raynes Park Sports Pavilion	CYP	80	0	0	0
Ursuline Loan	CYP	600	0	0	0
Schools Equipment Loans	CYP	373	0	0	0
Other		2,556	800	1,550	22,550
Total		28,429	17,640	11,690	27,950

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

Environment and Regeneration	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
		£000s	£000s	£000s	£000s
Earmarked Schemes - Transport for London	SC	1,919	1,839	1,839	0
CCTV and Anti-Social Behaviour (ASB)					
CCTV (Match Funding)	SC	130	40	0	0
CCTV - Raynes Park	SC	2	0	0	0
Relocation of cameras 50 & 52	SC	8	0	0	0
B495a/b/c CCTV Upgrade	SC	16	0	0	0
Works for Merton Priory Homes	SC	9	0	0	0
Environmental Health					
Disabled Facilities Grant - DFG Contribution	SC	444	444	444	444
Disabled Facilities Grant - LBM Contribution	SC	280	280	280	280
Small Repairs Grant (Private Sector Housing Programme)	SC	80	40	40	60
Highway Maintenance - Footways					
Footways Planned Works	SC	1,000	1,000	1,000	1,000
B517 Enhancement to Footway	SC	3	0	0	0
B499ab Improve Holborn Way link	SC	10	0	0	0
B500 7-13 Church Rd footway	SC	11	0	0	0
Highway Maintenance - General					
Demand for Surface Water Drainage - Flooding	SC	62	62	62	69
Highways bridges and structures improvements	SC	260	260	260	0
Maintenance Anti-Skid and Coloured	SC	90	90	90	90
B340MOSS Rpt (Land Rutlish Road)	SC	4	0	0	0
B497/8 Lombard Rd Improvements	SC	36	0	0	0
River Wandle Footbridge	SC	36	0	0	0
Haydons Road	SC	58	0	0	0
New Traffic Schemes	SC	30			
B638d/e Sustainable Transport	SC	6	0	0	0
B646a Lombard Industrial Estate	SC	24	0	0	0
B646b 7 Abbey Road	SC	4	0	0	0
B639a Fair Green	SC	43	0	0	0
Highway Maintenance - Roads					
Highways Planned Roadworks	SC	1,500	1,500	1,500	1,600
Greenspaces					
B619 Ravensbury Park entrance	SC	5	0	0	0
MSJCB Loan	SC	175	0	0	0
S106 South Park Gardens B346	SC	49	0	0	0
B488 Landscape Dundonald Rec Ground	SC	22	0	0	0
B617a-c Wimbledon Park upgrade	SC	15	0	0	0
B486 Landscape Cottenham Park & Holland Gardens	SC	2	0	0	0
Repairs to Water Wheel (B531)	SC	2	0	0	0
B595 Colliers Wood Recreation Ground play area	SC	10	0	0	0
Rowan Road Recreation Ground (B525)	SC	6	0	0	0
Joseph Hood Playground (B524)	SC	9	0	0	0
B621 Joseph Hood Recreation Ground	SC	3	0	0	0

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Environment and Regeneration	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
Greenspaces Continued.....					
B627a&b Cottenham Park-play area	SC	3	0	0	0
B521 - Morden Park	SC	30	0	0	0
Play Space Pollard Hill	SC	50	0	0	0
B596a&b,B625a-c Cricket Green Area	SC	21	0	0	0
B626a-c Cottenham Park & Holland Gardens	SC	28	0	0	0
Parks Investment	SC	250	250	250	425
Wall Repairs Church Lane & John Innes Parks	SC	50	0	0	0
B651 South Park Gardens Pavilion	SC	17	0	0	0
B647 John Innes Park Improvement	SC	2	0	0	0
B650 Row an Road Park Improvement	SC	3	0	0	0
Leisure Centres					
Replacement of Leisure Centre Plant and Machinery including accelerated schemes in 2009/10	SC	300	300	300	300
Morden Pool Park and Leisure Centre Investment	SC	0	1,000	10,000	0
On and Off Street Parking					
Review & extension of CPZ W6	SC	15	0	0	0
B548 Obstructive Parking Grove Rd	SC	1	0	0	0
B578 Merton Park CPZ (MP1)	SC	14	0	0	0
B579 Upper Green West	SC	3	0	0	0
Improved parking for shop parades (dropped kerbs, machines, etc)	SC	100	0	0	0
Plans and Projects					
Climate Change Initiatives	SC	140	0	0	0
Future Merton (Regeneration & Partnerships)					
Investment in industrial estates to create high-tech industrial park for key sectors	SC	250	500	0	0
Colliers Wood Regeneration Fund	SC	1,548	0	0	0
Mitcham - Major Schemes (a)	SC	300	0	0	0
Mitcham - Outer London Fund (b)	SC	36			
Restoration of South Park Gardens	SC	131	0	0	0
Mitcham Means Business	SC	250	0	0	0
S106 Bottleneck Skills Grant	SC	14	0	0	0
B585 Economic Development Strategy	SC	25	0	0	0
Queensmere Avenue	SC	5	0	0	0
S106 Wimbledon Broadway CA	SC	6	0	0	0
B611 - Comm Facilities in WTC	SC	30	0	0	0
Town Centre Improvements	SC	560	750	878	1,037
Street Scene					
Street Scene Improvement Programme	SC	250	250	250	0
Improve markings & road signs	SC	89	0	0	0
B591b Shop Front Improvement	SC	25	0	0	0
B591a Street Scene Improvement	SC	22	0	0	0
Street tree programme (25 year programme)	SC	65	65	25	100

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Environment and Regeneration	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
Street Lighting					
Street Lighting Replacement Programme	SC	390	300	200	462
Traffic and Parking Management					
B583 Wandle Road Area 20mph	SC	4	0	0	0
B584 Eastfield Area 20mph zone	SC	6	0	0	0
Area Traffic calming measures/investigation	SC	120	0	0	0
Minor traffic / danger reduction measures	SC	20	120	120	0
Traffic surveys and safety measures/investigations	SC	15	15	15	0
Wimbledon Area Traffic Study	SC	121	0	0	0
High Path Area (Option 1 + 3)	SC	6	0	0	0
Parkway Area (20 mph scheme)	SC	3	0	0	0
Pelham Road Area 20mph scheme	SC	1	0	0	0
Transport Planning (LBP Design Costs)	SC	27	0	0	0
Traffic Schemes	SC	0	0	0	306
Transport and Plant					
Replacement of Fleet Vehicles	SC	500	500	500	500
Network Rail	SC	9	0	0	0
B494 BSA Improvement 12261/12263	SC	5	0	0	0
Shared Space	SC	20	0	0	0
B573 Business Area Improvement Programme	SC	24	0	0	0
B544 Wimbledon Station Access	SC	38	0	0	0
B603 Improvements Coome Lane	SC	37	0	0	0
B609 Wimbledon Town Centre transport	SC	5	0	0	0
B610 Wimbledon Town Centre transport	SC	42	0	0	0
B612 Safety & transport improvement	SC	3	0	0	0
Transportation enhancements in Wimbledon, Morden and Mitcham town centres	SC	0	2,500	2,500	0
Waste Operations					
Alley Gating Scheme - Fly Tipping	SC	50	50	50	0
Planned Maintenance of Re-use/recycling Sites	SC	40	40	40	0
Waste Services	SC	15	0	0	0
Kitchen waste containers replacement	SC	26	0	0	0
Other					
Big Lottery Play Areas	SC	27	0	0	0
B551 B553 Mitcham schemes	SC	4	0	0	0
B502/3 Going for Gold Action Plan	SC	80	0	0	0
Invest to Save	SC	227	0	0	0
TOTAL		12,861	12,195	20,643	6,673

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

Community and Housing	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
		£000s	£000s	£000s	£000s
Libraries					
Relocation of Colliers Wood Library	SC	0	0	0	550
Adult Education and Community					
Adult Social Care					
CareFirst report Development	HCOP	13	0	0	0
Adult Social care Collections	HCOP	10	0	0	0
Excel Add-Ins	HCOP	3	0	0	0
Captive E-Learning for CareFirst	HCOP	10	0	0	0
Laptops for Social Care Managers	HCOP	0	0	0	0
Laptops for Other Social Workers & Care Staff	HCOP	80	0	0	0
Telehealth	HCOP	53	0	0	0
Merton Information Portal	HCOP	80			
Replacement of Social Care System	HCOP	900	0	0	0
Contingency	HCOP	71	0	0	0
Housing					
Birches Close	SC	45			
8 Wilton Road	SC	271	0	0	0
Western Road	SC	0	TBC	TBC	0
Total		1,536	0	0	550

* OSC= Overview and Scrutiny Commission, CYP = Children and Young People, HCOP = Healthier Communities and Older People, SC = Sustainable Communities, TBC – To Be Confirmed

Department	2013/14	2014/15	2015/16	2016/17
	£000s	£000s	£000s	£000s
Corporate Services	0	1,000	1,000	3,172
Children, Schools and Families	485	5,050	8,025	28,450
Environment and Regeneration	23	1,839	1,839	6,344
Community and Housing	0	0	0	550
Total	508	7,889	10,864	38,516

Corporate Services	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
		£000s	£000s	£000s	£000s
Infrastructure & Transactions					
Transformation (IT) - I&T	OSC				250
IT SD Stability	OSC				1422
Business Improvement					
Resources					
Corporate Governance					
Corporate					
Capital Bidding Fund	OSC		1,000	1,000	
Acquisitions Budget	OSC				500
FM Capital Works					
Energy Utilities Invest to Save	SC				150
Invest to Save schemes - General	OSC				150
Water Safety Works	OSC				150
Asbestos Works	OSC				250
FM Capital Works - Facilities	OSC				300
Total		0	1,000	1,000	3,172

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

Children, Schools and Families	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
		£000s	£000s	£000s	£000s
School expansion 19FE to 25FE (Garfield)	CYP	(240)	(600)		
Beecholme 2 Temp. classrooms	CYP	400	2,800	1,600	
23 FE School to be Confirmed	CYP	325	1,600	1,600	1,600
24 FE School to be Confirmed	CYP		325	1,600	1,600
25 FE School to be Confirmed	CYP		325	1,600	1,600
26FE Temporary Solution for Sept. 2015	CYP			325	0
27FE Temporary Solution for Sept. 2016	CYP				325
28FE Temporary Solution for Sept. 2016	CYP				325
Primary School Expansions		485	4,450	6,725	5,450
Schools Capital Maintenance and Accessibility	CYP				400
Secondary School expansion	CYP		600	1,300	22,600
Other		0	600	1,300	23,000
Total		485	5,050	8,025	28,450

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Environment and Regeneration	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
		£000s	£000s	£000s	£000s
Transport for London		23	1,839	1,839	0
CCTV and Anti-Social Behaviour (ASB)					
Environmental Health					
Disabled Facilities Grant - DFG Contribution	SC				444
Disabled Facilities Grant - LBM Contribution	SC				280
Small Repairs Grant (Private Sector Housing Programme)	SC				60
Highway Maintenance					
Footways					
Footways Planned Works	SC				1,000
General					
Demand for Surface Water Drainage - Flooding	SC				69
Maintenance Anti-Skid and Coloured	SC				90
Roads					
Highways Planned Roadworks	SC				1,600
Greenspaces					
Parks Investment	SC				425
Leisure Centres					
Replacement of Leisure Centre Plant and Machinery including accelerated schemes in 2009/10	SC				300
On and Off Street Parking					
Plans and Projects					
Future Merton (Regeneration & Partnerships)					
Town Centre Improvements	SC				708
Street Scene					
Street tree programme (25 year programme)	SC				100
Street Lighting					
Street Lighting Replacement Programme	SC				462
Traffic and Parking Management					
Traffic Schemes	SC				306
Transport and Plant					
Replacement of Fleet Vehicles	SC				500
Other					
TOTAL		23	1,839	1,839	6,344

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Community and Housing	Scrutiny Panel *	2013/14	2014/15	2015/16	2016/17
		£000s	£000s	£000s	£000s
Libraries					
Relocation of Colliers Wood Library	SC				550
Adult Education and Community					
Adult Social Care					
Housing					
Total		0	0	0	550

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

Corporate Services	Indicative 2017/18 Budget	Indicative 2018/19 Budget	Indicative 2019/20 Budget	Indicative 2020/21 Budget	Indicative 2021/22 Budget	Scrutiny Panel*
	£000s	£000s	£000s	£000s	£000s	
Infrastructure&Transactions						
Transformation (IT) - I&T	120	275	0	0		OSC
IT SD Stability	1,796	525	430	871	781	OSC
Subtotal - I&T	1,916	800	430	871	781	
Corporate						
Subtotal - Corporate	0	0	0	0	0	
FM Capital Works						
Energy Utilities Invest to Save	150	150	150	150	150	SC
Invest to Save schemes - General	150	150	150	150	150	OSC
Water Safety Works	150	100	75	50	25	OSC
Asbestos Works	250	250	250	250	250	OSC
FM Capital Works - Facilities	300	300	300	300	300	OSC
Subtotal - FM	1,000	950	925	900	875	
Total	2,916	1,750	1,355	1,771	1,656	

Children, Schools and Families	Indicative 2017/18 Budget	Indicative 2018/19 Budget	Indicative 2019/20 Budget	Indicative 2020/21 Budget	Indicative 2021/22 Budget	Scrutiny Panel*
	£000s	£000s	£000s	£000s	£000s	
23 FE School to be Confirmed	0	0	0	0	0	CYP
24 FE School to be Confirmed	1,600	0	0	0	0	CYP
25 FE School to be Confirmed	1,600	0	0	0	0	CYP
27FE Temporary Solution for Sept. 2016	0	0	0	0	0	CYP
28FE Temporary Solution for Sept. 2016	0	0	0	0	0	CYP
29FE Temporary Solution for Sept. 2017	325	0	0	0	0	CYP
Primary School Expansions	3,525	0	0	0	0	
Schools Capital Maintenance and Accessibility	400	400	400	400	400	CYP
Secondary School expansion	35,000	0		15,000		CYP
Other	35,400	400	400	15,400	400	
Total	38,925	400	400	15,400	400	

Environment and Regeneration	Indicative 2017/18 Budget	Indicative 2018/19 Budget	Indicative 2019/20 Budget	Indicative 2020/21 Budget	Indicative 2021/22 Budget	Scrutiny Panel*
	£000s	£000s	£000s	£000s	£000s	
Earmarked Schemes - Transport for London						
Environmental Health						
Disabled Facilities Grant - LBM Contribution	280	280	280	280	280	SC
Small Repairs Grant (Private Sector Housing Programme)	60	60	60	60	60	SC
Greenspaces						
Parks Investment	350	350	350	350	350	SC
Highway Maintenance						
Footways						
Footways Planned Works	1,000	1,000	1,000	1,000	1,000	SC
General						
Demand for Surface Water Drainage - Flooding	69	69	69	69	69	SC
Maintenance Anti-Skid and Coloured	90	90	90	90	90	SC
Highways Planned Roadworks	1,600	1,600	1,600	1,600	1,600	SC
Leisure Centres						
Replacement of Leisure Centre Plant and Machinery including accelerated schemes in 2009/10	300	300				SC
Street Scene						
Street tree programme (25 year programme)	100	100	100	100	100	SC
Street Lighting						
Street Lighting Replacement Programme	485	509	535			SC
Traffic and Parking Management						
Traffic Schemes	306	306	306	306	306	SC
Future Merton						
Plans & Projects						
On & Off Street Parking						
Street Lighting						
Transport and Plant						
Replacement of Fleet Vehicles	500	500	500	500	500	SC
Waste Operations						
Other						
TOTAL	5,140	5,164	4,890	4,355	4,355	

A) TREASURY MANAGEMENT POLICY STATEMENT

1. Introduction

1.1 Background and Treasury Management Policy Statement

The London Borough of Merton defines its Treasury Management activities as:

“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. ”

Merton Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its Treasury Management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will focus on their risk implications for the council, and any financial instruments entered into to manage these risks.

The council acknowledges that effective Treasury Management will provide support towards the achievement of its business and service objectives. It therefore commits to the principles of achieving value for money in Treasury Management, and employing suitable comprehensive performance management techniques, within the context of effective risk management.

1.2 Statutory requirements

The Local Government Act 2003 (the Act) as amended in 2011 and supporting regulations, requires 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.

1.3 CIPFA Requirements

The CIPFA Code of Practice on Treasury Management (Revised November 2009) has been adopted by the council. The recommendations of the CIPFA guidance notes for Local Authorities 2011 and the CIPFA Code of Practice notes for Local Authorities 2011 has also been adopted.

1.4 Balanced Budget Requirement

It is a statutory requirement under Section 33 of the Local Government Finance Act 1992 for the council to set a balanced budget. Section 32 requires a local authority to calculate its budget requirement for each financial year. This must include the revenue costs that flow from capital financing decisions. This therefore means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:

- Increases in interest charges caused by increased borrowing to finance additions to capital expenditure; and
- Any increases in running costs from new capital projects, are limited to a level which is affordable within the projected income of the council for the foreseeable future.

Part of the Treasury Management operation is to ensure that this cash flow is adequately planned, with cash being available for spend when it is needed. All cash surplus are invested in low risk counterparties or instruments which meet the council's agreed risk appetite. Provision is first made for adequate liquidity before considering investment return.

The capital plans provide a guide to the borrowing need of the council, to manage this, the council has to control and plan its long term cash flow. It is this cash flow planning which ensures that the council can meet its capital spending obligations. In addition, the management of longer term cash may involve arranging long or short dated loans, or using longer term cash flow surpluses. On some occasion and after careful thought of the S151 Officer any debt previously drawn may be restructured or repaid to meet council risk or cost objectives.

1.5 The Treasury Management strategy for 2013/14 covers two main areas:

Capital Issues

- the capital plans and the prudential indicators;
- the Minimum Revenue Provision strategy.

Treasury Management Issues

- the current treasury position as at January 2013;
- treasury indicators which will limit the treasury risk and activities of the council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the Annual Investment Strategy;
- creditworthiness policy
- Treasury Management Principles (Appendix 7);
- cash flow policy; and
- policy on use of external service providers.

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

2. The Current Treasury Position

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

The application of resources (capital receipts, 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 2013

Year End Resources	2011/12 Actual £'000	31 January 2012/13 Actual £'000	31 March 2012/13 Estimate £'000
Investments	57,000	82,000	50,623
Interest on investments	972	839	965
Borrowing			
Long Term Borrowing	116,976	116,976	116,976
Short Term Borrowing	8,000	8,000	8,000
Total Debt	124,976	124,976	124,976
Interest on Debt			
Long Term	6,696	4,049	6,693
Short Term	104	7	33
Total Interest on Debt	6,800	4,056	6,726

2.2 The application of resources (capital receipts, reserves etc) to 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 like asset sales. Appendix 8 of this report also shows the detailed cash flow.

3. The Capital Prudential Indicators

3.1 Capital expenditure plans are one of the key drivers of Treasury Management activity, the output of the capital expenditure plans is reflected in prudential indicators which are designed to provide members with an overview and confirm capital expenditure plans.

Capital Expenditure – this indicator is a summary of the council’s capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. It should be noted that the figures in the table below do not reflect any slippage in the capital programme.

Capital Expenditure	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
Children Schools & Families	19,084	27,399	28,429	17,640	11,690	27,950
Community & Housing	1,969	1,311	1,536	0	0	550
Corporate Services	4,358	2,979	7,252	4,102	3,375	3,172
Environment & Regeneration	16,889	13,764	12,861	12,195	20,643	6,673
Total Non-HRA	42,299	45,453	50,078	33,937	35,708	38,345

The table below shows how the capital expenditure plans are being financed by revenue or capital resources. A short fall 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.

Capital Expenditure	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
Capital Expenditure	42,299	45,453	50,078	33,937	35,708	38,345
Slippage*		(1,545)	(6,199)	5,609	242	(123)
Total Capital Expenditure	42,299	43,908	43,879	39,546	35,950	38,222
Financed by:						
Capital Receipts		952	1,148			
Capital Grants & Contributions	29,175	23,674	14,629	11,215	10,311	8,116
Capital Reserves						
Revenue Provisions	575	3,263	3,101			
Other Financing Sources						
Net financing need for the year	12,548	16,019	25,002	28,331	25,639	30,107

*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), this is simply 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. 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.

This council has no Housing Revenue Account (HRA) and no new PFI schemes in 2013/14. The CFR below is shown net of these liabilities.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	Actual	Actual	Estimate	Estimate	Estimate	Estimate
Capital Financing Requirement	190,532	193,577	201,587	218,154	237,304	253,043
CFR (non-housing)	3,045	8,020	16,557	19,150	15,739	19,902
Total CFR	193,577	201,597	218,154	237,304	253,043	272,945
Movement in CFR	3,045	8,020	16,557	19,150	15,739	19,902
Movement in CFR represented by						
Net financing need for the year (above)	12,548	16,019	25,002	28,331	25,639	30,107
Less Capital MRP/VRP	(7,033)	(7,368)	(7,776)	(8,198)	(8,990)	(9,449)
Less Other MRP/VRP (leasing, PFI)	(1,194)	(631)	(669)	(983)	(911)	(756)
Less Other financing movements						
• Adjustment of PFI Liability	(1,247)					
• Adjustment of MRP	(29)					
Movement in CFR	3,045	8,020	16,557	19,150	15,739	19,902

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.

%	2011/12 Actual %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
Ratio of Financing Costs to Net Revenue Stream (Non HRA)	10.13%	10.25%	10.14%	10.87%	11.39%	12.14%

The table below shows the monetary values for the above ratio

£	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
Net Revenue Financing Costs	17,144	16,555	16,948	17,625	18,454	19,713
Net Financing Stream**	169,270	161,553	167,199	162,150	162,150	162,150

Net Financing Stream from 2013/14 onwards includes Public Health Grant, 2014/15 is used as an approximation for 2015/16 and 2016/17

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

This indicator identifies the revenue costs associated with proposed changes to the four year capital programme recommended in this budget report compared to the council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support by way of grants.

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.

%	2011/12 Actual %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
Council tax – band D	-0.06%	-0.71%	0.53%	0.91%	1.13%	1.64%

£	2011/12 Actual £	2012/13 Estimate £	2013/14 Estimate £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
Incremental Change in Capital Financing Costs	(47,000)	(588,840)	393,360	676,259	839,042	1,213,951
Council Tax Base	74,486	74,816	66,981	66,981	66,981	66,981
Incremental Impact on Council Tax - Band D***	-0.63	-7.87	5.87	10.10	12.53	18.12
Council Tax - Band D	1,106.57	1,106.56	1,106.56	1,106.56	1,106.56	1,106.56

***2011/12 and 2012/13 are actual council tax amounts, 2013/14 is proposed and this value is used as an approximation of future years. Change in council tax base is due to Council Tax Reform. Council tax base for future years is based on 2013/14

4. Minimum Revenue Position (MRP)

- 4.1 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 London Borough of Merton has not made any provision for VRP in its capital expenditure.

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will follow the existing practice outlines in former 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 – MRP will be based on the estimated life of the assets – 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 approximately the asset's life.

Category	Depreciation (Years)
Properties valued over £1m	
Buildings	50
Mechanical & Electrical	20
External	20
Properties 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

The Treasury Management function ensures that the council's cash is organised in such a way as to make available sufficient cash to meet its service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

5.1 The Prospects for Interest Rates and economic forecasts

The following table gives the central position on the council's Treasury Management adviser's view on the prospects on interest rates.

Annual Average %	Bank Rate	PWLB Borrowing Rates		
		5 year	25 year	50 year
Dec 2012	0.50	1.50	3.80	4.00
March 2013	0.50	1.50	3.80	4.00
June 2013	0.50	1.50	3.80	4.00
Sept 2013	0.50	1.60	3.80	4.00
Dec 2013	0.50	1.60	3.80	4.00
March 2014	0.50	1.70	3.90	4.10
June 2014	0.50	1.70	3.90	4.10
Sept 2014	0.50	1.80	4.00	4.20
Dec 2014	0.50	2.00	4.10	4.30
March 2015	0.50	2.20	4.30	4.50
June 2015	1.00	2.30	4.40	4.60
Sept 2015	1.25	2.50	4.60	4.80
Dec 2015	1.50	2.70	4.80	5.00
March 2016	1.75	2.90	5.00	5.20

The council can borrow currently from the PWLB at 0.20% below less than published rates.

The Eurozone is making slow headway which has curtailed some of the immediate risks although the peripheral countries continue to struggle.

Growth in the UK economy is unlikely to return to trend for the foreseeable future, Q3 GDP was strong at 0.90% but this momentum is unlikely to be sustained in Q4 or in 2013.

Consumer Price Inflation has fallen to 2.7% from a peak of 5.2%

The fiscal outlook for bringing down the structural deficit and stabilise debt levels remain very challenging. Weakened credibility of the UK in reducing its levels of debt poses a risk to the AAA status. Moody rating agency was the first rating agency to downgrade the UK's AAA status by one notch to Aa1. However recent history (US, France) suggests this may not automatically result in a sell-off in gilts or increased cost of borrowing. The full impact of this rating is at this point not fully known.

- Investment returns are likely to remain relatively low during 2013/14;
- Borrowing interest rates are currently attractive, but may remain low for some time. The timing of any borrowing will need to be monitored carefully;
- There will remain a cost of capital – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns

5.2 Borrowing Strategy

Current Borrowing Portfolio Position

The table below shows the CFR against the gross debt position of the council. The gross debt includes other long term liabilities like PFI and finance lease obligations.

	2011/12 Actual £'m	2012/13 Actual £'m	2013/14 Estimate £'m	2014/15 Estimate £'m	2015/16 Estimate £'m	2016/17 Estimate £'m
External Debt						
Debt at 1 April	151,201	125,039	124,976	116,976	116,976	127,510
Expected change in Debt	-26,162	-63	-8,000	0	10,534	19,858
Other long-term liabilities	41,066	39,214	37,287	36,216	34,734	33,377
Expected change in Other Long term Liabilities	-1,852	-1,928	-1,071	-1,482	-1,457	-1,345
Actual gross debt at 31 March	164,253	162,262	153,192	151,710	160,787	179,400
Capital Financing Requirement	193,577	201,578	218,154	273,304	253,043	272,945
Under/(over) borrowing	29,324	39,335	64,962	85,595	92,256	93,545

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 cash flow has been used as a temporary measure. This strategy is prudent as investment returns are currently low and counterparty risk is high. Against this background and the risks within the economic forecast, the Director of Corporate Services will monitor interest rates in financial markets.

Given the fact that investment rates will be below long term borrowing rates the current strategy is to avoid taking new long term borrowing. Instead short term borrowing or the use of the council's own cash balances will be used to finance capital expenditure. This would maximise short term savings.

However, the decision to increase internal borrowing to generate short term savings will be periodically evaluated against the potential for incurring additional long term borrowing costs in later years when long term interest rates are forecast to be significantly higher. Therefore, if interest rates fall within the council's trigger rate or interest rates begin to rise faster than expected due to downgrade of the UK credit rating, the council will consider borrowing in advance of need.

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 LOBO's and the various options available to the council.

The borrowing strategy to temporarily finance its capital program, 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 then the council will borrow in advance of need or where interest rates are expected to rise significantly due to the effect of the down grade of the UK credit rating. The council will review this in 2013/14 to assess options around higher and lower levels of cash-backed balances.

The option that the capital program will continue to reduce and no further capital program will be considered except fully funded, this will mean that the future estimated cash balance will remain at considerable levels that will no require the council to borrow.

Consideration was also given to the future borrowing rates for the council as new borrowing is expected to be undertaken at unknown future rates which in the current economic climate are predicted to be lower therefore reducing the future average borrowing rate for the council.

Consideration was given to the fact that in the current economic climate the LOBO's 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 2013/14 to meet the call options based on the current estimates of the use of internal borrowing for the capital program and the council's average rate on its debt portfolio will reduce significantly.

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 last year in relation to treasury management, the Council has chosen to participate in the risk study and adopt the risk toolkit in 2013/14 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.

5.3 Treasury Indicators: Limits to Borrowing Activity

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

Operational boundary £'000	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
Debt	125,039	124,976	116,976	116,976	127,510	147,368
Other long term liabilities	39,214	37,286	36,216	34,734	33,277	32,032
Operational Boundary	164,253	162,262	153,192	151,710	160,787	179,400

The Authorised Limit for external borrowing.

The limit 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.

	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
Gross Debt	164,253	162,262	153,192	151,710	160,787	179,400
Headroom		20,000	30,000	30,000	30,000	30,000
Authorised Limit	164,253	182,262	183,192	181,710	190,787	209,400

Members are required to note that these authorised limits shows the gross maximum borrowing for the year and includes off balance sheet PFI as well as allow for any potential overdraft position as this will be counted against the overall borrowing and 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

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure - this identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure - this is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing - these limits are set to reduce the council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

Members are asked to note that the maturity structure guidance has 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.

The table below shows the fixed and variable interest rate exposure;

	2013/14	2014/15	2015/16	2016/17
Interest rate Exposures	Upper Estimate	Upper Estimate	Upper Estimate	Upper Estimate
Upper limit for fixed interest rates based on net debt	100%	100%	100%	100%
Upper limit for variable interest rates based on net debt	50%	50%	50%	50%
Limits on fixed interest rates:				
• Debt only	100%	100%	100%	100%
• Investments only	100%	100%	100%	100%
Limits on variable interest rates				
• Debt only	40%	40%	40%	40%
• Investments only	40%	40%	40%	40%

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

	Maturity Structure of fixed interest rate borrowing 2013/14			Maturity Structure of variable interest rate borrowing 2013/14		
	Actual at 31/01/2013	Lower	Upper	Actual	Lower	Upper
Under 12 months	6.4%	0%	60%	0%	0%	50%
12 months to 2 years	0%	0%	60%	0%	0%	50%
2 years to 5 years	3.17%	0%	60%	0%	0%	50%
5 years to 10 years	3.20%	0%	80%	0%	0%	50%
10 years and above	87.22%	0%	100%	0%	0%	50%

All council's LOBO loans are past the non-call periods therefore assumed to be fixed in the medium term and current economic climate.

Local Indicators

The table below shows target borrowing and investment rates

	2011/12 Actual %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
Investment Target Return	0.5%	1.20%	1.00%	1.50%	1.50%	2.00%
Long Term Borrowing Target						
• Current Portfolio	5.72%	5.72%	5.72%	5.72%	5.72%	5.72%
• New Borrowing trigger rate	0	0	3.75%	3.75%	4.00%	4.00%

5.5 Policy on Borrowing in Advance of Need

The London Borough of Merton will not borrow more than, or in advance of its needs, 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 the borrowing trigger rates of 3.75% or less 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.

Year	Maximum Borrowing in advance	Notes
2013-14	0%	Borrowing in advance will be limited to no more

2014-15	No more than 50% of CFR increase	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.
2015-16	No more than 50% of CFR increase	
2016-17	No more than 50% of CFR increase	

5.6. Debt Rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short/medium term debt when considering options to fund the council's capital programme as part of the short term strategy to finance the capital programme. However, these savings will be considered in the light of the current treasury position, prospects of interest rates and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

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

The table below shows the maturity profile of the council's current debt as at 31 January 2013

	£'000	% of portfolio
less than 1 year	8,000	6.40
1 - 2 years	0	0.00
2 - 5 years	3,966	3.17
5 -10 years	4,000	3.20
10 -15 years	31,010	24.81
15- 20 years	1,000	0.80
20 - 25 years	11,500	9.20
25-30 years	0	0.00
30 - 35 years	13,500	10.80
35-40 years	7,000	5.60
40 -45 years	25,000	20.00
45-50 years	20,000	16.00
Total	123,639	100.00

Currently interest rates on borrowing is low and expected to be low for the next 12 to 24 months. The cost of borrowing is expected to remain relatively low while returns on investment remains low due to low base rate. The average rate in the council's current debt portfolio is 5.72%. As part of its Treasury Management activities for 2013/14, the council will actively seek opportunities when borrowing rates become very low to enable it reduce the average rate of its debt portfolio. This could be by repaying some of its debt early using capital

receipts or rescheduling some debt or repaying some debt early and refinancing the cost of repayment with new loans at lower interest rates.

The review of redemption estimates showed that due to the high coupons rates of the council's portfolio debt, savings could only be made if the debt was prematurely repaid using cash or capital receipts rather than refinancing by taking new loans at lower coupon rates.

The Director of Corporate Services will continue to review and identify any residual potential for making savings and provide cabinet with updates when such circumstances present itself. All rescheduling made will be reported to cabinet at the earliest meeting following action.

5.7 Key and Future Changes which may affect Treasury Management

- **Public Works Loan Board project rate discount**
This measure introduces a Public Works Loan Board (PWLB) project rate at 40 basis points below the PWLB standard rate. The rate will be available to one strategic priority project identified in each of the Local Enterprise Partnership (LEP) areas. Each LEP will specify which Local Authorities will undertake the borrowing for their preferred project in line with the requirements of the PWLB which can only lend to Local Authorities. It is assumed that those Local Authorities borrowing would previously have borrowed at the PWLB certainty rate. It is assumed that 10% of the interest savings outside the Northern Line Extension is applied to local reserves and the remaining 90% to delivering local authority current expenditure.
- **"Scrutiny" rate**
From 1 November 2012, the Government reduced by 20 basis points (0.2%) the interest rates on loans from PWLB to principal local authorities who provided the required information on their plans for long-term borrowing and associated capital spending. The London Borough of Merton is one of the Council's on the PWLB approved list for this "certainty" rate discount.
The budget announced the possibility of a further reduced rate to the Public Works Loans Board borrowing rate known as the "scrutiny" rate. This rate is to be given "to authorities demonstrating best quality and value for money".
- **Corporate Bonds**
The recent change now allows English local authorities to invest in corporate bonds without classing them as capital expenditure, the council does not anticipate use in 2013/14. However should the council use them, the council will follow very closely the developments in legislations and CLG directives and also conduct due diligence if such instruments will be used.

- Future changes to accounting for schools

Proposals to accounting for schools in Local Authority Accounts where by payments of Dedicated Schools Grant to non-controlled schools will be recorded as payment to 3rd parties in the Income and Expenditure statement. Likely impacts are cashflow items like teachers payroll.

- Transport Infrastructure Assets
This is expected to start possibly in 2014/15 financial year. It is proposed that liabilities under PFI arrangements (for example road schemes) be recognized like they are financial liability under IAS39. It is anticipated that there will be not impact on MRP, however the impact on borrowing limits is unknown at the moment.
- 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 affect the underlying borrowing requirement of the Council. It is anticipated that there may be some impact on both capital and revenue income.

6. Annual Investment Strategy

6.1 Investment Policy

The London Borough of Merton's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 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. The forecast below is for investments of up to 12 months.

	Bank Rate Forecast / Actual (%)	3M LIBID Forecast (%)	12M LIBID Forecast	20 – year Gilt Yield	Council Investment Return Actual / Expectations (%)
Dec 2012	0.50	0.39	1.87	2.92	1.27
March 2013	0.50	0.40	0.85	2.90	1.20
June 2013	0.50	0.40	0.90	2.90	1.00
Sept 2013	0.50	0.40	0.95	2.90	1.00
Dec 2013	0.50	0.45	0.95	2.90	1.00
March 2014	0.50	0.45	1.00	3.00	1.00
June 2014	0.50	0.50	1.00	3.00	1.50
Sep 2014	0.50	0.50	1.00	3.00	1.50

The forecast rates have been built on the basis that bank rate is expected to remain unchanged to around quarter three of 2015, however if interest rates do not rise then future income expectations may not be met.

The interest receivable budget will therefore be built on the expectation that in;

2013/14	1.00% will be achieved
2014/15	1.50% will be achieved
2015/16	1.50% will be achieved
2016/17	2.00% will be achieved

Cash available for investments will be split into three categories;

- Operational cash
- Core cash
- Strategic cash

Strategic cash will aim to be locked for longer periods to enable the council to gain the advantage of good rates. However this is also constrained by counterparty risk. Operational cash will predominantly be overnight cash and cash locked away for less than one month.

6.3 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 to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

	2011/12 Estimate £'m	2012/13 Estimate £'m	2013/14 Estimate £'m	2014/15 Estimate £'m	2015/16 Estimate £'m
Principal sums invested greater than 364 days	8m	0m	20m	20m	20m

For its cash flow generated balances, the council will seek to utilise its, reserve accounts, 15 and 30 day notice accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

6.4 The use of Specified and Non-Specified Investments

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

Specified Investments

An investment is a specified investment if all of the following apply:

- 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 (i.e. up to one year);
- The making of the investment is not 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]; 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.

6.5 Investment Risk Benchmarking

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

Security - The council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.00% historic risk of default when compared to the whole portfolio. In determining probability of default of its counterparties, the council in addition to looking at historic risk of defaults, will also look to the actively traded CDS market which provides the basis for calculating the future probability of default on individual deposits.
- Liquidity – in respect of this area the council seeks to maintain:
- Bank overdraft - £1m
- Liquid short term deposits of around £5m available with a week's notice.
- Investments – average internal returns of the total investment portfolio above bank rate by 0.25%

6.6 Risk Management and Creditworthiness Policy

In managing its risk, the London Borough of Merton will only use financial instruments for the prudent management of its financial affairs and never for speculative purposes.

In relation to interest rate risk for both debt management and cash investment portfolios, the council will seek to borrow or invest according to where we perceive good value in the structure of interest rates (the yield curve). The council will seek to repay borrowings or sell investments to adjust the portfolio to adjust the incidence of risk within agreed limits. The council is aware that doing nothing does not avoid or minimise risk.

Risk thresholds vary as do our level of balances and periods for which these amounts are available. Parameters set in terms of credit quality, individual and maturity limits are based on the council's overall treasury policy, the structure of the investment portfolio, the general size of investment balances, the periods for which the investment amounts are generally available and the council's appetite for risk.

In order to minimise the risk to investments, the council's minimum acceptable credit quality of counterparties for inclusion on its lending list is listed below. Credit ratings including viability ratings are monitored daily in the first instance as prescribed by CIPFA using daily electronic notifications of the three agencies received from the council's treasury adviser.

In addition other monitoring takes the form of;

- Review where possible daily financial news and treasury journals for news on counterparties and sovereigns;
- Reviewing the Financial Times (FT) for news about counterparties and sovereigns;
- Receiving and reading direct mail shots from the ratings agencies;
- Share price monitoring of counterparties in the FT for early warning signals;
- Monitor other market information and pricing data such as the Credit Default Swaps via data obtained from the council's treasury adviser;
- As part of daily contact with brokers market information will be obtained;
- Trends in the markets and the impact of new
- The counterparties exposure to sovereign debt; and
- Provisions which the counterparty has in place in compliance with Financial Services Authority (FSA) and EU rules e.g. the Individual Liquidity Adequacy Standards – Basle Committee directives.
- For money market funds in addition to the credit rating, the Weighted Average Maturity and the constituents counterparties will be monitored daily in addition to comprehensive month end reviews..
- The Council's aggregate exposure to counterparties including its money market constituent funds will be monitored on a monthly basis and where possible daily.

Investment instruments identified for use in the financial year are listed in Appendices 2A and 2B to this report under the categories of specified and non specified investment categories

Apart from government owned or part owned banks, the minimum credit criteria the council will use for individual counterparties is stated below:

BANKS AND BUILDING SOCIETIES MINIMUM CRITERIA ACROSS ALL THREE RATING AGENCIES			
	FITCH	MOODY's	S&P
Short Term	F1	P-1	A-1
Long Term	A-	A3	A-
OTHER CRITERIA			
Viability / BFSR Rating	bbb+	c-	n/a
Support	2	n/a	n/a

For building societies in addition to credit criteria, the council will also use only the top ten building societies in terms of asset value. However credit quality rather than asset size or position in the league table ranking will be the main driver for selection.

	FITCH	MOODY's	S&P
Money Market Funds	AAAmf	Aaa-mf	AAAm
UK Gilts	AAA	Aaa	AAA
Government Institutions and DMADF	N/A (assume rating of UK Government Sovereign)		
Local authorities, parish councils Collateralised Deposits	N/A (assume rating of UK Government Sovereign)		
Supranational Institutions	AAA	Aaa	AAA
Multilateral Development Banks	AAA	Aaa	AAA

Duration of use for Counterparties - High levels of consumer indebtedness and elevated house prices continue to leave banks more vulnerable than in the past to downward risks that the economy faces. This means that some banks have sizeable exposure to volatile capital markets businesses therefore where possible, the council will use the Sector criteria for ratings in determining the duration of investments for its counterparties that meet its minimum credit criteria and monitor the CDS spreads of counterparties based on this data.

Counterparties may therefore fall in to duration categories of:

- not to be used,
- use for three months or less ,
- use for six months or less,
- use for one year or less or
- use for one year or more
- use for two years or less or
- use for five years or less (this will apply to AAA rated government debt)

The council in addition to the criteria above will also consider the sovereign ratings of each of its counterparties. This is included in Appendix 3 of this report.

6.7 Counterparty Downgrades

A counterparty will be removed, suspended or kept on close watch from the council's approved list on the following grounds:

- 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;
- If the council is advised of movements in CDS which shows extreme market movements which may result in downgrade of an institution;
- If market information or market data indicate that there is cause for concern about a counterparty;
- If there are adverse changes to government support for banks or the support is withdrawn; and
- If the Sovereign rating of the counterparty is downgraded below the council's minimum rating for a sovereign.

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. Significant adverse changes in ratings will be reported to councillors in the mid year or end year treasury reports.

Treasury Risk Analysis – Investments

The tables below show the Security/Liquidity/Yield characteristics of the council's investments.

Portfolio Breakdown		Institution Type		Country		
Fixed Deposits	100%	Banks	77.87%	UK	100%	
Calls & O/N Deposits	0%	Building Societies	22.13%	Foreign (excludes MMFs)	0%	
MMFs	0%	Government/LA	0%			
Structured Products	0%	MMFs	0%			
Bonds	0%	Other	0%			
CD's	0%					
Property Funds	0%					
Maturity Structure of Investments as at 31 January 2013 (£'000)						
				Number of Executed Investments Outstanding (£'000)		
<1 month	0	0	0%	Under 3 months	2	£6,700
1 – 3 months	2	£6,700	8.17%	Under 6 months	8	£18,750
3 – 6 months	8	£18,750	22.87%	Under 1 year	27	£56,550
6 – 9 months	6	£13,500	16.46%	1 Year	0	0
9 – 12 months	21	£43,050	52.50%	2 year	0	0
12 months +	0	£0	0%	3 year	0	0

6.8 Provisions for Credit Related Losses

If any of the council's investments appears at risk of loss due to default (i.e. this is a credit-related loss and not one resulting from a fall in price due to movements in interest rates) the council will make revenue provision of an appropriate amount.

6.9 Banking Arrangements

The council's bankers are Lloyds TSB bank, the council has over 263 bank accounts in total with Lloyds while the London Borough of Merton Pension Fund has one bank account in operation. 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.

From time to time the council may open bank accounts with other banks for specific reasons.

Where the Credit Rating of the council's bank Lloyds TSB which is currently part owned by the government should fall below its minimum credit criteria, the Council would continue to monitor the situation closely for any likelihood of collapse. The general expectation is that this may be unlikely to happen to a bank currently part owned by the government as failure of such UK institutions will be harmful worldwide. However, should a UK Financial Institution get close to this state it is anticipated that the FSA would look to put in place a controlled process to ease the fallout.

6.10 Country limits

The current economic climate has not only affected companies and financial institutions, it has affected sovereigns as well. In addition to counterparty selection, due care will be placed on country selection and only approved counterparties from countries with a minimum sovereign credit rating of AA- (Appendix 3).

This does not mean that the council will lend to every sovereign that meets this criteria, the list will be added to, or deducted from, by officers in consultation with the Director of Corporate Services, should ratings change in accordance with this policy. The council is mindful of the fact that investments should not be concentrated in one counterparty or country apart from the UK. Therefore;

- no more than 50% of the council's aggregate investments will be placed with any non-UK country at any time;
- Countries will be monitored weekly as part of the credit rating's monitoring for appropriateness against limits suggested by the council's treasury adviser Sector.

6.11 Nationalised and Part Nationalised Banks - Part nationalised UK banks – Lloyds Bank and Royal Bank of Scotland these banks will be included on the council's lending list in so far as they continue to be part nationalised or they meet the minimum ratings set by the council

6.12 Group Limits - No more than 50% of the council's aggregate funds will be placed in any one banking group.

6.13 Guarantee from Parent Banks - The council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above

6.14 Lending to Community Organisations and Other Third Parties - 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 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.

Recipients of this type of loans are unlikely to be a financial institution and therefore unlikely to be subject to a credit rating. In order to ensure security of the Authority's capital, extensive financial due diligence must be completed prior to any loan or investment being agreed. 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.

In other instances, the council may receive soft loans from government agencies, European Economic Community agencies or organisations like Salix for energy efficiency related loans.

6.15 Comparative Reviews - The Council participates in the CIPFA benchmarking club as well as the CIPFA risk study 2011/12. Key results from the Quarter 3 Report of the CIPFA risk study showed that Merton annual return on investments as at 31 December 2012 was 1.23% while the average was 1.21%.

7. Cash Flow Management

7.1 CIPFA requires all monies to be under the control of the responsible officer and for cash flow projections to be prepared on a regular and timely basis. Cashflow, 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 daily credit balance of less than £50k.

The current projection as at 31 January 2013 for 2012/13 year end is a cash balance of £50.6m. Cashflow forecasts will be updated quarterly in monitoring reports to cabinet.

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. The policy on credit cards can be found on the intranet on http://intranet/procurement_cards

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 issues in March 2010.

The council is also mindful of the requirements of the Bribery Act 2011 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 the appropriate training and knowledge in relation to these activities. Training is in-house on the job, via CIPFA seminars and training courses, via 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.

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 2012/13 can be found on the council's intranet.

12. End of year investment report

At the end of the financial year, the council will report on its investment activity as part of its Annual Treasury Report.

13. Appendices

13.1 Appendix 1- Interest Rate Forecast 2012/2016

Appendix 2A – Specified Investments

Appendix 2B – Non Specified Investments

Appendix 3 – Approved Countries for Investment

Appendix 4 – Treasury Management Scheme of Delegation

Appendix 5 – The Treasury Management Role of the S151 Officer

Appendix 6 – Reporting Requirements and Arrangements

Appendix 7 – Treasury Management Principles

Appendix 8 – Cash Flow Statement 2012/13 to 2015/16

14. Background Papers

- CIPFA Treasury Management in Public Services. Code of Practice and Cross –Sectional Guidance Notes 2011
- CIPFA Prudential Code for Capital Finance in Local Authorities 2011 Edition and 2012 updates.

APPENDIX 1 - Interest Rate Forecast 2012/2016

Sector's Interest Rate View														
	Now	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Sector's Bank Rate View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
3 M onth LIBID	0.39%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.60%	0.60%	0.70%	0.80%	1.10%	1.40%	1.70%
6 M onth LIBID	0.54%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.80%	0.90%	1.00%	1.10%	1.30%	1.60%	1.90%
12 M onth LIBID	0.88%	1.00%	1.00%	1.00%	1.00%	1.00%	1.10%	1.10%	1.20%	1.30%	1.30%	1.50%	1.80%	2.10%
5yrPW IB Rate	1.85%	1.50%	1.50%	1.60%	1.60%	1.70%	1.70%	1.80%	2.00%	2.20%	2.30%	2.50%	2.70%	2.90%
10yrPW IB Rate	2.87%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	3.00%	3.20%	3.30%	3.50%	3.70%	3.90%
25yrPW IB Rate	4.02%	3.80%	3.80%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.30%	4.40%	4.60%	4.80%	5.00%
50yrPW IB Rate	4.15%	4.00%	4.00%	4.00%	4.00%	4.10%	4.10%	4.20%	4.30%	4.50%	4.60%	4.80%	5.00%	5.20%
Bank Rate														
Sector's View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
5yrPW IB Rate														
Sector's View	1.85%	1.50%	1.50%	1.60%	1.60%	1.70%	1.70%	1.80%	2.00%	2.20%	2.30%	2.50%	2.70%	2.90%
UBS	1.85%	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Economics	1.85%	1.55%	1.30%	1.30%	1.30%	1.30%	1.30%	1.50%	1.60%	-	-	-	-	-
10yrPW IB Rate														
Sector's View	2.87%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	3.00%	3.20%	3.30%	3.50%	3.70%	3.90%
UBS	2.87%	3.00%	3.10%	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	-	-	-	-	-
Capital Economics	2.87%	2.55%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	-	-	-	-	-
25yrPW IB Rate														
Sector's View	4.02%	3.80%	3.80%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.30%	4.40%	4.60%	4.80%	5.00%
UBS	4.02%	4.20%	4.30%	4.40%	4.50%	4.50%	4.50%	4.50%	4.50%	-	-	-	-	-
Capital Economics	4.02%	3.70%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	-	-	-	-	-
50yrPW IB Rate														
Sector's View	4.15%	4.00%	4.00%	4.00%	4.00%	4.10%	4.10%	4.20%	4.30%	4.50%	4.60%	4.80%	5.00%	5.20%
UBS	4.15%	4.30%	4.40%	4.50%	4.60%	4.60%	4.60%	4.60%	4.60%	-	-	-	-	-
Capital Economics	4.15%	4.00%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	-	-	-	-	-

Source – Sector Treasury Services

APPENDIX 2A – Specified Investments

Organisation/Instrument/Sovereign	Counter Party Minimum Credit Criteria									Other Data	Maximum Lending Period	Limit (Agg)	
	FITCH				MOODY			STANDARDS & POORS					CDS DATA
	Fitch L/T	Fitch S/T	Fitch Viability	Fitch Support	Moody L/T	Moody S/T	Moody FSR	S&P L/T	S&P S/T				In range
Term deposits – banks	AA	F1+	aa-	1	AAa2	P-1	C+	AA-	A-1+	In range	0 – 12 months	100%	
Term deposits – banks	A+	F1	A+	1	A2	P-1	C	A+	A-1	In range	0 – 6months	80%	
Term deposits –building societies	A+	F1	a+	1	A2	P-1	C	A+	A-1	In range	0- 3 months if within limits	20%	
Term deposits – Nationalised and Part Nationalised Banks	A	F1	bb+	2	A1	P-1	C-	A	A-1	In range	0 - 12 months if within limits	80%	
Structured Deposits													
Term Deposits in Supranational	AAA	n/a	n/a	n/a	Aaa	n/a	a/a	AAA	n/a	n/a	0 – 48 months	80%	
		Fund Quality Rating						Principal Stability Fund Rating	Fund Credit Quality Rating	Fund Volatility Rating			
Money Market Funds	AAAmf	Excellent			Aaa-mf			AAA	AAAf	n/a	0 – 3 months	60%	
Term Deposits – UK Governments	Assume AAA UK Government Sovereign rating Status									n/a	0 – 12 months	100%	
Term Deposits – LA's with or without credit ratings	Assume AAA UK Government Sovereign rating Status									n/a	0 – 12 months	80%	
Debt Management Agency Deposit	Assume AAA UK Government Sovereign rating Status									n/a	0 – 12 months	100%	
UK Government Gilts	Assume AAA UK Government Sovereign rating Status									n/a	0 – 12 months	80%	
Gilt Funds and Bond Funds	AAA	n/a	n/a	n/a	Aaa	n/a	n/a	AAA	n/a		0 – 12 months	50%	
Corporate Bonds	AAA				Aaa			AAA		n/a	0 – 12 months	50%	

APPENDIX 2B - Non Specified Investments

Organisation/Instrument/Sovereign	Counter Party Minimum Credit Criteria									Other Data	Maximum Lending Period	Limit (Agg)	
	FITCH				MOODY			STANDARDS & POORS					CDS DATA
	Fitch L/T	Fitch S/T	Fitch Viability	Fitch Support	Moody L/T	Moody S/T	Moody FSR	S&P L/T	S&P S/T				
Term Deposits in Banks	AAA	F1+	n/a	1	Aaa	P-1	-	AAA	A-1+	In range	0 – 3 years	50%	
Term Deposits in Supranationals	AAA	n/a	n/a	n/a	Aaa	n/a	n/a	AAA	n/a	n/a	0 – 3 years	80%	
Collateralised Local Authority Deposits	AAA	n/a	n/a	n/a	Aaa	n/a	n/a	AAA	n/a	n/a	0 – 5 years	80%	
Certificates of deposits issued by banks and building societies	AA	n/a	n/a	n/a	Aa3	n/a	n/a	AA-	n/a	In range	0 – 2 years	40%	
Term Deposits – UK Governments	AAA				AAA					n/a	0 – 5 years	100%	
Term Deposits – LA's with or without credit ratings	Assume AAA UK Government Sovereign rating Status				Assume AAA UK Government Sovereign rating Status			Assume AAA UK Government Sovereign rating Status		n/a	0 – 3 years	80%	
Debt Management Agency Deposit	AAA				Aaa			AAA		n/a	0 – 5 years	80%	
UK Government Gilts	AAA				Aaa			AAA	n/a	n/a	0 – 5 years	80%	
Gilt Funds and Bond Funds	AAA	n/a	n/a	n/a	Aaa			AAA			0 – 5 years	30%	
Commercial Paper issuance covered by a specific UK Government (explicit) Guarantee	AAA	n/a	n/a	n/a	Aaa	n/a	n/a	AAA			0 – 2 year	20%	
Commercial Paper Other	AA	n/a	n/a	1	Aa3	n/a	n/a	AA-	n/a				

APPENDIX 2C – Special Investments – Local Authority Mortgage Scheme

Should the Council place funds under the local authority mortgage scheme this is classified as special investment rather than treasury management investments and is therefore outside of the specified /non specified categories.

APPENDIX 3

Approved countries for investments for use by the council's treasury team or countries in which the money markets the council invests in place money based on ratings as at 31 January 2013. It should however be noted that the countries on the council's approved list may change from time to time as Sovereign ratings change.

Sovereign Benchmark	Fitch Long Term Ratings	Moody's Long Term Ratings	S&P Long Term Ratings
Australia	AAA	Aaa	AAA
Canada	AAA	Aaa	AAA
Denmark	AAA	Aaa	AAA
Finland	AAA	Aaa	AAA
Germany	AAA	Aaa	AAA
Luxembourg	AAA	Aaa	AAA
Netherlands	AAA	Aaa	AAA
Norway	AAA	Aaa	AAA
Singapore	AAA	Aaa	AAA
Sweden	AAA	Aaa	AAA
Switzerland	AAA	Aaa	AAA
U.K	AAA	Aa1	AAA
France	AAA	Aa1	AA+
Hong Kong	AA+	Aa1	AAA
USA	AAA	Aaa	AA+
Abu Dhabi (U.A.E)	AA	Aa2	AA
Qatar	-	Aa2	AA
Belgium	AA	Aa3	AA
Saudi Arabia	AA-	Aa3	AA-

APPENDIX 4 Treasury Management Scheme of delegation

(i) Council (budget)

- receiving and reviewing reports on Treasury Management policies, practices and activities;
- approval of annual strategy.

(ii) Cabinet and General Purpose Committee

- approval of / amendments to the organisation's adopted clauses, Treasury Management policy statement and Treasury Management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Overview and Scrutiny Commission

- reviewing the Treasury Management policy and procedures and making recommendations to cabinet and General Purpose Committee.

APPENDIX 5 The 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 6 - Reporting Requirements and Arrangements

In line with best practice, cabinet is required to receive and review, as a minimum, three main reports each year, which incorporate a variety of Treasury Management policies, estimates and actuals. These reports are required to be adequately scrutinised before being recommended to the Council (budget) for approval. These reports are:

The Annual Treasury Management Strategy, Prudential and Treasury Indicators Report (This report) - covers:

- the capital financing plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A Mid Year Treasury Management Report – This will update councillors with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

An Annual Treasury Report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

LONDON BOROUGH OF MERTON TREASURY MANAGEMENT **PRINCIPLES 2013/14**

TMP1 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 whom 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, Moodys and Standard & Poors.
- 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 paper work. Further guidance can be found on the Council's intranet.

1.3 Interest Rate Risk Management

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'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 from forward period's dependant upon market conditions. When forward dealing is more than a 364 day period forward then the approval of the Chief Financial Officer is required.

- callable deposits

The council will 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 LOBOS (borrowing under lender's option / borrower's option)

Use of LOBOs is considered as part of the annual borrowing strategy. All borrowing for periods in excess of 364 days 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 levels.

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 so raised are managed, with a view to obtaining offer terms for 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.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this 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 any rescheduling to take place will include:

- a) the generation of cash savings at minimum risk;
- b) to reduce the average interest rate;
- 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.

In considering the affordability of its capital plans, the council will consider all the resources currently available / estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax. It will also take into account affordability in the longer term beyond this three year period.

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. Lending shall only be made to counterparties on the Council's Approved Lending list. The council's monitoring officer is the Assistant Director Corporate Governance, while the S151 Officer is the Director of Corporate Services.

1.7 Fraud, Error and Corruption, and Contingency Management

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

Authority

- The Corporate Services Scheme of Delegation sets out the delegation of duties to officers. While 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 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

2.1.1 Evaluation and Review of Treasury Management Decisions

The council has a number of approaches to evaluating treasury management decisions:-

- a. periodic reviews carried out by the treasury management team
- b. annual review after the end of the year as reported to full Council
- c. monitoring reports to cabinet
- d. strategic, scrutiny and efficiency value for money reviews

Periodic reviews during the financial year

The Director of Corporate Services will as and when required may periodically hold treasury management review meetings with the treasury manager to review actual activity against the Treasury Management Strategy Statement and cash flow 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.
- Cash flow forecast against the actual.

2.1.2 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. This report reviews the performance of the debt and investment portfolios. This report contains the following: -

- total debt and investments at the beginning and close of the financial year and average interest rates
- borrowing strategy for the year compared to actual strategy
- investment strategy for the year compared to actual strategy
- explanations for variance between original strategies and any actual
- debt rescheduling done in the year
- actual borrowing and investment rates available through the year
- comparison of return on investments to the investment benchmark
- compliance with Prudential and Treasury Indicators

2.1.3 Comparative reviews

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

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

2.2 Benchmarks and Calculation Methodology:

2.2.1 Debt management

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

2.2.2 Investment.

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

- in house benchmark and when necessary other benchmarks such as
 - Bank of England base rate
 - 7 day LIBID un compounded
 - 7 day LIBID compounded weekly
 - 1 month LIBID
 - 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, this takes account both prices and quality of services. No firm of brokers will be given undue preference.

2.3.2 Consultants / advisers services

The council's treasury management adviser is Sector treasury services.

TMP 3 DECISION-MAKING AND ANALYSIS

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

3.1.1 Records to be kept

The Treasury team uses Logotech treasury systems a computerised system in which all investment, loan transactions and cash flow are recorded. The following records will be retained -

- Daily cash balance forecasts for the day and previous day
- Market rates obtained by telephone from brokers
- 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
- Fund manager(s) valuation statements
- Banking and other contract documents which the treasury team has responsibility for.

3.1.2 Processes to be pursued

- Cash flow 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 every treasury management decision 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.
- 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
- 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;
- 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;
- the 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 – lenders 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)	●	●
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		
PF/PPP		
Operating and Finance leases		
Revenue Contributions		

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

4.5 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 policies, practices and activities
- approval of annual strategy.

(ii) Cabinet

- approval of amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring 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 is 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	Treasury manager Fund officer
	• Sign off of reconciliations	
Accounting Entry	• Processing of accounting entry into FMIS (bank reconciliation team)	Treasury Manager Bank reconciliation team
Authorisation / Payment of Deal	• Inputting CHAPS on Lloyds link	Treasury Manager/Fund officer
	• Approval of CHAPS on Lloyds link and CHAPS form authorisation	Authorisers per bank mandate

Treasury Management Organisation Chart

Director of Corporate Services & S151 Officer



Assistant Director Resources



Head of Accountancy



Treasury & Insurance Manager



Fund Officer

5.4 Statement of the treasury management duties/responsibilities of each treasury post

5.4.1. The 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 his power to borrow and invest to members of her staff. The Treasury & Insurance Manager, the fund officer. Only treasury management team staff must conduct all dealing transactions, or staff authorised by the responsible officer to act as temporary cover for leave / sickness. All treasury transactions must be authorised by the treasury manager or the S151 officer.
- 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.

5.4.2. Treasury & Insurance 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
- h) identifying and recommending
- i) opportunities for improved practices

5.4.3. The Head of the Paid Service – the Chief Executive

The responsibilities of this post will be: -

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

5.4.4. The 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 practices 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.
- c) Giving advice to the responsible officer when advice is sought.

5.4.5. Internal Audit

The responsibilities of Internal Audit will be: -

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

5.2 Absence Cover Arrangements

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

5.3 Dealing Limits

No investment deal must exceed £5million per transaction

No borrowing deal at any point in time must exceed £10 million except when 2 loans are being repaid to the same counterparty.

5.4 List of Approved Brokers

A list of approved brokers is maintained within the Treasury team and a record of all transactions recorded against them can be obtained from Logotech.

Policy on Brokers' Services

It is this council's policy to rotate business between brokers.

5.5 Policy on Taping of Conversations

The council currently does not tape conversations **but** ensures that confirmations are received before putting the deal on Logotech or Lloyds.

5.6 Direct Dealing Practices

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

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

5.7 Settlement Transmission Procedures

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

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.

5.8 Documentation Requirements

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

5.9 Arrangements Concerning the Management of Third-Party Funds.

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

TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

6.1 Annual programme of reporting

- a) Annual reporting requirements before the start of the year: -
 - a. review of the organisation's approved clauses, treasury management policy statement and practices
 - b. strategy report on proposed treasury management activities for the year comprising of the treasury management strategy statement, Annual Investment Strategy and Minimum Revenue Provision Policy Statement
- b) Mid-year review report and monthly management report if required
- c) Annual review report after the end of the year

6.2 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) the MRP strategy
- 4. The Treasury Management Strategy Statement will establish the expected move in interest rates against alternatives.

6.3 The 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

6.4 The 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.

6.5 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

6.6 Mid year review

The council will review its treasury management activities and strategy on a six monthly process. This review will consider the following: -

- a) activities undertaken
- b) variations (if any) from agreed policies/practices
- c) interim performance report
- d) regular monitoring
- e) monitoring of treasury management indicators for local authorities.

6.7 Annual Review Report on Treasury Management Activity

An annual report will be presented to the Cabinet and then to the full Council at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. This report will include the following: -

- a) transactions executed and their revenue (current) effects
- b) report on risk implications of decisions taken and transactions executed
- c) compliance report on agreed policies and practices, and on statutory/regulatory requirements
- d) performance report
- e) report on compliance with CIPFA Code recommendations
- f) monitoring of treasury management indicators

6.8 Management Information Reports

Management information reports will be prepared every month by the treasury manager and will be presented to the Director of Corporate Services.

These reports will contain the following information: -

- a) a summary of transactions executed, fees paid;
- b) measurements of performance including effect on loan charges/investment income and variance from performance;
- c) degree of compliance with original strategy and explanation of variances.
- d) any non compliance with Prudential limits or other treasury management limits.

TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

7.1 Statutory / Regulatory Requirements

The accounts are drawn up in accordance with IFRS. The council has also 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 this council's treasury management activities.

7.2 Estimate investment income and payables budgets / Accounts / Prudential and Treasury Indicators

The treasury manager will prepare a three year medium term financial plan with Prudential and Treasury Indicators for treasury management which will incorporate the budget for the forthcoming year and provisional estimates for the following two years. This will bring together all the costs involved in running the function, together with associated income. The treasury manager will exercise effective controls over this budget and monitoring of performance against Prudential and Treasury Indicators, and will report upon and recommend any changes required in accordance with TMP6.

TMP 8 Cash and Cash Flow Management

8.1 Arrangements for Preparing Cash Flow

Cash flow projections are prepared annually, monthly and daily. The annual and monthly cash flow projections are prepared from the previous years' cash flow 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 the day's bank statement into the folder below. Estimates on Logotech cash flow is updated with actuals from bank statement.

H:\TECHACCY\TREASURY\Daily\Bank Statement Export

TMP 9 MONEY LAUNDERING

9.1 Proceeds of Crime Act 2002

See council's website and intranet for Money laundering process
http://intranet/anti_money_laundering_policy.pdf

9.2 The Terrorism Act 2000

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

The council's money laundering officer is the monitoring officer. See council's website and intranet for details http://intranet/anti_money_laundering_policy.pdf

treasury management staff are required to familiarise themselves with all money laundering regulations.

9.5 Procedures for Establishing Identity / Authenticity Of Lenders

It is not a requirement under 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 FSA website on www.fsa.gov.uk.

9.6 Methodologies for Identifying Deposit Takers

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 FSA register can be accessed through their website on www.fsa.gov.uk).

All transactions will be carried out by CHAPS 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.

Additionally, training may also be provided on the job and it will be the responsibility of the treasury manager to ensure that all staff under her authority receives the level of training appropriate to their duties. This will also apply to that staffs that from time to time covers for absences from the treasury management team.

10.1 Details of Approved Training Courses

Treasury management staff and members will go on courses provided by our treasury management consultants, CIPFA, money brokers etc.

10.2 Records of Training Received by Treasury Staff

Staff will keep records on their training .

10.6 Member training records

Member training requirement will be accessed from time to time and adequately provided.

TMP 11 USE OF EXTERNAL SERVICE PROVIDERS

11.1 Details of Contracts with Service Providers, Including Bankers, Brokers, 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 this 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 TSB Bank. The bank is an authorised banking institution authorised to undertake banking activities by the FSA
- 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 and market data in addition to borrowing data in addition to interest rate forecasts, annual treasury management strategy templates. From time to time the council may receive advice from its treasury advisers. , timing for borrowing and lending, debt rescheduling, use of various The performance of consultants will be reviewed by the treasury manager to check whether performance has met expectations.

11.1.4 Credit Rating Information

The council receives notifications of credit ratings from Sector treasury services

11.2 Procedures and Frequency for Tendering Services

See TMP2

TMP 12 CORPORATE GOVERNANCE

12.1.1 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. It 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.
- c. The following documents are available for public inspection: -

- Treasury Management Policy Statement
- Treasury Management Strategy Statement
- Annual Investment Strategy
- Minimum Revenue provision policy statement
- Annual Treasury Review Report
- Treasury Management monitoring reports (e.g. half yearly, quarterly)
- Minutes of Full Council / cabinet meetings

2013/14 CASH FLOW

REFDESC	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total 2013/14
TOTAL OTHER EXPENDITURE	(1,901,580)	(1,851,931)	(1,639,256)	(1,729,843)	(1,886,588)	(1,656,383)	(7,074,588)	(1,974,879)	(1,821,588)	(3,366,409)	(2,292,383)	(652,383)	(27,847,812)
CAPITAL EXPENDITURE	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(3,648,750)	(43,785,000)
DAILY DEBITS FROM CHEQU	(1,356,000)	(766,000)	(670,000)	(958,000)	(726,000)	(746,000)	(818,000)	(946,000)	(720,000)	(706,000)	(920,000)	(962,000)	(10,294,000)
BACS RUN FOR INVOICES	(29,382,740)	(22,682,740)	(20,751,250)	(27,482,740)	(26,082,740)	(30,682,740)	(35,282,740)	(24,282,740)	(21,451,250)	(32,682,740)	(25,382,740)	(36,482,740)	(332,629,900)
RATE SUPPORT GRANT	(3,262,981)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(3,262,981)	0		(40,787,268)
MID MONTH PAYROLL	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(45,600,000)
END MTH PAYROLL MAIN	(1,520,000)	(1,520,000)	(1,520,000)	(1,620,000)	(1,620,000)	(1,720,000)	(1,720,000)	(1,720,000)	(1,720,000)	(1,870,000)	(1,870,000)	(1,470,000)	(19,890,000)
END MONTHPAYROLL 2	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(2,880,000)
TEACHERS PAYROLL	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(31,200,000)
TEACHERS PENSION	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(10,680,000)
HOUSING BENEFIT	(5,100,000)	(5,300,000)	(3,700,000)	(8,410,000)	(5,105,000)	(5,400,000)	(4,900,000)	(4,915,000)	(6,400,000)	(4,110,000)	(4,100,000)	(4,605,000)	(62,045,000)
H BENEFIT RUN FOR MPH	(1,412,000)	(1,584,000)	(2,840,000)	(3,046,000)	(1,542,000)	(1,442,000)	(2,946,000)	(1,542,000)	(1,740,000)	(2,144,000)	(2,740,000)	(1,442,000)	(24,420,000)
INLAND REVENUE	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(42,000,000)
PAYROLL PENSIONERS (GF)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)	(2,160,000)
ESTIMATED TOTAL EXPENDITURE	(58,794,051)	(52,846,084)	(50,261,920)	(62,387,996)	(56,103,741)	(60,788,536)	(71,882,741)	(54,522,033)	(52,994,251)	(63,000,881)	(52,163,873)	(60,472,873)	(696,218,980)
TOTAL OTHER CREDITS	16,789,371	11,570,571	11,698,411	11,662,391	10,281,371	10,021,895	12,906,891	11,901,771	10,698,111	9,972,631	8,520,911	8,413,971	134,438,292
TOTAL GRANTS	33,934,885	5,241,177	15,653,028	4,357,508	5,307,400	8,935,585	3,685,773	5,578,119	8,320,950	3,194,769	17,853,794	8,178,371	120,241,354
C/TAX REC'D VIA ALL P	1,255,000	975,000	880,000	975,000	800,000	855,000	1,023,000	900,000	850,000	920,000	410,000	545,000	10,388,000
COUNCIL TAX D/D	6,100,000	6,200,000	6,200,000	6,200,000	6,200,000	6,204,000	6,200,000	6,200,000	6,200,000	6,300,000	1,200,000	258,000	63,462,000
BUSINESS RATES D/D	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	1,100,000	150,000	44,250,000
DEPT OF WORKS AND PENSI	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	81,000,000
DSG	15,033,406	9,983,406	9,983,406	11,283,407	10,383,406	10,483,406	10,583,406	10,583,406	10,583,406	10,583,406	10,583,406	10,583,406	130,650,876
SCHOOLS PAYROLL PAYMENT	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,200,000	7,200,000	7,000,000	7,000,000	84,400,000
VAT REIMBURSEMENT	3,000,000	2,800,000	1,750,000	1,750,000	1,750,000	1,750,000	1,800,000	1,750,000	1,400,000	1,750,000	1,500,000	1,750,000	22,750,000
ESTIMATED TOTAL INCOME	94,162,662	54,820,153	64,214,844	54,278,305	52,772,176	56,299,886	54,249,069	54,963,295	56,302,466	50,970,805	54,918,111	43,628,747	691,580,522
NET INCOME/ EXPENDITURE	35,368,611	1,974,069	13,952,925	(8,109,691)	(3,331,565)	(4,488,650)	(17,633,672)	441,263	3,308,215	(12,030,075)	2,754,237	(16,844,126)	(4,638,458)
Interest on Deposits	70,000	20,000	18,438	30,000	43,935	27,378	64,183	50,000	21,018	19,849	50,000	200,000	614,801
Interest on Long Term Debt	(1,218,630)	(76,875)	(115,288)	(941,347)	0	(993,474)	(1,222,175)	(78,875)	(114,904)	(951,139)	0	(981,234)	(6,693,941)
Interest on Short Term Debt	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(12,000)
ESTIMATED TOTAL INTEREST PAID/RECEIVED	(1,149,630)	(57,875)	(97,850)	(912,347)	42,935	(967,096)	(1,158,992)	(29,875)	(94,886)	(932,290)	49,000	(782,234)	(6,091,140)
Premium on Prem. Repayment of Debt													
ESTIMATED TOTAL PREMIUM/DISCOUNT													
ESTIMATED CASH BALANCE	84,718,981	86,635,176	100,490,250	91,468,212	88,179,582	82,723,836	63,931,172	64,342,560	67,555,889	54,593,524	57,396,761	39,770,402	29,040,803
Opening Balance Investments													
Outstanding Temporary Borrowing													
Long Term Debt	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)
Add Estimated New LT Borrowing													
Less Debt Repaid in the Year													
ESTIMATED CLOSING LONG TERM DEBT	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)
LIABILITY BENCHMARK	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M	10M	

2014/15 CASH FLOW

Appendix 8

REFDESC	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total 2014/15
TOTAL OTHER EXPENDITURE	(1,843,734)	(1,785,290)	(1,683,098)	(1,769,784)	(1,879,288)	(1,653,288)	(8,072,688)	(966,974)	(1,826,288)	(2,359,109)	(2,288,083)	(1,649,288)	(27,776,912)
CAPITAL EXPENDITURE	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(3,294,250)	(39,531,000)
DAILY DEBITS FROM CHEQU	(1,356,000)	(766,000)	(670,000)	(958,000)	(726,000)	(746,000)	(818,000)	(946,000)	(720,000)	(706,000)	(920,000)	(962,000)	(10,294,000)
BACS RUN FOR INVOICES	(29,637,240)	(22,937,240)	(21,005,750)	(27,737,240)	(26,337,240)	(30,837,240)	(35,437,240)	(24,437,240)	(21,605,750)	(32,837,240)	(25,037,240)	(36,837,240)	(334,683,900)
RATE SUPPORT GRANT	(3,262,981)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(4,282,663)	(3,262,981)	0		(40,787,268)
MID MONTH PAYROLL	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(3,800,000)	(45,600,000)
END MTH PAYROLL MAIN	(1,520,000)	(1,520,000)	(1,520,000)	(1,620,000)	(1,620,000)	(1,720,000)	(1,720,000)	(1,720,000)	(1,720,000)	(1,870,000)	(1,870,000)	(1,470,000)	(19,890,000)
END MONTHPAYROLL 2	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(2,880,000)
TEACHERS PAYROLL	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(2,600,000)	(31,200,000)
TEACHERS PENSION	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(890,000)	(10,680,000)
HOUSING BENEFIT	(5,100,000)	(5,300,000)	(3,700,000)	(8,410,000)	(5,105,000)	(5,400,000)	(4,900,000)	(4,915,000)	(6,400,000)	(4,110,000)	(4,100,000)	(4,605,000)	(62,045,000)
H BENEFIT RUN FOR MPH	(1,412,000)	(1,584,000)	(2,840,000)	(3,046,000)	(1,542,000)	(1,442,000)	(2,946,000)	(1,542,000)	(1,740,000)	(2,144,000)	(2,740,000)	(1,442,000)	(24,420,000)
INLAND REVENUE	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(42,000,000)
PENSIONERS PAYROLL G F ELEMENT	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(2,220,000)
ESTIMATED TOTAL EXPENDITURE	(58,641,205)	(52,684,443)	(50,210,761)	(62,332,937)	(56,001,441)	(60,590,441)	(72,685,841)	(53,319,128)	(52,803,951)	(61,798,581)	(51,464,573)	(61,474,778)	(694,008,080)
TOTAL OTHER CREDITS	14,878,491	11,371,821	11,721,411	11,303,071	10,981,921	10,022,895	12,896,541	11,612,321	10,180,111	10,045,081	9,028,951	8,802,271	132,844,882
TOTAL GRANTS	28,029,226	4,136,347	14,865,947	3,395,347	4,239,847	7,254,347	3,615,813	4,249,847	7,465,347	2,268,347	14,421,429	6,776,317	100,718,163
C/TAX REC'D VIA ALL P	1,105,000	900,000	905,000	975,000	840,000	880,000	875,000	850,000	875,000	895,000	420,000	560,000	10,080,000
COUNCIL TAX D/D	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000	1,200,000	258,000	63,458,000
BUSINESS RATES D/D	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	1,200,000	150,000	43,850,000
DEPT OF WORKS AND PENSI	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	84,000,000
DSG	15,200,000	10,200,000	10,200,000	10,200,000	10,600,000	10,600,000	10,600,000	10,600,000	10,600,000	10,600,000	10,600,000	10,600,000	130,600,000
SCHOOLS PAYROLL PAYMENT	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	84,000,000
VAT REIMBURSEMENT	3,000,000	2,800,000	1,750,000	1,750,000	1,750,000	1,750,000	1,800,000	1,750,000	1,400,000	1,750,000	1,500,000	1,750,000	22,750,000
ESTIMATED TOTAL INCOME	86,612,717	53,808,168	63,842,358	52,023,418	52,811,768	55,007,242	54,287,354	53,562,168	55,020,458	50,058,428	52,370,380	42,896,588	672,301,045
ESTIMATED NET INCOME/ EXPENDITURE	27,971,512	1,123,725	13,631,597	(10,309,519)	(3,189,674)	(5,583,199)	(18,398,488)	243,040	2,216,506	(11,740,153)	905,807	(18,578,190)	(21,707,036)
Interest on Deposits	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	600,000
Interest on Long Term Debt	(1,218,630)	(76,875)	(115,288)	(941,347)	0	(993,474)	(1,222,175)	(78,875)	(114,904)	(951,139)	0	(981,234)	(6,693,941)
Interest on Short Term Debt	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(12,000)
ESTIMATED TOTAL INTEREST PAID/RECEIVED	(1,169,630)	(27,875)	(66,288)	(892,347)	49,000	(944,474)	(1,173,175)	(29,875)	(65,904)	(902,139)	49,000	(932,234)	(6,105,941)
Premium on Prem. Repayment of Debt													
ESTIMATED TOTAL PREMIUM/DISCOUNT													
ESTIMATED CASH BALANCE	55,842,685	56,938,535	70,503,844	59,301,978	56,161,304	49,633,631	30,061,969	30,275,134	32,425,736	19,783,444	20,738,251	1,227,827	
Opening Balance Investments													
Outstanding Temporary Borrowing													
Long Term Debt	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	116,976,258
Add Estimated New LT Borrowing													
Less Debt Repaid in the Year													
ESTIMATED CLOSING LONG TERM DEBT	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	(116,976,258)	116,976,258
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Section B

Other Key Resources

B) WORKFORCE PLANNING AND STRATEGY

The five strategic priorities for workforce strategy and planning are:

- **Organisational development - build a resilient organisation, which includes an appropriately structured, highly skilled and resilient workforce.**
- **Workforce development – To ensure that the workforce has the skills and abilities to deliver the transformation agenda.**
- **Workforce planning - to build a workforce that is fit for purpose within budget**
Skills development - With partners, developing employees' skills and knowledge in an innovative, high performance, multi-agency context.
- **Recruitment and selection – Modernising recruitment to improve the quality, speed, accuracy and cost of recruitment and selection for the Council** to: recruit and retain the right workforce; address key future occupational skills shortages; promote jobs and careers; identify, develop and motivate staff talent and address diversity.
- **Pay and reward - Implement effective approaches to pay and reward schemes to deliver high performance, while controlling employment costs** Pay and rewards – Implementing effective approaches to reward staff, while controlling employment costs to reflect budget and efficiency requirements, as well as new ways of working and innovative working patterns. Encouraging a total reward approach to high performance.

The service plans will identify key workstreams for the development and transformation of the workforce, which will be mapped against the five strategic priorities during the review, to form the basis for the workforce strategy action plan for 2013 - 17.

The Workforce Development Strategy and Plan will be progressed, consulted and agreed with the departmental workforce development leads. The final strategy and plan will be presented to Cabinet.

B) PROCUREMENT PLAN

OUR APPROACH

During 2013 the Commercial Services Team will continue the work which has been done to build on the working relationships with departments and to establish an effective working partnership to deliver savings, improve services in response to the unprecedented financial challenges the public sector faces and to mitigate commercial risk to the Authority.

In Children Schools and Families the team will continue to support commissioners throughout the year for example on the transformation of Youth Services, whilst also providing support, advice and guidance on potential service and delivery models and other commercial aspects.

In Adult Social Care, work continues on the procurement of domiciliary care services. Strategic advice, guidance and support on inflation management and benchmarking will continue to be provided, as well as support on the use of the e-tendering system. Other important tender exercises which are underway in the wider department will continue to be supported. We will also support Health and other colleagues by providing strategic commercial advice as required.

During 2013 the services around transportation will be reviewed and tender exercises will be undertaken where appropriate to deliver savings and improve services. This will be carried out using the e-tendering system and the Procurement Board will retain oversight of the work.

For Corporate Services Department, among other things, the team will support the tendering of the Agency contract and the Civic Centre Window Replacement contract.

During the year, further improvements to procurement, governance and control will be achieved working in partnership with the legal team and the Procurement Board. The Operational Procurement Groups, the operating arms of the Procurement Board are managing commercial risk effectively, jointly with departments.

Work will continue with the departments to plan training and development for Merton staff undertaking procurement activity. To complement the workshops that were delivered previously, a further round of focused workshops and drop in sessions will be delivered to cover topical issues such as social value, contract management and Contract Standing Orders.

Merton's new e-tendering system is now rolled out and continues to be adopted by departments. The system allows staff to conduct RFQ's (Requests for Quotes) and tenders online, much more quickly than before. The Contracts Register has now been made available online via the E-tendering system and is accessible by the public and it is hoped in this way will reduce the time spend on FOI requests.

In the South West London region Merton continues to work with neighbouring boroughs to seek out further opportunities for joint and collaborative procurement.

Relationships between the Commercial Services Team and our partners, including MVSC are being built upon. Merton's commitment to the voluntary and community sector and to the Compact has been reaffirmed in the new Compact with continued emphasis on the way in which Merton carries out commissioning and procurement activity.

CONTRACT ACTIVITY

Major contract tender activity will continue to be co-ordinated by the Commercial Services Team with the departments and key tender activity planned for the year includes:

Service
Agency Contract
Customer Contact
Domiciliary Care Services
Youth Transformation
School Catering Services
Vehicle Maintenance
Civic Centre Windows

The Procurement Board is at present developing a Strategic Procurement Strategy and also a work plan which will contain the specific priorities and order of work. This activity is due to complete by summer 2013.

Strategic Focus

Area of Strategic Focus	April	May	June	July	Aug	Sep	Oct	Nov	a	Jan	Feb	March
1. Improving Leadership & Governance.												
Build on existing governance processes - embed the implementation of Procurement Board Gateways, OPG's and good practice. Agree MOUs with Departments												
Deliver Savings - For Direct Spend												
Continue analysis of spend data to identify and capture savings												
Deliver procurement / supply related aspects of 2012/16 Business Plan												
Deliver procurement / supply related aspects of previous & future Service Reviews												
Council Procurement Strategy												
Deliver Savings - For Indirect Spend												
In CS support improved approach to commercial activity by promoting a Category Management approach to Indirect Spend areas and put in place corporate contracts.												
Benchmarking quality /price with other boroughs and public sector bodies												
2. Developing People & Improving Skills												
Work with Departments to embed proficiency in the use of the e-tendering facility												
In conjunction with HR and the Departments, undertake a review of procurement/commercial skills in the organisation and plan a Workshop programme based on need												
Deliver a programme of Workshops to meet the identified L&D needs												
3. Improving Processes & Systems												
Focus on Procurement Processes - communicate and review procurement gateway processes & improve documentation on intranet including Procurement Toolkit, templates, guidance documents & general intranet pages to support staff. Proactive approach to changes (actual and planned) in legislation and case law												
Embed use of Contract Register across council and upload on the external portal												
Build upon use of E-tendering system for tenders and contract management processes												
Employ greater use of E-auctions where appropriate to deliver savings												
Work with Legal to produce and embed standard terms and conditions												

B) INFORMATION TECHNOLOGY STRATEGY – *this strategy is currently under review*

1. The strategy

- 1.1 This strategy is designed around six aims which are supported by key objectives. The strategy will influence IT components (covering customer facing technologies, business governance support, corporate and departmental systems, infrastructure and IT governance). The strategy is linked to the layers in the target operating model (TOM).
1. Services enabled by IT must be designed around the citizen, not the provider, and delivered through modern, co-ordinated delivery channels. This will improve the customer experience, achieve better policy outcomes, and improve efficiency by leveraging delivery capacity, streamlining processes and reducing paperwork, duplication and routine processing.
 2. Merton must move to a shared services culture – between the front-office and back-office, in information and in infrastructure, including partners. This will release efficiencies by standardisation, simplification and sharing.
 3. There must be broadening and deepening of Merton's professionalism in terms of the planning, delivery, management, skills and governance of IT enabled change. This will result in more successful outcomes, fewer costly delivery failures, and increased confidence by citizens and councillors in the delivery of change through effective use of IT.
 4. There must be a systematic focus on innovation to exploit opportunities not only of installed technology, but also new and emerging products. This will lead to more effective introduction of newer technologies and enable faster business change.
 5. There must be a focus on processes and outcomes that are underpinned by appropriate technology and a move away from tactical solutions. This will assist in the deployment of end to end solutions that overcome departmental boundaries and focus on deliverables.
 6. There must be effective management of ICT to support the delivery of services to meet the other five strategic aims.

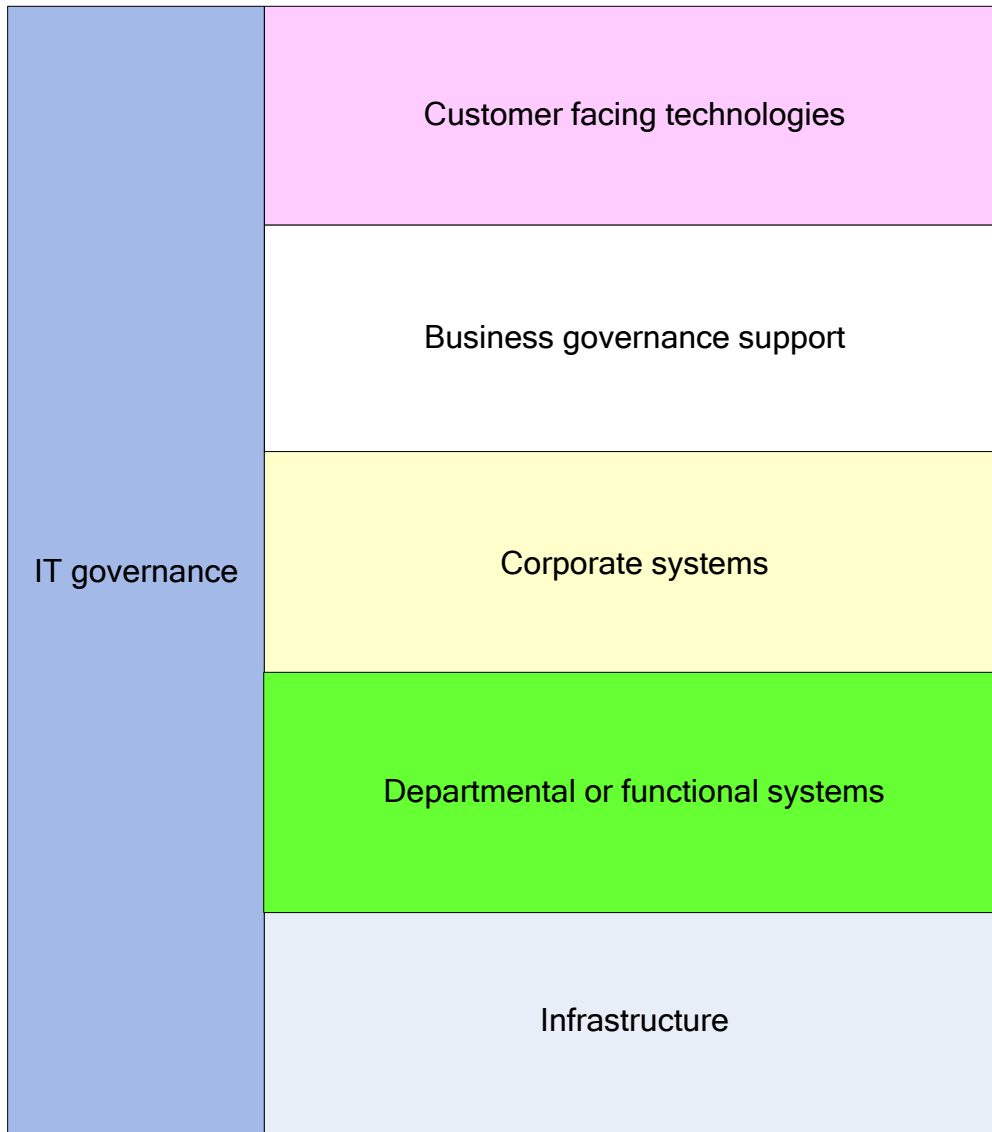
2. Design principles

2.1 In order to deliver the strategic aims and objectives, the following design principles will be deployed:

Design principles
Systems supporting services will be designed with customers in mind. They will be delivered via a customer interface with agreed standards. Regardless of the access channel chosen by the customer, they will get the same experience with consistent answers. Customer data will be stored consistently across various systems.
The strategy will support the concept of 'tell us once'. Where possible, evidential items (such as proof of age or residence) will be re-used to reduce the burden on customers. This will also include citizens signing in and reviewing their own data by use of dual factor authentication.
Service delivery will be designed with shared services in mind. In particular, IT will support the move of service delivery to the front office (web, contact centre and Merton Link). The strategy will support the concept of developing shared services with other authorities.
The strategy will support the rationalisation of systems. Tasks such as systems administration will be streamlined.
The need for innovation will be understood, but more importantly, this will be linked to the potential benefits to the council. Risk of innovative ideas will be managed through careful planning and control.
Technology solutions will be in place to underpin automation of processes. It will be possible to model changes to processes before implementation.
Portals will be available on the intranet for each of these, enabling access to information for decision making without reference to skilled technical staff or time-consuming searches for information.
Key data sources will be brought together systematically to provide a comprehensive but a trusted management information system that can be used by decision makers.
The strategy will support an infrastructure that is based on resilient services, shared infrastructure and a formal disaster recovery plan.
Documents will be available electronically at point of use. Paper records will be imaged. All incoming mail will only enter the processing systems electronically.
The strategy supports the mixed economy model of service delivery, namely in-house, shared services and outsourced.
Systems and infrastructure will be geared towards flexibility in methods of working. Staff will be able to move desk location or working style with minimum disruption. Telephone systems and printing will follow the worker. Secure systems will be in place to ensure data protection.
Data storage will be designed around the life of data and to comply with information governance policies. Duplication of data will be electronically managed to single instances. Data will be stored and deleted in line with retention policies.

3. IT strategy – components

- 3.1 The diagram below provides a high level view of the components making up this strategy. Details of each component are provided in the **detailed strategy document** as well as how the strategic aims and design principles are addressed.



Section C

Risk Management Strategy

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C) RISK MANAGEMENT STRATEGY

Context

What is risk management?

All organisations exist to achieve their ambitions, aims and objectives. Risk management is the process by which we manage the risks that may prevent us from doing so, enabling us to anticipate and respond positively to change. A risk is simply a threat, obstacle, barrier, concern, problem or event that will stop us from achieving our ambitions, aims and objectives. Ultimately risk management is about creating a better understanding of the most important problems facing an organisation, so we can do something about them.

It is not practical to identify and manage every risk the council faces, therefore it is necessary to focus on the key risks to the council, department, division or team.

Merton's aims and objectives in relation to risk management are to:

- Raise awareness of the need for risk management.
- Integrate risk management into the day to day activities of staff and the culture of the organisation.
- Establish and maintain a robust framework and procedures for the identification, analysis, assessment and management of risk, including reporting and recording.
- Ensure consistent application of our methodology across all of our activities, including partnerships and projects.
- Minimise injury, damage, loss and inconvenience to staff, residents and service users.
- Minimise the cost of risk.

Benefits of risk management

Successful risk management will produce many benefits for us, including:

- An increased chance of achieving ambitions, aims and objectives as key risks are managed.
- Better decision making as we are more aware of risk.
- The 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
- Improved performance.

National drivers behind risk management

Risk management is something that the council is required to do, and forms part of the Annual Governance Statement, where we must demonstrate a systematic strategy, framework and processes for managing risk.

Risk management awareness

Awareness of risk management will be undertaken on an on-going basis, through staff bulletins, briefings and training sessions. The **risk management intranet page** will be regularly reviewed and staff will be signposted to the information they need to pro-actively manage risk e.g. the risk management toolkit.

Scope of risk management

Risk Area	Definition	Examples
Reputational	An incident or decision that could affect the 'brand' of the council	Negative media reports, external inspections etc.
Political	Failure to deliver local or central government policy or meet local administration's manifesto commitments	New political arrangements, political personalities, political make-up etc.
Legal	Possible breaches of legislation or statutory duties	Failure to comply with statutory requirements etc.
Social	Effects of socio-economic factors on ability to meet objectives	Staff levels from available workforce, aging population, health statistics etc.
Technological	Capacity to deal with pace & scale of change & consequences of IT failures on ability to deliver objectives	e-government, IT infrastructure, staff & client needs, security standards etc.
Legislative	Current or potential changes in national or European law	Human rights, TUPE regulations etc.
Environmental	Environmental consequences of progressing strategic objectives	Land use, recycling, CO2 emissions etc.
Competitive	Competitiveness of the service and ability to deliver value for money	Fail to win quality accreditation, position in league tables etc.
Customer / Citizen	Failure to meet current & changing needs & expectations of customers and citizens	Managing expectations, extent of consultation etc.
Managerial / Professional	Associated with particular nature of each profession, internal protocols & managerial abilities	Staff restructure, key personalities, internal capacity etc.
Financial	Financial planning & control, budgetary pressures	Budget overspends, level of council tax, reserves etc.
Economic	Ability to meet our financial commitments	Cost of living, interest rates, inflation, poverty indicators etc.
Partnership / Contractual	Failure of contractors & partnerships to deliver to agreed cost & specification	Contractor fails to deliver, not to specification etc.
Physical	Related to fire, security, accident prevention and health & safety	Offices in poor state of repair, use of equipment etc.

Links to other disciplines

Risk management links closely with Health and Safety, Business Continuity, Emergency Planning and Insurance. 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, the link with risk management is key in ensuring the continuous delivery of services that 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.

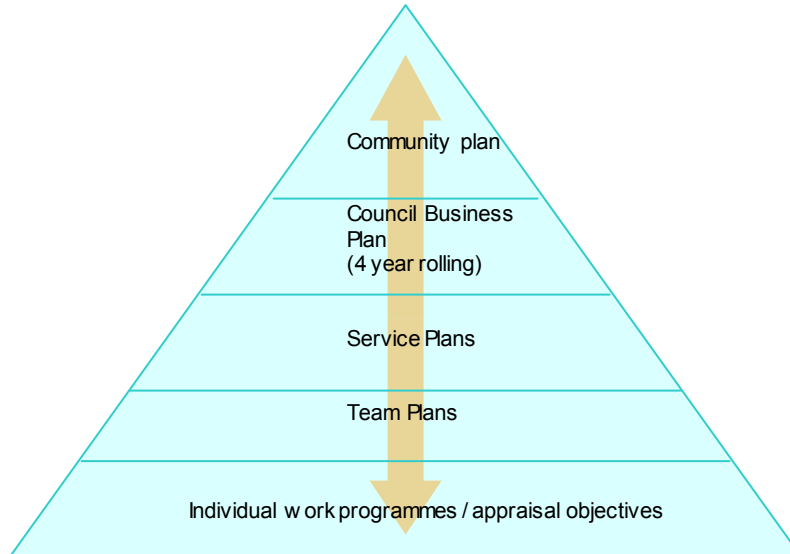
Risk management and financial planning

Risk management is an important part of financial planning. As part of the budget setting process a robust risk assessment is completed and reviewed on a regular basis.

Corporate approach to risk management

In order to formalise and structure risk management, it is recognised that there is an obvious and clear link between the business planning process and risk management. This is why responsibility for risk management now sits within the Business Planning team. The overall council Business Plan and service plans set out what a team, division, department, or the council as a whole, wants to achieve in a set 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 the corporate Key Strategic Risk (KSR) register.
- DMTs are responsible for their own service risk registers.
- Divisions or teams are responsible for their own risk registers, if applicable.

It is important that risks identified and assessed by managers at an operational level are able to be escalated to a departmental or corporate level. However, because a risk would have a great impact on a team it **does not** necessarily follow that it would have a great impact on the department. Ultimately it is the respective management team who decide if a risk is worthy of inclusion on their risk register.

The risk management process in Merton

Stage 1 – Identification of the risk

The first step is to identify any significant risk that could prevent the council, department or team's ambitions, aims and objectives being achieved. It is important that those involved in the process clearly understand the objectives in order to be able to identify the barriers to achievement. Risk can be identified by anyone and at any time e.g. at team or management meetings, project boards etc. Various techniques can be used to begin to identify key or significant business risks including local knowledge and experience, inspection and audit reports, brainstorming sessions, management evaluation tools, learning from others and perceived areas of weakness.

Stage 2 – Analysing the risk

The information gathered needs to be analysed into risk scenarios to provide a clear understanding of what the risk is. There are two parts to a risk scenario. The cause

describes the situation and event, real or perceived, that exposes us to a risk. The consequences are the events that follow in the wake of the risk, if it were to happen. This allows the potential impact of the risk to be assessed. Each risk is logged on the respective register.

Cause	Consequence
Statement of fact or perception about the organisation, department or project that exposes it to a risk. Include the event that could or has occurred that results in a negative impact on the objectives being achieved	The negative impact <ul style="list-style-type: none"> • How big? • How bad? • How much? • Consider worst likely scenario

Stage 3 – Risk prioritisation

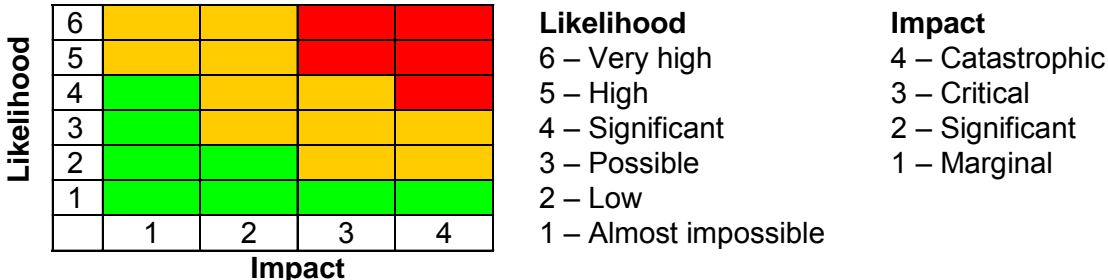
The risk will need to be evaluated, discussed and scored by looking at the risk scenarios and deciding the ranking according to the potential likelihood of the risk occurring and the impact if it did occur.

When assessing the potential likelihood and impact, the risks must be compared to the appropriate objectives e.g. corporate risks should be scored against the Business Plan; departmental risks scored against service plans; project risks scored against the project objectives; and partnership risks scored against the aims and objectives of the partnership. Risks should be considered in line with any relevant timeframes e.g. as service plans are revised annually, the timeframe for the likelihood of the risk happening should be over the next 12 months and corporate risks would be assessed over the next four years. The likelihood and impact should also be considered as they stand at that moment in time, with existing controls in place – not taking future or planned actions into account.

Once a risk has been scored, a ‘sense check’ should be undertaken to ensure the risk has been prioritised realistically.

The current risk tolerance level is that Red risks are of greatest priority and require immediate attention. Amber risks should be reviewed, as further risk mitigation action may be required, and Green risks are likely to require no further action.

Risk tolerance matrix



Stage 4 – Action planning

This is the process of turning ‘knowing’ into ‘doing’ and assessing what to do with the risk.

Controlled – It may be possible to mitigate the risk by ‘managing down’ the likelihood, the impact, or both. The control measures should, however, be appropriate and proportionate to the potential frequency, severity and financial consequences of the risk event.

Accepted – Certain risks may be accepted as they form part of, or are inherent in, the activities of the council. The important point is that these risks have been identified and are clearly understood. Risks that are unlikely to happen or will have a negligible impact may also fall into this category.

Terminated – By ending all participation in a particular service, project or activity.

Transferred – Risks may be handed off to another body or organisation, e.g. through insurance, contractual arrangements, outsourcing, partnerships etc.

Most risks are capable of being managed – either by managing down the likelihood, the impact, or both. Relatively few risks have to be transferred or terminated. In accordance with our risk tolerance levels, all Red risks **must**, and Amber risks **should**, have an action plan to clearly detail what steps are being taken to deal with and control the risk. It is also important to recognise that existing controls may be in place and so these should be considered before further action is taken. Ideally the actions for controlling the risks will be identified in the service plans. Existing controls, their adequacy, new mitigation measures and associated action planning information should be recorded on the risk register, and where possible hyperlinked to that document.

Stage 5 – Monitoring risk management

CMT is responsible for ensuring the key risks on the KSR register are managed and monitored regularly. Directors are responsible for ensuring their departmental risk registers are managed and Assistant Directors, Heads of Service and team managers are responsible for managing their risk registers. Monitoring of any departmental Red risks forms part of Directors’ Information Centre monitoring.

Low (Green) risks do not have to be included in the risk registers, which enables DMTs to focus on those risks likely to happen and which will have a major impact, but should still be monitored.

Reporting and escalating risks

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. The reviews of risk registers should be managed by exception. The reporting cycle 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	Corporate Risk Management Group (CRMG) – review service risks and proposed KSRs	CMT – identify and review KSRs

CMT will submit an annual report on risk to the General Purposes Committee and Cabinet.

Roles and responsibilities

Individual Employees

- To be aware of risk and risk management relevant to their role.
- To identify risks surrounding their everyday work, processes and environment.
- To actively manage risks and complete risk actions, where appropriate.

Corporate Risk Management Group

- To collate 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.
- To act as a forum for the sharing of best practice.
- To act as champions, facilitators and coordinators of risk management within the council.
- CRMG is made up of:
 - Director of Corporate Services;
 - Head of Business Planning;
 - Departmental risk champions;
 - Head of Audit;
 - Insurance Manager; and
 - Head of Safety Services and Head of Commercial and Procurement on an ad-hoc basis.

Risk Champions

- To liaise with DMTs on an ongoing basis, maintaining their risk registers.
- To maintain officer awareness of risks and feed them into the risk identification process.
- To ensure that risks are updated in the KSR and departmental risk registers.
- To ensure that each risk has an action plan which is monitored and updated on regular basis, reporting any issues to CRMG.

- To attend and be an active member of CRMG.
- To share and exchange relevant information and knowledge with colleagues.

Business Planning team

To ensure risk management is embedded throughout the council. In particular:

- To keep risk management documentation and intranet pages up to date and relevant.
- To ensure risk is part of the annual service planning process.
- To chair CRMG.
- To submit strategic updates and reports on risk management.
- To provide risk awareness sessions and training to officers and Councillors.

Service Managers

- To maintain the awareness of risks and feed them into the risk management process by identifying and assessing risks.
- To implement approved risk management action plans.

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.
- To be actively involved in the risk management process within their department and CMT, including nominating an appropriate Risk Champion for their department.
- To report to CMT quarterly, or at other agreed times, on corporate risks they own.

Section 151 Officer / Internal Audit

- To carry out independent reviews of the risk management strategy and processes.
- To provide assurance, giving an independent and objective opinion, to the council on the adequacy of risk management, control procedures and governance.
- To report to Councillors on the control environment.
- To provide an annual Audit Plan, based on a reasonable evaluation of risk, and to provide an annual assurance statement to the council based on work undertaken in the previous year.

Chief Executive and CMT

- To take a leading role in the risk management process and to set an example and standard to all staff.

- To identify, analyse and score corporate and crosscutting risks.
- To advise on the management of corporate and other significant risks.
- To be ultimately accountable for risk management being communicated, understood and implemented by Councillors, managers and staff, and being fully embedded in the council's business planning and monitoring processes.
- To work with Councillors, when appropriate, on the management of risks that could affect the council achieving its ambitions.

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 the 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.

General Purposes Committee

To provide independent oversight of the adequacy of the risk management framework and the associated control environment. In particular:

- To receive the annual review of internal controls and be satisfied it properly reflects the risk environment and any actions required to improve it.
- To receive reports on the KSR register to determine whether strategic risks are being actively managed.
- To review and recommend adoption of the risk management strategy to Cabinet on an annual basis, or if significant changes require a revision.

Cabinet

- To receive reports on the risk management strategy to determine whether corporate risks are being actively managed.
- To agree the risk management strategy on an annual basis, or when significant changes are made.
- To report to full Council on the risk management framework.

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 recommend course of action. The risk assessment should follow the corporate procedure and scored using the risk matrix. The report should also give details of any controls proposed, or in place, to manage the significant risks identified. Where appropriate, reference should be made to any existing risk.

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 KSR registers.

For more information on risk management contact the Business Planning team or go to the **risk management intranet page**.

Section D

Performance Management Framework

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D) PERFORMANCE MANAGEMENT FRAMEWORK

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 use that information to improve local services.

Merton launched its Performance Management Framework in 2004. While the main principles of performance management remain the same, the framework undergoes regular review and updating to ensure that it remains up to date with changes such as the new business planning arrangements launched in 2011/12. The Business Plan now brings together financial and service planning, presented as one comprehensive document, to give a detailed picture of how the council will operate each year, over a four year period.

Performance management is about how we consistently plan and manage improvements to our services to ensure continuous improvement in line with Lean principles. Sustainable improvements in services are unlikely to happen without it.

Everyone in the organisation has a part to play in monitoring our services and achieving our ambition. Our framework will help all of us to understand:

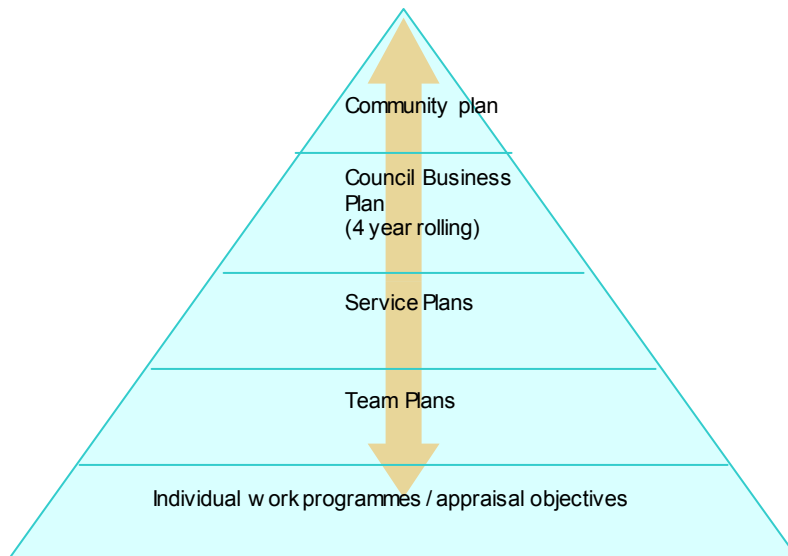
- What we are trying to achieve as an organisation.
- How we are going to achieve this.
- How we will monitor and report progress.
- How the contribution of staff, managers, teams and departments relate to each other to help deliver the targets set for the whole organisation.

The framework has three parts

1. The planning framework, how the plan fits together - the Golden Thread
2. The planning, monitoring and review cycle
3. Taking responsibility seriously

The planning framework, how the plans fit together, the 'Golden Thread'

The performance management framework is represented by the performance triangle

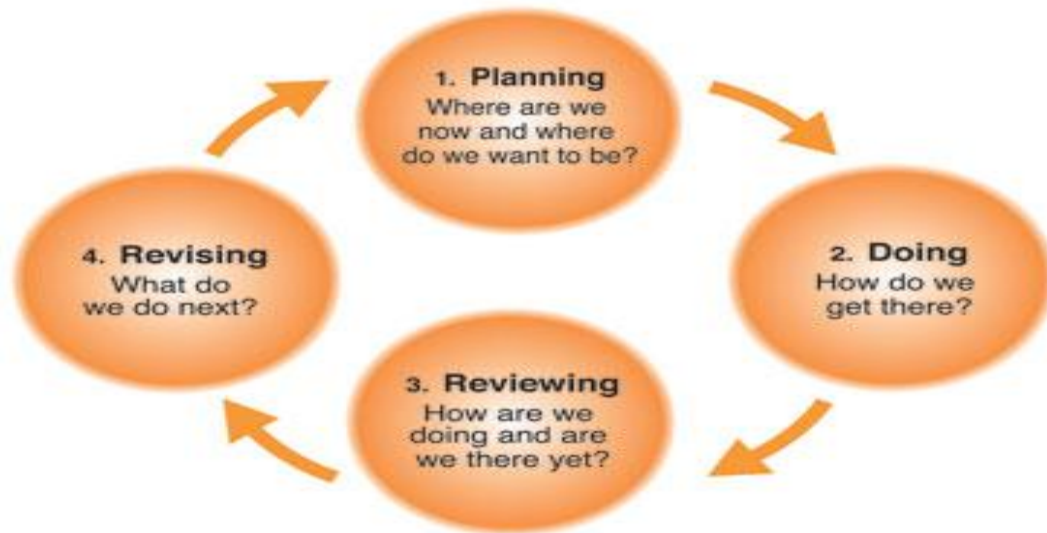


The key aspects of the Golden Thread are:

- **The Community Plan** sets out the priorities for the council and its partners.
- **The 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.
- **Individual appraisals** take place twice a year and are used to agree individual work programmes and targets.
- **The Medium Term Financial Strategy (MTFS)** outlines how much money we expect to receive over the next four years and in broad terms what we expect to be spending this on.
- **The Workforce Development Plan** is focused on making the best use of the skills of staff to deliver the services residents demand and deserve

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 reflected in performance 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 that describe where we want to be are laid out in the Community Plan and the Business Plan and reflected at a more local level in service plans and targets in annual appraisals.

Doing - How do we get to where we want to be?

To get 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.

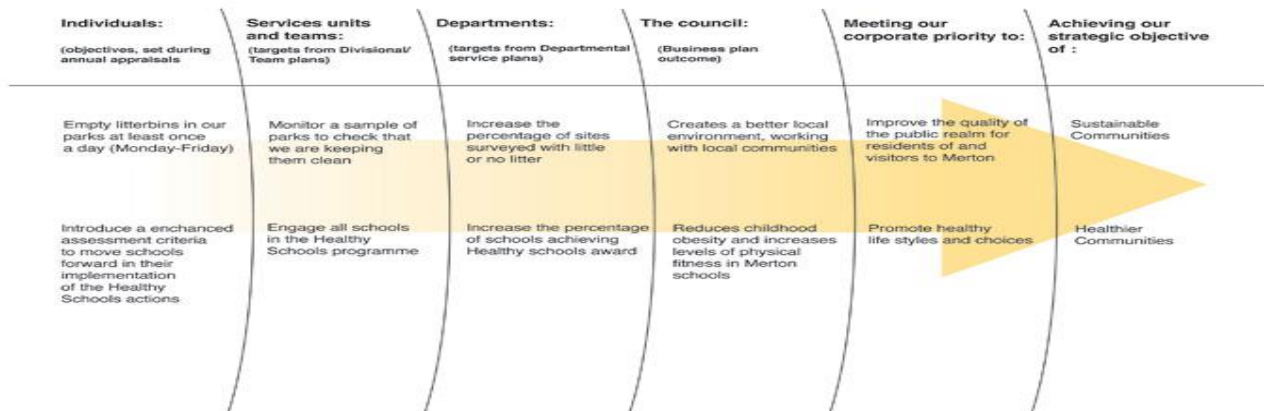
Revising - What do we do next?

It is important that our services evolve to meet the needs of our residents. Having reviewed our performance, we may need to change what we are doing or 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 to improving Merton, working within and using the Performance Management Framework. This ensures that measurable activities, at individual, team and service levels, translate into outcomes.



Deciding what to measure and setting targets

Performance measures and indicators describe how well a service is performing against its objectives. Targets are defined levels of performance for a particular performance measure or indicator. Setting targets is an important discipline and the **Business Planning** team are able to help with this.

Data Quality

Having set targets it is important that we report progress against these in a timely and accurate way, so good data quality is essential. The council adopted a **data quality strategy** in 2006 which outlines the principles and standards of data quality expected by the council. The roles and responsibilities are outlined below:

Individuals

All staff have a responsibility to deliver the tasks / actions that have been agreed in their appraisal and understand how their work contributes to the 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

DMTs monitor their department's performance information and are responsible for taking action to deal with under-performance. DMTs 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 DMTs 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 CMT.

Corporate Management Team

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 DMTs to review areas of concern and agree management action to address under-performance.

Cabinet and Elected Councillors

Ultimately, councillors are responsible for setting the direction of the council and developing priorities by developing policy, setting strategic targets, monitoring progress, and agreeing the framework for continuous improvement.

Full Council receive regular reports on progress against the strategic themes, including any relevant performance information and can use these meetings as an opportunity to ask questions of Cabinet members 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.

Corporate Indicator set 2013-14

The corporate indicator set is a set of ten key measures from each of the four departments. There are 40 performance measures in total which are monitored on a monthly basis by the Corporate Management Team (CMT).

PI code and description	Dept.	12/13 target	13/14 target	Frequency	Polarity
CRP 18 - % council tax collected	CS	97.45	97	Monthly	High
CRP 36 (SP 155) - % of business rates collected	CS	97	97	Monthly	High
CRP 13 - % of positive and neutral coverage tone	CS	91	91.5	Monthly	High
CRP 37 - % of complaints progressed to level 2 (quarterly in arrears)	CS	16	10	Quarterly	Low
CRP 14 - % of ombudsman complaints answered in 28 days	CS	85	90	Monthly	High
CRP 04 - Average numbers of working days lost to sickness	CS	8	7	Monthly	Low

PI code and description	Dept.	12/13 target	13/14 target	Frequency	Polarity
CRP 16 - The level of CO2 emissions from the councils main operational buildings (tonnes)	CS	1950	1875	Monthly	Low
CRP 41 (SP 192) - % of Freedom Of Information requests dealt with in time (monthly in arrears)	CS	90	90	Monthly	High
CRP 42 (LCS 95) Freedom of Information (FOI) requests answered in full (including information already published or not held)	CS	80	80	Monthly	Low
CRP 43 (SP 301) – % Successful website visits	CS	82.50	81.50	Monthly	High
CRP 74 – Number of staff working from Civic Centre	CS	New	1,275	Quarterly	High
CRP 44 – Income from off / on street parking	E&R	£10,617m	£11,322m	Monthly	High
CRP 74 – Number of staff working in the Civic Centre	CS	1,250	1,275	Monthly	High
CRP 45 (SP 118) – Income from development and building control	E&R	£1,971m	£1,971m	Monthly	High
CRP 46 (SP 23) Amount of capital receipts to support the financial strategy (excluding Merton Priory Homes)	E&R	£5m	£5m	Quarterly	High
CRP 47 (SP 68) – Number of refuse collections including recycling and kitchen waste missed per 100,000	E&R	70	60	Monthly	Low
CRP 48 - % sites surveyed on street inspections for litter that are below standard	E&R	9	8.5	Monthly	Low
CRP 49 (SP 59) – Number of fly tips in streets and parks	E&R	3,500	3,300	Monthly	Low
CRP 50 - Volume of planning applications	E&R	NA	1,850	Monthly	High

PI code and description	Dept.	12/13 target	13/14 target	Frequency	Polarity
CRP 51 (SP 114) - % of major planning applications processed within 13 weeks	E&R	60	60	Monthly	High
CRP 52 (SP 115) - % of minor planning applications processed within 8 weeks	E&R	65	65	Monthly	High
CRP 53 (SP 116) - % of other planning applications processed with 8 weeks	E&R	80	80	Monthly	High
CRP 54 (SP 39) - No. of adults inc carers, in receipt of Direct Payments or Personal Budgets as a % of all customers & carers receiving community based services.	C&H	42	45	Monthly	High
CRP 55 (SP 275) – Weekly rate of delayed transfers of care from hospital - (both Merton & NHS responsible) (Measured monthly in arrears)	C&H	7	6.5	Monthly	Low
CRP 56 (SP 54) – % Carers receiving a service of information and advice	C&H	28	28.5	Monthly	High
CRP 57 (SP 274) No. of adults receiving community based Services e.g. Personal Care, to help them continue to live in their own homes, as a % of all customers receiving services	C&H	80	82	Monthly	High
CRP 58 (SP 273) – Number of adults on the Occupational Therapy waiting list as a snapshot at the end of the month	C&H	85	80	Monthly	Low
CRP 59 (SP 08) – No. of people accessing the library service by borrowing an item or using a peoples network terminal at least once in the previous 12 months	C&H	54,000	54,000	Monthly	High

PI code and Description	Dept.	2012/13 target	2013/14 target	Frequency	Polarity
CRP 60 (SP 09) - Number of visitors accessing the library service on line	C&H	95,000	110,000	Monthly	High
CRP 61 (SP 36) – The number of households in temporary accommodation provided under the homeless legislation	C&H	87	100	Monthly	Low
CRP 62 (SP 35) – The number of homelessness cases prevented	C&H	525	550	Monthly	High
CRP 63 (SP 242) – CRP 63/SP 242 - Number of learners funded by LSC on non-accredited courses (Academic) TBC	C&H	3,827	3,000	Monthly	High
CRP 64 (SP 75) – % Children and young people on child protection plan for second or subsequent time	CSF	10	10	Monthly	Low
CRP 65 (SP 95) - Number of Special guardianship orders and adoptions finalised during the year ending 31 March.	CSF	12	12	Monthly	High
CRP 66 (SP 290) - % Looked after children in foster care placed with external agency carers	CSF	40	38	Monthly	High
CRP 67 (SP 293) – Average number of months to recruit in house foster carers from application to panel recommendation	CSF	6	6	Monthly	Low
CRP 68 (SP 84) - % of Good or Outstanding Ofsted inspections rated as good in children's centres.	CSF	100	100	Monthly	High
CRP 69 (SP 87) – % Outcome of schools Ofsted inspections rated as good or outstanding	CSF	75	77	Monthly	High

PI code and Description	Dept.	2012/13 target	2013/14 target	Frequency	Polarity
CRP 70 (SP 100) - % of final statements issued within 26 weeks (with exceptions)	CSF	95	95	Monthly	High
CRP 71 (SP 91) – No. of first time entrants to the Youth Justice System aged 10-17 years.	CSF	125	96	Monthly	Low
CRP 72 (MP 15 / SP 319) – % 16-19 year olds Not in Education, Employment or Training (NEET)(monthly in arrears)	CSF	5.5	8.3	Monthly	Low
CRP 73 (SP 109) - % vacancies in reception year of primary school	CSF	1.50	4	Monthly	Low

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**.

Section E

Service Planning 2013/17

SERVICE PLANNING 2013-17

The Service Plans agreed by service departments during the 2013/17 Business Planning Process are set out in the following pages. During this process Service Plans were considered by Cabinet on

- 10 December 2012
- 18 February 2013

Final Service Plans were considered and agreed by Council on 6 March 2013.

Service Plans were scrutinised by the Overview and Scrutiny Commission and Panels during the January 2013 cycle of meetings and by the Overview and Scrutiny Commission on 28 February 2013.

The service plan is designed to be a two page document the first page summarises key resources, drivers, performance and major projects. The second page focusses on the outcomes and impacts of the major projects identified.

At the start of the Business Planning Process managers were issued with guidance to clarify understanding and improve the quality and consistency of submissions. Each department reviewed the appropriateness of their current service plans. The tables below summarise the 28 service plans over their relevant Scrutiny Panels and departments.

Scrutiny Panels

Children & Young People	Healthier Communities & Older People	Overview & Scrutiny	Sustainable Communities
Children's Social Care	Adult Social Care	Business Improvement	Commercial Waste
Commissioning, Strategy & Performance		Corporate Governance	Development & Building Control
Education		Customer Services	Environmental Health
		Human Resources	Future Merton
		Infrastructure & Transactions	Housing Needs & Enabling
		Resources	Leisure Development
		Safer Merton	Libraries
		Shared Legal Services	Merton Adult Education
			Parks & Green Spaces
			Parking
			Property
			Street Cleaning
			Traffic & Highways
			Transport Commissioning
			Transport Passenger Fleet
			Waste Management

Departments

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

The paragraphs below provide an overview of the approach taken to completing the information requirements on the service plans:

- i) Service description – Managers are asked to provide a succinct description of the key activities undertaken by the service.
- ii) Anticipated demand - What their key demand channels are and how best to measure them. Once identified drop down menus allow them to be classified between customer demand (internal and external), statutory/government initiative, provision of shared service and increase in revenue.
- iii) Anticipated supply - What are the key resources used to deliver services and products, to aid completion drop down menus can be used to identify accommodation, contractors, staff, transport and voluntary services. Managers may also identify their own resources. Once identified managers have to classify their inputs as economic, environmental, legal, political social and technological.
- iv) Corporate strategies – From a drop down menu managers are asked to identify what key strategies they contribute to. These strategies are identified on page 6 of the Business Plan 2013-17.
- v) Workforce development – From a drop down menu Managers are asked to choose the major workforce issues facing the service. The five choices are aging workforce, learning and development, reliance on agency, sickness and turnover.
- vi) Performance indicators – Managers are asked to identify the key performance indicators for their service, they must then indicate whether they should be measured monthly, quarterly, annual or biennial. Polarity indicates whether a higher or lower score are beneficial. Finally, indicators must be allocated one of the following six classifications:
 - **Business critical** - the business critical function of the service often with severe consequences if this is interrupted or not met.
 - e.g. tonnage of waste sent to landfill (a high tonnage can lead to landfill tax which has a detrimental effect to the council)

- **Outcome** - The success of the service in fulfilling its service description
 - e.g. the % of waste recycled
- **Output** – The quantity of work or services produced.
 - e.g. the number of Housing Benefit applications processed
- **Perception** - resident or user satisfaction with the service or part of the service
 - e.g. resident satisfaction with street cleanliness
- **Quality** - the quality of the service delivery
 - e.g. % of missed refuse collections
- **Unit cost** - Cost required to provide or produce a unit of a service or product
 - e.g. cost per household per refuse collection

vii) Major projects and/or procurement – Managers are asked to briefly describe up to 10 major projects they are undertaking over the planning period (2013-17). On the second page they are able to provide additional details of the project and the following key impact information:

- **Major expected outcome** - the following eight choices are available to managers:
 - Improved customer satisfaction
 - Improved reputation
 - Improved resident wellbeing
 - Income generation
 - Income loss
 - More efficient way of working
 - To meet budget savings
 - To meet legislative requirements
- **Equalities** – the following three choices are available to managers:
 - No impact
 - Equality analysis undertaken
 - Equality analysis to be undertaken
- **Impact on other services** – from drop down menus managers may choose a negative, neutral or positive impact on up to three service areas. Alternatively they may choose to indicate a negative, neutral, no or positive impact across the authority.

- **Sustainability** – the following seven choices are available to managers:
 - Community outreach
 - Districts networks
 - Impact on building emissions
 - Impact on flood plains/drainage systems
 - Impact on green sector jobs/skills
 - Impact on transport emissions
 - Impact on water use
- **Risk** - managers are ask to consider the risks that could prevent them form achieving projects or work programmes within agreed timescales and budgets and to the required standard and are referred to the corporate guidance on risk management which is contained in Section C of this document

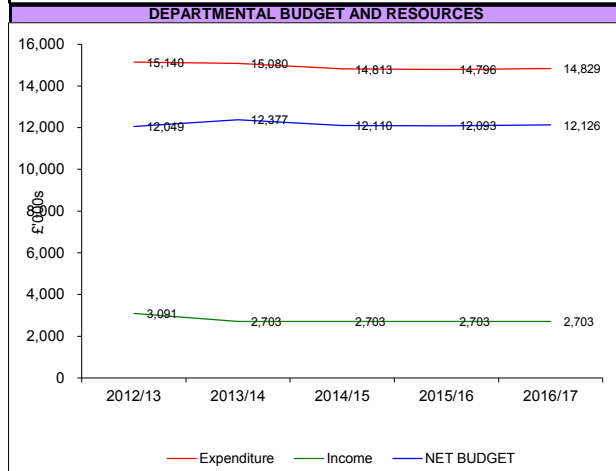
The following pages display service plans for 2013-17 in departmental order.

Children, Schools and Families Department

Children's Social Care		PLANNING ASSUMPTIONS					Corporate strategies your service contributes to			Workforce Development																							
Cllr Maxi Martin & Cllr Martin Whelton, Cabinet Members for Children's Services & Education		Anticipated demand		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand																								
Description of your main activities/objectives below:		Population growth - looked after children					15-30		Statutory / Government initiative		Children & Young person's Plan	Reliance on agency																					
Children's Social Care (CSC) delivers a range of government prescribed and legislated functions to children at risk of hard, children in care, care leavers & young offenders, as well as wider services for families. CSC works within an integrated context co-ordinating multi agency support to those families and works at level 3, 4 and 5 of Merton's Child and Young Person (CYP) Well-being Model. The service works with approximately 1300 children at any one time who have the greatest needs in the borough across a range of outcomes: safety, well-being, health, education and life chances. Merton's CYP Well-being Model sets out Merton's approach to supporting families which seeks to provide services at the time they are needed to prevent further need arising and escalation up the model. This is the most efficient use of resources and CSC undertakes a range of family support activity to prevent children entering either child protection or care systems at every age and stage of childhood. This necessitates a strong commitment to robust thresholds which require a quality assurance function to ensure ongoing success of the model. Merton has lower numbers of children subject to child protection plans in the care system than the majority of London boroughs, as well as lower numbers of first time attendees, and seeks to continue this approach, therefore ensuring that we minimise the use of costly high end interventions with our families and promoting families strengths to enable them to care for their own children. The CSC budget comprises general fund and areas of the Early Intervention Grant (Bond Road Family Support and commissioned Action for Children Services). Youth Inclusion provides a targeted service to support vulnerable young people and their parents to prevent offending and re-offending. It also supports the transforming families programme, helping targeted families to get back into work, and improve the outcomes for their children by preventing reoffending or going into care. It also leads on participation for CSF.		Population growth - Child Protection Plans					30-60		Statutory / Government initiative		Anti Social Behaviour	Learning & Dev.																					
		Increase in 11-19 population					50	200	300	Customer demand - external		Health & Wellbeing																					
		Increased pressure on high level targeted services due to EIP savings & statutory duty		Reduced EIP activity may lead to increased need for statutory interventions at a later stage							Statutory / Government initiative		Social Inclusion Strategy																				
		Anticipated supply		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply		Community Plan																						
		Staff (FTE) - reflects transfer of YS to Ed					201	159	159	159	159	Economic		Corp Equality Scheme																			
		Adoption & Fostering					More children to be placed for permanency in shorter time			Legal		Family Poverty																					
											LAC Strategy																						
											Youth crime																						
Performance Indicator		Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met																							
		2012/13	2013/14	2014/15	2015/16	2016/17																											
% single assessments completed within agreed timescales		n/a	90	90	90	90	High	Monthly	Business critical	Safeguarding issues																							
% CP visits completed on time (childseen)		94	95	95	95	95	High	Monthly	Quality	Safeguarding issues																							
Children in care adopted or receiving a Special Guardianship Order		12	12	14	14	14	High	Monthly	Outcome	Reduced customer service																							
% CYP on Child Protection Plan for 2nd or subsequent time		10	10	10	10	10	Low	Monthly	Quality	Safeguarding issues																							
% NEET aged 16-19		5.5	8.3	8.3	8.3	8.3	Low	Monthly	Outcome	Social exclusion																							
Number YJS first time entrants		125	110	105	100	90	Low	Monthly	Outcome	Social exclusion																							
DEPARTMENTAL BUDGET AND RESOURCES		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD																															
<table border="1"> <caption>Departmental Budget and Resources (2012/13 - 2016/17)</caption> <thead> <tr> <th>Year</th> <th>Expenditure</th> <th>Income</th> <th>NET BUDGET</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>16,256</td> <td>2,743</td> <td>13,513</td> </tr> <tr> <td>2013/14</td> <td>17,514</td> <td>2,050</td> <td>15,464</td> </tr> <tr> <td>2014/15</td> <td>17,384</td> <td>2,050</td> <td>15,334</td> </tr> <tr> <td>2015/16</td> <td>17,134</td> <td>2,050</td> <td>15,084</td> </tr> <tr> <td>2016/17</td> <td>17,103</td> <td>2,050</td> <td>15,053</td> </tr> </tbody> </table>		Year	Expenditure	Income	NET BUDGET	2012/13	16,256	2,743	13,513	2013/14	17,514	2,050	15,464	2014/15	17,384	2,050	15,334	2015/16	17,134	2,050	15,084	2016/17	17,103	2,050	15,053	Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
		Year	Expenditure	Income	NET BUDGET																												
		2012/13	16,256	2,743	13,513																												
		2013/14	17,514	2,050	15,464																												
		2014/15	17,384	2,050	15,334																												
		2015/16	17,134	2,050	15,084																												
		2016/17	17,103	2,050	15,053																												
		1	Embed restructuring of Children's Social Care to meet requirements of Munro, adoption & fostering etc	1		1		1																									
		2	Establish & develop Multi Agency safeguarding Hub (MASH) in operation	2		2		2																									
		3	Deliver transforming families year 2 programme	3	Deliver transforming families year 3 programme	3	Claim Transforming Families performance by results funding	3																									
		4	Develop training for social workers Assessed & Supported Year in Emp	4		4		4																									
5	Implementation of changes following Family Justice Review	5		5		5																											
6	Review Youth Justice preventative service	6	Review Youth Justice preventative service - ongoing	6	Review Youth Justice preventative service - ongoing	6																											
7		7		7		7																											
8		8		8		8																											
9		9		9		9																											
10		10		10		10																											
Revenue Budget £'000s		2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS																										
Expenditure		16,256	17,514	17,384	17,134	17,103	2013/14		2014/15		2015/16		2016/17																				
Employees	9,178	10,555	10,433	10,215	10,118	-58	CSF 02 and 05	-125		-220		-100																					
Premises	258	239	243	246	249	-20	CSF 03																										
Transport	252	247	250	254	257																												
Supplies and Services	1,372	1,474	1,441	1,458	1,474	-4	CSF 02																										
3rd party payments	3,047	2,427	2,445	2,389	2,433	-92	CSF 01, 04 and 17			-100																							
Support services	1,783	2,140	2,140	2,140	2,140																												
Depreciation	75	20	20	20	20																												
	291	412	412	412	412																												
Income		2,743	2,050	2,050	2,050	2,050																											
Government grants	1,978	1,063	1,063	1,063	1,063																												
Other reimbursements	694	749	749	749	749																												
Customer and client receipts	71	71	71	71	71																												
Reserves		167	167	167	167																												
Capital Funded																																	
NET BUDGET		13,513	15,464	15,334	15,084	15,053	-174		-200		-320		-100																				
Capital Budget		2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)																										
	110	139																															

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
Children's Social Care							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
<p>2013/14 Embed restructuring of Children's Social Care to meet requirements of Munro, adoption & fostering etc</p> <p>Amalgamate existing CIN & LAC teams into single Core Assessment team, with single assessment framework & expert SW role. Expand capacity of Vulnerable Children Team to increase safeguarding role & casework for school age children, working closely with extended Early Years Service in relation to children aged 0.5. Related also to project 2 below</p>	To meet legislative requirements	Equality analysis to be undertaken	Children's Social Care - positive impact	Not applicable	3	3	9
			Early Years - positive impact				
			Commissioning, Strategy and Performance - positive impact				
			Children's Social Care - positive impact				
<p>2013/14 Establish & develop Multi Agency safeguarding Hub (MASH) in operation</p> <p>Develop & incrementally operationalise a Merton Multi-Agency Safeguarding Hub (MASH) by March 2013 & ongoing MASH will increase multi-agency information sharing & decision-making to identify children at risk of significant harm and to provide timely services to children in need to prevent escalation into statutory services.</p>	To meet legislative requirements	Equality analysis to be undertaken	Children's Social Care - positive impact	Not applicable	3	3	9
			Early Years - positive impact				
			Commissioning, Strategy and Performance - positive impact				
			Children's Social Care - positive impact				
<p>2013/16 Deliver transforming families year 2 programme 2014/15</p> <p>Continued implementation 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.</p>	To meet legislative requirements	Equality analysis to be undertaken	Children's Social Care - positive impact	Not applicable	2	3	6
			Early Years - positive impact				
			Schools, Standards and Quality - positive impact				
			Children's Social Care - positive impact				
<p>2013/14 Develop training for social workers Assessed & Supported Year in Emp</p> <p>Bespoke qualifying training for newly qualified social work staff under the new Assisted & Supported Year in Employment (ASYE) scheme.</p>	To meet legislative requirements	Equality analysis to be undertaken	Children's Social Care - positive impact	Not applicable	2	3	6
<p>2013/14 Implementation of changes following Family Justice Review</p> <p>Modernisation of family justice system to reduce the average time taken to conclude proceedings from 13 months to 6. Will require a significant shift in how we conduct business in future</p>	To meet legislative requirements	Equality analysis to be undertaken	Children's Social Care - positive impact	Not applicable	3	3	9
<p>2013/16 Review Youth Justice preventative service</p> <p>Although this project will sit within CSP, some early intervention services are commissioned through the voluntary sector via CSC. These services are to be recommissioned to create an all age threshold service as part of a cross-cutting project that affects all CSF divisions.</p>	To meet legislative requirements	Equality analysis to be undertaken	Children's Social Care - positive impact	Not applicable	3	3	9

Commissioning, Strategy and Performance	PLANNING ASSUMPTIONS						Corporate strategies your service contributes to	Workforce Development		
	Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17			Key drivers of demand	
Cllr Maxi Martin & Cllr Martin Wheaton, Cabinet Members for Childrens Services & Education	Increased demand for primary school	1-3fe	2fe	2fe	1fe	2fe	Customer demand - external	Capital Programme	Learning & Dev.	
Main activities / objectives: The Commissioning, Strategy & Performance division provides strategic services for the Children, Schools and Families Department (CSF). · policy, planning and performance management; · commissioning, procurement and contract monitoring; · access to resources for looked after children/pupils with Special Education Needs; · pupil place planning; · school admissions; · school expansion and overall CSF capital programme management; · some departmental business support. Main activities include: i) leading on strategic and operational planning for CSF; ii) leading in local Children's trust and partnership development; iii) production of management information for internal and external reporting inc. performance management statutory returns; iv) production of policy documents and procedural guidance for professional staff; v) leading on joint commissioning with partners; vi) managing schools Private Finance Initiative and 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 and other capital schemes.	Increased demand for secondary school				6fe	6fe	Customer demand - external	Children & Young person's Plan		
	Increased demand for special school places						Customer demand - external	Community Plan		
	Overall demographic	Impact of birth rate, increase of 39% in births over the last 6 years					Customer demand - external	Core Planning Strategy		
	Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply			
	Staff (FTE)	37	33	32	32		Economic			
	Contractors	Commissioning of a range of services to support CSF functions					Economic			
							Local Development Framework			
							Performance Management Framework			
							Social Inclusion Strategy			
Performance Indicator	Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met	
% reception year surplus places	2012/13	2013/14	2014/15	2015/16	2016/17					
	1.5	2	2	2	2	Low	Annual	Business critical	Increased costs	
% secondary school Yr7 surplus places inc. Academies	12	12	8	5	5	Low	Annual	Business critical	Increased costs	
% major capital projects green/amber to time and cost	90	90	90	90	90	High	Quarterly	Business critical	Increased costs	
% LAC in external agent foster carer placements	40	38	36	34	32	Low	Quarterly	Business critical	Increased costs	Inspection outcomes
Average time to recruit in house foster carers	6 months	6 months	6 months	6 months	6 months	Low	Quarterly	Business critical	Increased costs	
% Completion rates for parenting programmes	72	76	80	85	85	High	Quarterly	Quality	Reduced customer service	
% Statutory returns to government on time	100	100	100	100	100	High	Quarterly	Business critical	Loss of Government grant	



BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	Progress existing capital schemes & provide additional FEs in primary schools as necessary	1	Progress existing capital schemes & provide additional FEs in primary schools as necessary	1	Progress existing capital schemes & provide additional FEs in primary schools as necessary	1	Progress existing capital schemes & provide additional FEs in primary schools as necessary
2	Implementation of secondary school expansion strategy	2	Implementation of secondary school expansion strategy	2	Implementation of secondary school expansion strategy	2	Implementation of secondary school expansion strategy
3	Embed new Early Intervention Strategy and complete procurement of new 3rd party EIP services	3		3		3	
4	Implement new Parenting Strategy	4		4		4	
5	Develop and implement internal SLAs with CSF operational services	5		5		5	
6	Develop and implement strategy for establishing CSF commissioning unit	6		6		6	
7	Further development of departmental continuous improvement strategy	7		7		7	
8	Implement in-house foster carer recruitment strategy and other sufficiency gaps for LAC placements	8		8		8	
9	Develop function of new schools forum arrangements in line with MEP developments	9		9		9	
10		10	PFI - 5 year review	10		10	

Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS							
Expenditure	15,140	15,080	14,813	14,796	14,829	2013/14		2014/15		2015/16		2016/17	
Employees	2,238	2,281	2,232	2,234	2,235	-64	CSF 11 and 17	-50					
Premises	137	138	139	140	141								
Transport	33	37	37	37	38								
Supplies and Services	6,159	5,788	5,550	5,511	5,522	-322	CSF 11, 12, 13 and 19	-300				-50	
3rd party payments	6,083	6,346	6,365	6,384	6,403								
Support services	490	490	490	490	490								
Depreciation													
Income	3,091	2,703	2,703	2,703	2,703								
Government grants	985	640	640	640	640								
Other reimbursements	156	117	117	117	117								
Customer and client receipts	1,950	1,946	1,946	1,946	1,946	-13	CSF 10						
Reserves													
Capital Funded													
NET BUDGET	12,049	12,377	12,110	12,093	12,126	-399		-350		-100		-50	
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)							

Commissioning, Strategy and Performance							
DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/17 Progress existing capital schemes & provide additional FEs in primary schools as necessary	To meet legislative requirements	Equality analysis to be undertaken	Development and Building Control - neutral impact	Impact on building emissions	3	3	9
1			Schools, Standards and Quality - positive impact				
2013/17 Implementation of secondary school expansion strategy	To meet legislative requirements	Equality analysis to be undertaken	Development and Building Control - neutral impact	Impact on building emissions	3	3	9
2			Schools, Standards and Quality - positive impact				
2013/14 Embed new Early Intervention Strategy and complete procurement of new 3rd party EIP services	Improved resident well being	Equality analysis to be undertaken	Human Resources - negative impact	Not applicable	3	3	9
3			Commercial and Procurement - negative impact				
2013/14 Implement new Parenting Strategy	Improved resident well being	Equality analysis to be undertaken	Children's Social Care - positive impact	Not applicable	2	2	4
4							
2013/14 Develop and implement internal SLAs with CSF operational services	More efficient way of working	No impact		Not applicable	2	2	4
5							
2013/14 Develop and implement strategy for establishing CSF commissioning unit	More efficient way of working	No impact	Children's Social Care - positive impact	Not applicable	2	2	4
6			Early Years - positive impact				
			Youth and Inclusion - positive impact				
2013/14 Further development of departmental continuous improvement strategy	More efficient way of working	No impact	Children's Social Care - positive impact	Not applicable	2	2	4
7			Early Years - positive impact				
			Youth and Inclusion - positive impact				
2013/14 Implement in-house foster carer recruitment strategy and other sufficiency gaps for LAC placements	Improved resident well being	Equality analysis to be undertaken	Children's Social Care - positive impact	Not applicable	2	2	4
8							
2013/14 Develop function of new schools forum arrangements in line with MEP developments	Select one major outcome	Select one	Select a service	Select one	0	0	0
9			Select a service				
			Select a service				
2014/15 PFI - 5 year review	More efficient way of working	No impact	Schools, Standards and Quality - positive impact	Not applicable	4	2	8
10							

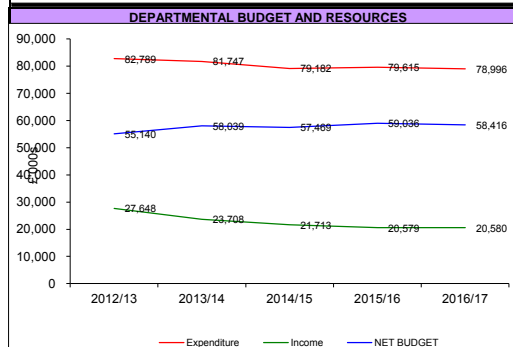
Education		PLANNING ASSUMPTIONS						Corporate strategies your service contributes to		Workforce Development				
Cllr Maxi Martin & Cllr Martin Whelton, Cabinet Members for Childrens Services & Education		Anticipated demand		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand					
Main activities/objectives:		Forecast increase in population 5-15		459	502	530	569	501	Customer demand - external		Children & Young person's Plan	Learning & Dev.		
<p>Schools Standards & Quality will improve outcomes for all pupils in Merton Schools by:</p> <ul style="list-style-type: none"> monitoring, analysing & evaluating pupil and school performance developing skills in planning, teaching, assessment, leadership & management working with schools to reduce inequality & improve achievement for vulnerable groups changing relationships between LA's, HT's & schools in context of new government policies <p>Special Education Needs & Disabilities will improve outcomes for CYP and SEND by:</p> <ul style="list-style-type: none"> building capacity in schools & settings, families & the community to meet the needs of children & young people with SEND focus on early intervention & prevention as well as direct support for schools & families <p>Early Years Services will improve outcomes for all children aged 0-5 via:</p> <ul style="list-style-type: none"> universal, early help & targeted services children's centres free nursery places for 2 to 4 year olds information for families (0-19) & family support childcare market management <p>Youth Inclusion will improve outcomes for Young People by:</p> <ul style="list-style-type: none"> providing universal and 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 		Increase in compulsory education to 18		2000					Statutory / Government initiative		Community Plan	Turnover		
		Forecast increase in targeted SEND services		200 - 400				Customer demand - external		Corp Equality Scheme		Sickness		
		Forecast increase in population 0 - 4		247	214	119	58	(57)	Customer demand - external		Performance Management Framework			
Anticipated supply		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply							
Staff (FTE)		191	228	228	228	228	Economic							
School to school support		Facilitate & encourage schools to support each other					Economic							
Voluntary Services		Review arrangements for some commissioned services					Economic							
Voluntary Services		Volunteers in schools, youth & early years					Economic							
Performance Indicator		Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met				
		2012/13	2013/14	2014/15	2015/16	2016/17								
% 5 GCSE A-C including English & maths		62	64	66	to be reviewed		High	Annual	Outcome	Reputational risk				
% outcome of schools Ofsted inspections good or outstanding		75	77	79	80	82	High	Monthly	Outcome	Inspection outcomes				
% L4 English and maths at KS2		78	80	82	84	85	High	Annual	Outcome	Reputational risk				
Provision of short breaks		520	520	520	520	520	High	Quarterly	Outcome	Increased costs				
% of all SEN statements issued in 26 weeks		95	95	95	to be reviewed		High	Quarterly	Outcome	Breach statutory duty				
% EY foundation stage profile		63	65	67	69	70	High	Annual	Outcome	Reputational risk				
% Good or outstanding childminding per Ofsted		67	69	71	73	75	High	Annual	Outcome	Increased costs				
% Good or outstanding childrens centres per Ofsted		100	100	100	100	100	High	Quarterly	Outcome	Inspection outcomes				
Youth service participation rate		1800	2000	2300	2300	2300	High	Annual	Output	Reputational risk				
DEPARTMENTAL BUDGET AND RESOURCES		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD												
<p>2012/13: Expenditure 32,955, Income 10,539, NET BUDGET 22,416 2013/14: Expenditure 34,877, Income 7,289, NET BUDGET 27,588 2014/15: Expenditure 34,702, Income 7,299, NET BUDGET 27,403 2015/16: Expenditure 34,627, Income 7,309, NET BUDGET 27,318 2016/17: Expenditure 34,662, Income 7,319, NET BUDGET 27,343</p>		Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17					
		1	Improving pupil outcomes at KS2 & KS4	1	Improving pupil outcomes at KS2 & KS4	1	Improving pupil outcomes at KS2 & KS4	1	Improving pupil outcomes at KS2 & KS4					
		2	Development of Merton Education Partnership - ongoing	2	Development of Merton Education Partnership - ongoing	2	Development of Merton Education Partnership - ongoing	2	Development of Merton Education Partnership - ongoing					
		3	School improvement business development, marketing & income	3	School improvement business development, marketing & income generation - on going	3		3						
		4	Provision of 2 year old places	4	Continued rollout	4	Continued rollout	4						
		5	Locality model for childrens centres	5	Locality model for childrens centres	5	Locality model for childrens centres - ongoing	5						
		6	Implementation of requirements of Children & Families Bill	6	Implementation of requirements of Children & Families Legislation	6	Implementation of requirements of Children & Families Legislation - ongoing	6						
		7	Integrated SEND working & transitions	7	Integrated SEND working & transitions	7	Integrated SEND working & transitions	7						
		8	Developmet of AltEd & linked provision	8	Developmet of AltEd & linked provision	8		8						
		9	Youth transformation phases 2 & 3	9	Youth transformation phase 2	9	Youth transformation phase 3	9						
		10		10		10		10						
Revenue Budget £'000s		2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS							
Expenditure		32,955	34,877	34,702	34,627	34,662	2013/14		2014/15		2015/16		2016/17	
Employees	8,338	8,999	8,942	8,934	8,926	-75	CSF 07, 08 and 09		-60			-10		
Premises	375	392	395	399	402									
Transport	3,123	3,116	3,022	2,907	2,904	-50	CSF 15		-140			-161		
Supplies and Services	11,885	12,770	12,783	12,797	12,810	-95	CSF 07, 08 and 09		-30			-30		
3rd party payments	7,396	7,948	7,908	7,938	7,698				-70					
Support services	1,603	1,603	1,603	1,603	1,603									
Depreciation	234	48	48	48	48									
Transfer payments	1	1	1	1	1									
Income		10,539	7,289	7,299	7,309	7,319								
Government grants	6,417	2,261	2,261	2,261	2,261									
Other reimbursements	2,375	2,882	2,882	2,882	2,882									
Customer and client receipts	1,747	2,146	2,156	2,166	2,176	-25	CSF 07 and 08		-10			-10		
Reserves														
Capital Funded														
NET BUDGET	22,416	27,588	27,403	27,318	27,343	-245			-310			-211		
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)								
Primary	23,929	25,015	16,940	10,240	5,450									
Secondary	50	100	800	1,550	22,600									
Other	6,262	1,162	400	400	400									

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
Education							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	Equalities	IMPACT ON:			Risk	
			Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/17 Improving pupil outcomes at KS2 & KS4 Ongoing work with schools. Challenge and support, monitoring, feedback, including re. Ofsted. Training and collaboration.	Improved resident well being	Equality analysis to be undertaken	Children's Social Care - positive impact Special Educational Needs - positive impact Whole organisation - positive impact	Not applicable	2	3	6
2013/17 Development of Merton Education Partnership - ongoing Ongoing development of partnership with schools, including new Ofsted requirements, developing new curricula. Merton Leaders of Education Programme. Work with teaching schools.	Improved resident well being	Equality analysis to be undertaken	Whole organisation - positive impact Early Years - positive impact Special Educational Needs - positive impact	Not applicable	2	2	4
2013/15 School improvement business development, marketing & income generation More commercial approach to SSQ services, and move to a sharper SLA based charging process, to facilitate provision to other organisations and to generate income.	Income generation	No impact	Whole organisation - positive impact	Not applicable	4	2	8
2013/16 Provision of 2 year old places To meet legislative requirements - places identified. Stage 2 is EYFS rollout and develop further 300 places.	Improved resident well being	Equality analysis undertaken	Early Years - positive impact Children's Social Care - positive impact Special Educational Needs - positive impact	Not applicable	2	3	6
2013/16 Locality model for childrens centres To reorganise provision to maximise outcomes within available funding. Service realignment and increasingly targeted provision.	More efficient way of working	Equality analysis undertaken	Early Years - negative impact Children's Social Care - negative impact	Not applicable	4	3	12
2013/16 Implementation of requirements of Children & Families Bill Following on from White Paper set up to meet legislative requirements including EHCP.	To meet legislative requirements	Equality analysis undertaken	Schools, Standards and Quality - positive impact Special Educational Needs - positive impact Children's Social Care - positive impact	Not applicable	3	3	9
2013/16 Integrated SEND working & transitions Including addressing new statutory duty for age 19-25. Develop plan and manage process within available funding streams.	Improved resident well being	Equality analysis undertaken	Schools, Standards and Quality - positive impact Special Educational Needs - positive impact Children's Social Care - positive impact	Not applicable	3	3	9
2013/15 Developmet of AltEd & linked provision Review of AltEd provision for vulnerable pupils. New commissioning arrangements for wraparound service.	Improved resident well being	Equality analysis undertaken	Schools, Standards and Quality - positive impact Special Educational Needs - positive impact Children's Social Care - positive impact	Not applicable	2	3	6
2013/16 Youth transformation phases 2 & 3 Roll out three localities - Morden, Wimbledon, Mitcham with VS leadership.	Improved resident well being	Equality analysis undertaken	Safer Merton - positive impact Schools, Standards and Quality - positive impact	Not applicable	4	3	12
2013/16 Youth transformation phases 2 & 3 Roll out three localities - Morden, Wimbledon, Mitcham with VS leadership.							

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Community and Housing Department

Adult Social Care		PLANNING ASSUMPTIONS					Corporate strategies your service contributes to		Workforce Development		
CILr Linda Kirby Cabinet Member for Adult Social Care & Health		Anticipated demand					Key drivers of demand				
Enter a concise description of your main activities/objectives below:		2012/13	2013/14	2014/15	2015/16	2016/17					
Transformation Programme: The service will focus on inputs that prevent people crossing the threshold into services and/or which prevent a longer term need for ongoing support. Where long-term support is required, the priority will be to enable individuals to access services that keep them safe & well and provide support for carers. Underlying this will be a focus on minimising waste in processes. The service will work in partnership with the Sutton & Merton NHS to enable both organisations to meet good evidence-based outcomes. We will expect individuals to take responsibility for their own lives as much as possible and to maximise their own resources. The purpose of this service plan is to enable access to care and support for people who require it as defined in legislation and Merton's eligibility criteria. The principle of self directed support underpins this.		No. of people requiring services	6,513	6,630	6,729	6,829	6,920	Statutory / Government initiative		Voluntary Sector Strategy	Sickness
		People aged 85-89	2,400	2,400	2,400	2,500	2,500	Statutory / Government initiative		Community Plan	Learning & Dev.
		People aged 90+	1,600	1,700	1,800	1,800	1,900	Statutory / Government initiative		Social Inclusion Strategy	
		No. of people aged 65+ with dementia	1,960	1,963	1,957	2,022	2,047	Statutory / Government initiative		Children & Young person's Plan	
		Anticipated supply		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply		Corp Procurement Strategy
Staff (FTE)		431	444	440	440	438	Economic		Customer Services Strategy		
									Homelessness Strategy		
									Older People's Housing		
									Workforce Development Plan		
Performance Indicator		Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met	
		2012/13	2013/14	2014/15	2015/16	2016/17					
% Carers receiving services		28	28.5	29	30	30	High	Monthly	Business critical	Breach statutory duty	
% People living at home after reablement		75	77	78	80	80	High	Annual	Outcome	Increased costs	
No. of people on the OT waiting list		85	80	75	70	65	Low	Monthly	Quality	Increased waiting times	
% Customers supported in the community		80	82	84	85	85	High	Monthly	Business critical	Increased costs	
% People with personal budgets		42	45	50	55	60	High	Monthly	Unit cost	Government intervention	
Weekly rate of Delayed Transfers of Care from Hospital (both Merton & NHS responsible)		7	6.5	6	5.5	5	Low	Monthly (in arrears)	Business critical	Increased costs	



BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD									
Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17		
1	0% inflation uplift	1	0% inflation uplift	1		1			
2	De-registration of residential care; Ordinary Residence	2	De-registration of residential care; Ordinary Residence	2		2			
3	Optimise use of Shared Lives; Restructuring Supporting People	3	Optimise use of Shared Lives; Restructuring Supporting People	3		3			
4	Optimise telecare usage	4	Optimise telecare usage	4		4			
5	Optimise block and spot contracts	5	Optimise block and spot contracts	5		5			
6	Care Fund Calculator	6	Care Fund Calculator	6		6			
7	Transport	7	Transport	7		7			
8	Transitions	8	Transitions	8		8			
9	Monitoring high value (1-to-1) and high cost placements	9	Monitoring high value (1-to-1) and high cost placements	9		9			
10	Optimise block and spot contracts (additional ASC38)	10		10		10			

Revenue Budget £'000s						ACTIONS AND SAVINGS							
Expenditure	2012/13	2013/14	2014/15	2015/16	2016/17	2013/14		2014/15		2015/16		2016/17	
Employees	15,221	15,444	14,490	14,505	14,422	600	Below Inflation uplift to third party suppliers	550	Below Inflation uplift to third party suppliers	500	Below Inflation uplift to third party suppliers	500	Below Inflation uplift to third party suppliers
Premises	489	500	507	514	522	200	Optimise use of Shared Lives	201	Delete 1 Management post & reduce management and staffing costs	200	Promoting Independence	100	Promoting Independence
Transport	1,555	1,390	1,282	1,305	1,327	600	Optimising use of block and spot contracts	300	Optimising use of block and spot contracts	200	Brokerage efficiencies	150	Brokerage efficiencies
Supplies and Services	4,055	3,643	3,322	3,355	2,886	154	Mental Health Fanon & Imagine contract reduction	248	Voluntary Sector grants - reduction in infrastructure costs & SLA	250	Remodelling and reprocurring the Domiciliary care service	100	Reduce management costs and reduction in staffing
3rd party payments	42,616	40,964	39,338	39,256	38,709	100	CADL's (complex equipment)	23	Retail Model for equipment	250	Procurement Opportunities	500	Realise benefits of Prevention programme through reduce grants to Voluntary Organisations
Transfer Payments	12,160	12,550	12,987	13,424	13,874	200	Brokerage efficiencies	300	Brokerage efficiencies			250	Procurement Opportunities
Support services	6,630	7,180	7,180	7,180	7,180	233	Supported Living (Incl de-registration)	50	Reablement (Outcome care packages)				
Depreciation	62	76	76	76	76	350	Supporting People	450	Supporting People				
						42	Procurement Opportunities	206	Procurement Efficiencies				
						110	Reviewed Service packages	160	Reviewed Service packages + Deregistration				
Income	27,648	23,708	21,713	20,579	20,580	50	Care-tech contract	50	Meals on Wheels contract savings				
Government grants	7,152	131	135	0	0	25	Transitions	50	Transitions				
Other reimbursements	7,665	10,012	8,012	7,012	7,012	75	Monitoring high value (1-to-1) and high cost placements	50	Monitoring high value (1-to-1) and high cost placements				
Customer and client receipts	9,288	10,276	10,277	10,278	10,279	112	Transport	246	Transport Efficiencies				
Recharges	3,317	3,289	3,289	3,289	3,289	165	Optimise telecare usage	105	Staff vacancy discount factor				
Reserves	226	0	0	0	0	114	Staff Savings in Direct Provision	216	Staff Savings in Direct Provision & Day Services options				
Capital Funded	0	0	0	0	0	32	Reduction in Mental Health Placement	50	Reduction in Mental Health Placement				
						3,000	Partnerships : Health and Social Care system	(2,000)	Partnerships : Health and Social Care system				
								282	Remodelling of reablement service				
								500	Promoting Independence				
								500	Additional Reablement Funding				
NET BUDGET	55,140	58,039	57,469	59,036	58,416	6,162		2,537		1,400		1,600	
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)							
	119	1,220											

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Adult Social Care							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/14 0% inflation uplift 2014/15 0% inflation uplift 2015/16 2016/17	To meet budget savings	Equality analysis undertaken	Legal Services - negative impact	Not applicable	6	3	18
1 0% inflation uplift to third party suppliers (successfully implemented over last two years). This will become more difficult to deliver the longer the period.			Select a service				
			Select a service				
			Select a service				
2013/14 De-registration of residential care: Ordinary Residence 2014/15 De-registration of residential care: Ordinary Residence 2015/16 2016/17	To meet budget savings	Equality analysis undertaken	Legal Services - negative impact	Not applicable	5	3	15
2 De-registration of residential care homes in borough will generate savings as a Supported Living model enables customers to claim housing benefits. Ordinary Residence is where a host authority is responsible for the funding of an individual living in supported living in their area. Savings have been generated in 2012-13 as funding responsibility has been transferred to host authorities for a number of customers originating from LBM.			Select a service				
			Select a service				
			Select a service				
2013/14 Optimise use of Shared Lives; Restructuring Supporting People 2014/15 Optimise use of Shared Lives; Restructuring Supporting People 2015/16 2016/17	To meet budget savings	Equality analysis undertaken	Housing Needs and Enabling Services - positive impact	Not applicable	4	3	12
3 Maximising the use of Shared Lives, a supported living model, will provide savings in relation to residential care. Historically the customer group is MH customers, the scheme is being enhanced to enable take up by other customer groups such as LD. Supporting People funding is no longer ring-fenced. There are opportunities to fundamentally restructure & refocus the use of SP services and generate savings.			Housing Benefits - negative impact				
			Children's Social Care - negative impact				
			Select a service				
2013/14 Optimise telecare usage 2014/15 Optimise telecare usage 2015/16 2016/17	To meet budget savings	Equality analysis undertaken	Select a service	Not applicable	4	3	12
4 Optimise the use of telecare and assistive technologies to provide a more cost effective alternative to domiciliary care and other forms of intervention.			Select a service				
			Select a service				
			Select a service				
2013/14 Optimise block and spot contracts 2014/15 Optimise block and spot contracts 2015/16 2016/17	To meet budget savings	Equality analysis undertaken	Select a service	Not applicable	4	2	8
5 Optimising the use of block and spot contracts. Standardising rates through the development of an Approved Provider List will generate savings.			Select a service				
			Select a service				
			Select a service				
2013/14 Care Fund Calculator 2014/15 Care Fund Calculator 2015/16 2016/17	To meet budget savings	Equality analysis undertaken	Select a service	Not applicable	4	2	8
6 The costs of some long-term placements for people with learning disabilities and physical disabilities are very high. Using the Care Funding Calculator, a well established financial modelling tool, can assist with the renegotiation or initial negotiation of these high cost packages and generate savings.			Select a service				
			Select a service				
			Select a service				
2013/14 Transport 2014/15 Transport 2015/16 2016/17	To meet budget savings	Equality analysis undertaken	Transport - negative impact	Not applicable	4	3	12
7 Reducing usage by implementing eligibility criteria for provision of council-funded transport, rationalisation of the number of vehicles for day services, and ensuring best market rates for services. As there are strong links to the transport service review, proposed savings levels may change following conclusion of that review.			Select a service				
			Select a service				
			Select a service				
2013/14 Transitions 2014/15 Transitions 2015/16 2016/17	To meet budget savings	Equality analysis undertaken	Children's Social Care - negative impact	Not applicable	3	3	9
8 Reducing the cost of support for young people transitioning from Children's Social Care to Adult Social Care			Housing Benefits - negative impact				
			Select a service				
			Select a service				
2013/14 Monitoring high value (1-to-1) and high cost placements 2014/15 Monitoring high value (1-to-1) and high cost placements 2015/16 2016/17	To meet budget savings	Equality analysis undertaken	Legal Services - negative impact	Not applicable	4	3	12
9 Reduction and monitoring of high value/high cost placements			Select a service				
			Select a service				
			Select a service				
2013/14 Optimise block and spot contracts (additional ASC38) 2014/15 2015/16 2016/17	To meet budget savings	Equality analysis to be undertaken	Select a service	Not applicable	4	2	8
10 Optimising the use of block and spot contracts. Standardising rates through the development of an Approved Provider List will generate savings (additional - ASC38)			Select a service				
			Select a service				
			Select a service				

SERVICE:		Adult Social Care		FURTHER PLANNING ASSUMPTIONS					
		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS							
		2013/14		2014/15		2015/16		2016/17	
	11	Fanon & Imagine MH contract (ASC35)		11		11		11	
	12	CADL's (complex equipment) - (ASC36)		12		12		12	
	13	Brokerage Efficiencies (ASC34); Mental Health Placements (ASC42)		13	Mental Health Placements (ASC54); Brokerage Efficiency Savings (CH03)	13	Brokerage Efficiency Savings (CH03)	13	Brokerage Efficiency Savings (CH03)
	14			14	Restructuring Supporting People (CH11)	14		14	
	15			15	Voluntary Sector grants - reduction in infrastructure (ASC51)	15		15	
	16			16	Voluntary Organisations - SLA reduction (CH06)	16		16	
	17			17	Commissioning management restructure (ASC52)	17		17	
	18	Procurement Efficiencies (ASC43)		18	Procurement Efficiencies (ASC55)	18	Procurement Opportunities (CH10)	18	Procurement Opportunities (CH10)
	19			19	Meals on wheels contract saving (ASC53)	19		19	
	20			20	Remodelling of reablement service (ASC44)	20		20	

ACTION PLAN

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

	DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:				Likelihood	Risk Impact	Score
			Equalities	Other services (maximum of 3)	Sustainability	Score			
Project 11	2013/14 Fanon & Imagine MH contract (ASC35) 2014/15 2015/16 2016/17 Amalgamation of two similar services into one service to avoid duplication and deliver efficiencies.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	2	1	2	
Project 12	2013/14 CADL's (complex equipment) - (ASC36) 2014/15 2015/16 2016/17 New contract with an integrated Procurement Hub hosted by Croydon Council to deliver best value solutions and equipment price.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	3	1	3	
Project 13	2013/14 Brokerage Efficiencies (ASC34); Mental Health Placements (ASC42) 2014/15 Mental Health Placements (ASC54); Brokerage Efficiency Savings (CH03) 2015/16 Brokerage Efficiency Savings (CH03) 2016/17 Brokerage Efficiency Savings (CH03) Care and support packages will be negotiated and brokered to deliver the best value solution based on assessed need.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	4	2	8	
Project 14	2013/14 2014/15 Restructuring Supporting People (CH11) 2015/16 2016/17 Continuing the mainstreaming of the procurement process and reducing overall expenditure within these contracts.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	4	2	8	
Project 15	2013/14 2014/15 Voluntary Sector grants - reduction in infrastructure (ASC51) 2015/16 2016/17 Delivering efficiencies through reduction in voluntary organisations' overheads and backoffice costs.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	4	2	8	
Project 16	2013/14 2014/15 Voluntary Organisations - SLA reduction (CH06) 2015/16 2016/17 Delivering efficiencies through reduction in voluntary organisations' overheads and back office costs, or reductions in demand for statutory services.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	4	2	8	
Project 17	2013/14 2014/15 Commissioning management restructure (ASC52) 2015/16 2016/17 Streamlining commissioning and procurement process.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	3	1	3	
Project 18	2013/14 Procurement Efficiencies (ASC43) 2014/15 Procurement Efficiencies (ASC55) 2015/16 Procurement Opportunities (CH10) 2016/17 Procurement Opportunities (CH10) Delivering efficiencies through contract negotiations.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	4	2	8	
Project 19	2013/14 2014/15 Meals on wheels contract saving (ASC53) 2015/16 2016/17 Delivering efficiencies through contract negotiations.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	4	2	8	
Project 20	2013/14 2014/15 Remodelling of reablement service (ASC44) 2015/16 2016/17 The service will be remodelled to reduce/eliminate down time and match hours more closely with customer needs.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	4	2	8	

SERVICE:		Adult Social Care		FURTHER PLANNING ASSUMPTIONS					
		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS							
		2013/14		2014/15		2015/16		2016/17	
	21		21	Reablement (outcome - care packages) - ASC45	21		21		
	22		22	Promoting Independence (CH02)	22	Promoting Independence (CH02)	22		Promoting Independence (CH02)
	23	Reviewed Service Packages (ASC39)	23	Reviewed Service Packages (ASC46)	23		23		
	24	Care-tech contract budget reduction (ASC37)	24		24		24		
	25	Monitoring high value (1:1) and high cost placements (domiciliary) (ASC40)	25		25		25		
	26		26	Additional Reablement Funding (PCT) - (ASC47)	26		26		
	27		27	Access & Assessment staffing restructure (ASC48 and CH04)	27		27		Access & Assessment staffing restructure (CH04)
	28		28	Transport efficiencies/Transport (ASC49 and CH08)	28		28		
	29	Direct Provisions - staffing restructure (ASC41)	29	Direct Provisions - staffing restructure (CH07 and ASC50)	29		29		
	30		30		30	Below inflation uplift to third party suppliers (CH01)	30		Below inflation uplift to third party suppliers (CH01)

ACTION PLAN

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

	DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:				Likelihood	Risk Impact	Score
			Equalities	Other services (maximum of 3)	Sustainability	Score			
Project 21	2013/14 2014/15 Reablement (outcome - care packages) - ASC45 2015/16 2016/17 Reduced reablement outcome care packages	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	4	3	12	
Project 22	2013/14 2014/15 Promoting Independence (CH02) 2015/16 Promoting Independence (CH02) 2016/17 Promoting Independence (CH02) Public Value Review - Efficiencies to be found in hospital discharge process and customers to be enabled to regain and main independence.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	4	2	8	
Project 23	2013/14 Reviewed Service Packages (ASC39) 2014/15 Reviewed Service Packages (ASC46) 2015/16 2016/17 Review of care packages with a view to an overall average reduction in line with promoting independence.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	4	3	12	
Project 24	2013/14 Care-tech contract budget reduction (ASC37) 2014/15 2015/16 2016/17 Current budget for servicing hoists to be reduced.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	2	2	4	
Project 25	2013/14 Monitoring high value (1:1) and high cost placements (domiciliary) (ASC40) 2014/15 2015/16 2016/17 Monitoring high value (1:1) and high cost placements (Domiciliary).	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	5	3	15	
Project 26	2013/14 2014/15 Additional Reablement Funding (PCT) - (ASC47) 2015/16 2016/17 Additional one-off funding from PCT to support health related social care services.	To meet budget savings	No impact	No impact	Not applicable	3	2	6	
Project 27	2013/14 2014/15 Access & Assessment staffing restructure (ASC48 and CH04) 2015/16 2016/17 Access & Assessment staffing restructure (CH04) Access and Assessment - staffing restructure.	To meet budget savings	Select one	No impact	Not applicable	4	2	8	
Project 28	2013/14 2014/15 Transport efficiencies/Transport (ASC49 and CH08) 2015/16 2016/17 Day service staff to become responsible for collecting customers and taking them home.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	3	2	6	
Project 29	2013/14 Direct Provisions - staffing restructure (ASC41) 2014/15 Direct Provisions - staffing restructure (CH07 and ASC50) 2015/16 2016/17 Direct Provisions - staffing restructure.	To meet budget savings	Select one	No impact	Not applicable	3	2	6	
Project 30	2013/14 2014/15 2015/16 Below inflation uplift to third party suppliers (CH01) 2016/17 Below inflation uplift to third party suppliers (CH01) Continue the below inflation uplift. This will be a total of 7 years at 0% or below inflation uplift.	To meet budget savings	Equality analysis to be undertaken	No impact	Not applicable	6	3	18	

SERVICE:		Adult Social Care		FURTHER PLANNING ASSUMPTIONS					
		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS							
		2013/14		2014/15		2015/16		2016/17	
		31		31		31		31	Realise benefits of new prevention programme (CH05)
		32		32		32	Remodelling and re-procuring the domiciliary care service (CH09)	32	
		33		33		33		33	
		34		34		34		34	
		35		35		35		35	
		36		36		36		36	
		37		37		37		37	
		38		38		38		38	
		39		39		39		39	
		40		40		49		40	

ACTION PLAN

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

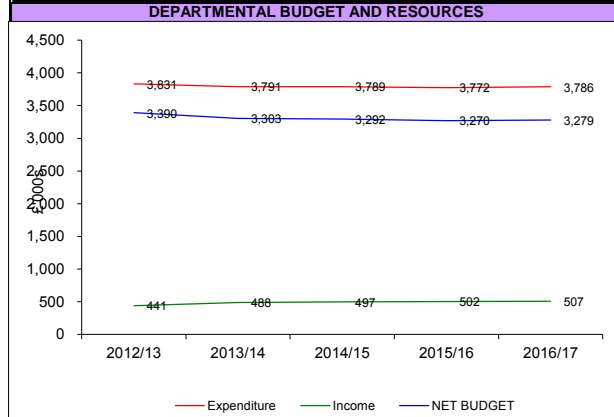
DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:				Likelihood	Risk Impact	Score
		Equalities	Other services (maximum of 3)	Sustainability				
2013/14 2014/15 2015/16 2016/17 Realise benefits of new prevention programme (CH05) Project 31 Realise benefits of new prevention programme in terms of reduced demand 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.	To meet budget savings	Equality analysis to be undertaken	No impact Select a service Select a service	Not applicable	4	2	8	
2013/14 2014/15 2015/16 Remodelling and re-procuring the domiciliary care service (CH09) 2016/17 Project 32 Remodelling and re-procuring the domiciliary care service, following the end of the 3 year contract starting in 2012.	To meet budget savings	Equality analysis to be undertaken	No impact Select a service Select a service	Not applicable	4	2	8	
2013/14 2014/15 2015/16 2016/17 Project 33 [Empty description box]	To meet budget savings	Select one	Select a service Select a service Select a service	Select one	0	0	0	
2013/14 2014/15 2015/16 2016/17 Project 34 [Empty description box]	Select one major outcome	Select one	Select a service Select a service Select a service	Select one	0	0	0	
2013/14 2014/15 2015/16 2016/17 Project 35 [Empty description box]	Select one major outcome	Select one	Select a service Select a service Select a service	Select one	0	0	0	
2013/14 2014/15 2015/16 2016/17 Project 36 [Empty description box]	Select one major outcome	Select one	Select a service Select a service Select a service	Select one	0	0	0	
2013/14 2014/15 2015/16 2016/17 Project 37 [Empty description box]	Select one major outcome	Select one	Select a service Select a service Select a service	Select one	0	0	0	
2013/14 2014/15 2015/16 2016/17 Project 38 [Empty description box]	Select one major outcome	Select one	Select a service Select a service Select a service	Select one	0	0	0	
2013/14 2014/15 2015/16 2016/17 Project 39 [Empty description box]	Select one major outcome	Select one	Select a service Select a service Select a service	Select one	0	0	0	
2013/14 2014/15 2015/16 2016/17 Project 40 [Empty description box]	Select one major outcome	Select one	Select a service Select a service Select a service	Select one	0	0	0	

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Housing Needs and Enabling Services		PLANNING ASSUMPTIONS					Corporate strategies your service contributes to			Workforce Development							
Cllr Nick Draper Cabinet Member for Community & Culture		Anticipated demand		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand								
Enter a concise description of your main activities/objectives below:		Housing Advice, Options, Private Tenants & Landlords advice.					11500	11750	12000	12000	12000	Customer demand - external		Homelessness Strategy			
		Housing Register Applicants					8250	9400	10500	11700	12800	Customer demand - external		Housing Strategy			
		Housing Options Casework					1200	1450	1250	1200	1200	Customer demand - external					
		Demand for Temporary Accommodation					300	300	300	300	300	Customer demand - external					
		To fulfil statutory housing functions to prevent homelessness and avoid the use of temporary accommodation. To plan services in response to changes in national policies and in the housing market, and to develop innovative projects or models of delivery that maximise use of resources and deliver services that minimise costs to the council.		Anticipated supply		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply						
				Staff (FTE)					25.5	26.5	26.5	24.5	24.5	Legal			
The purpose of this service is to: - Prevent homelessness in accordance with statutory housing law - Provide homes to people in housing need - Plan for the future delivery of housing via general conformity with the London Housing Strategy. - Formulate and deliver statutory housing strategies for the borough - Maintain the Housing Register and Choice Based Lettings process and nominate households to vacant housing association homes - Maximise supply of affordable homes with registered providers - Provide care and housing support to vulnerable adults.		Performance Indicator					Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met		
		2012/13	2013/14	2014/15	2015/16	2016/17											
		No. of Homelessness Preventions		525	550	550	550	550	High	Monthly	Business critical	Increased costs					
		Households in Temporary Accommodation		87	100	100	100	100	Low	Monthly	Business critical	Increased costs					
		Highest no. of families in B&B		10	10	10	10	10	Low	Monthly	Business critical	Increased costs					
		Highest no. of adults in B&B		7	7	7	7	7	Low	Monthly	Business critical	Increased costs					
		Affordable Homes delivered		120	150	50	30	30	High	Annual	Outcome	Reputational risk					
		Social Housing Lets		420	430	390	370	370	High	Quarterly	Outcome	Increased waiting times					
		Rent deposit - new tenancies		125	90	90	90	90	High	Annual	Outcome	Increased waiting times					
DEPARTMENTAL BUDGET AND RESOURCES		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD															
<p>£'000s</p> <p>2012/13 2013/14 2014/15 2015/16 2016/17</p> <p>— Expenditure — Income — NET BUDGET</p>		Project	2013/14		Project	2014/15		Project	2015/16		Project	2016/17					
		1	Respond to changes in Homelessness Law		1			1			1						
		2	Shared Lives Optimisation		2	Shared Lives Optimisation		2			2						
		3	Deliver agreed actions arising from Target Operating Model		3	Deliver agreed actions arising from Target Operating Model		3	Deliver agreed actions arising from Target Operating Model		3	Deliver agreed actions arising from Target Operating Model					
		4	Maximise use of Private Rented Sector		4	Maximise use of Private Rented Sector		4	Maximise use of Private Rented Sector		4	Maximise use of Private Rented Sector					
		5	Social rented model for older and vulnerable owner-occupiers		5			5			5						
		6	Social enterprise for Private Rented Sector		6			6			6						
		7	Homelessness Strategy		7			7			7						
		8	Review Temporary Accommodation Strategy		8			8			8						
		9	Liaison with MPH to ensure delivery of promises and transfer agreement		9	Liaison with MPH to ensure delivery of promises and transfer agreement		9	Liaison with MPH to ensure delivery of promises and transfer agreement		9	Liaison with MPH to ensure delivery of promises and transfer agreement					
		10			10			10			10						
Revenue Budget £'000s		2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS					2013/14	2014/15	2015/16	2016/17		
Expenditure		2,661	2,790	2,712	2,726	2,740	42	Deletion of 1 Strategy Officer post		92	Homelessness Prevention grant						
Employees		1,009	962	962	962	962											
Premises		37	1	1	2	2											
Transport		18	18	18	19	19											
Supplies and Services		277	190	194	198	202											
3rd party payments		604	909	918	927	936											
Transfer Payments		480	480	388	388	388											
Support services		235	230	230	230	230											
Depreciation		0	0	0	0	0											
Income		1,162	832	833	835	833											
Government grants		1,001	798	798	798	798											
Other reimbursements		0	0	0	0	0											
Customer and client receipts		30	34	35	37	35											
Reserves		130	0	0	0	0											
Capital Funded																	
NET BUDGET		1,499	1,958	1,879	1,891	1,907	42			92	0					0	
Capital Budget		2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)										
Western Road		1,013	316	TBC	TBC		Western Road - sum to be entered as soon as financial information finalised.										

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT								
Housing Needs and Enabling Services		MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
PROJECT DESCRIPTION	Equalities		Select up to 3 services	Sustainability	Likelihood	Impact	Score	
1	2013/14 Respond to changes in Homelessness Law Respond to changes to Homelessness Law and discharge of duty to Private Rented Sector that will be delivered through the Localism Act 2012 and deliver actions accordingly.	To meet legislative requirements	Equality analysis to be undertaken	Adult Social Care - positive impact Children's Social Care - positive impact Housing Benefits - neutral impact	Not applicable	2	2	4
2	2013/1 Shared Lives Optimisation Optimise the use of Shared Lives thereby reducing the placements in residential care and associated spend by £350k each year for three years (total cost reduction of £1050k to Adult Social Care budget)	To meet budget savings	No impact	Adult Social Care - positive impact Commissioning, Strategy and Performance - positive impact Select a service	Not applicable	3	3	9
3	2013/17 Deliver agreed actions arising from Target Operating Model Deliver any actions arising from the TOM process once they have been agreed.	More efficient way of working	Equality analysis to be undertaken	Housing Needs and Enabling Services - positive impact Merton Link and Contact Centre - negative impact IT Service delivery - neutral impact	Not applicable	2	2	4
4	2013/17 Maximise use of Private Rented Sector Increase housing supply in Private Rented Sector (PRS) by continuing to consider and implement new and innovative ways to maximise use of the private sector housing market including maximising rehousing through empty homes grants.	More efficient way of working	No impact	Adult Social Care - positive impact Adult Social Care - positive impact Housing Benefits - positive impact	Not applicable	2	3	6
5	2013/14 Social rented model for older and vulnerable owner-occupiers Explore feasibility of a social rented model for older and vulnerable owner-occupiers; Under-occupiers to access social rented supported housing, in return for letting their homes to homeless households.	More efficient way of working	Equality analysis to be undertaken	Adult Social Care - positive impact Select a service Select a service	Not applicable	1	1	1
6	2013/14 Social enterprise for Private Rented Sector Explore feasibility of developing a social enterprise for the PRS, examining different models of social letting agents and consider the best one to establish Merton as the "agent of choice" for PRS Landlords, thus seeking to minimise the risks of other LA housing services taking advantage of PRS lets in Merton.	More efficient way of working	No impact	Housing Benefits - positive impact Legal Services - positive impact Property - positive impact	Not applicable	1	1	1
7	2013/14 Homelessness Strategy Deliver Homelessness Strategy 2014 - 2017	To meet legislative requirements	Equality analysis to be undertaken	Adult Social Care - positive impact Children's Social Care - positive impact Select a service	Not applicable	1	3	3
8	2013/14 Review Temporary Accommodation Strategy Review demand and supply of Temporary Accommodation and the impact of welfare reform.	More efficient way of working	Equality analysis to be undertaken	Housing Needs and Enabling Services - neutral impact Adult Social Care - positive impact Children's Social Care - positive impact	Not applicable	2	2	4
9	2013/17 Liaison with MPH to ensure delivery of promises and transfer agreement Liaise with Merton Priory Homes (MPH) to ensure delivery of promises contained in offer document and ensure MPH's compliance with the transfer agreement.	Income generation	No impact	Accountancy - positive impact Property - positive impact Legal Services - positive impact	Not applicable	2	2	4
10								

Libraries	PLANNING ASSUMPTIONS						Corporate strategies your service contributes to		Workforce Development	
Cllr Nick Draper Cabinet Member for Community & Culture	Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand			
Enter a concise description of your main activities/objectives below:	Active users	54,000	54,000	54,500	55,000	56,000	Customer demand - external		Community Plan	
The purpose of the service is to provide a 'comprehensive and efficient' library service, addressing the 'needs of adults and children', according to the Public Libraries and Museums Act 1964.	Stock issues	1,000,000	1,050,000	1,100,000	1,100,000	1,100,000	Customer demand - external		Corp Equality Scheme	
	Registered members	120,000	125,000	130,000	135,000	135,000	Customer demand - external		Customer Services Strategy	
	Visitor figures	1,100,000	1,150,000	1,150,000	1,200,000	1,200,000	Customer demand - external		Select Strategy delivery	
	Local authorities have a statutory duty to make provision for a library service but may decide on how this is delivered.	Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply		Voluntary Sector Strategy
Certain aspects of the service must be provided for free: • Free lending of books • Free access to information • Free library membership	Staff (FTE)	47	46	46	46	46	Social		Performance Management Framework	
	Accommodation (Libraries)	7	7	7	7	7	Social		ICT Policy	
	Equipment (PC's)	144	144	129	129	129	Social		Performance Management Framework	
The Library Service aims to provide a modern, high quality and cost effective service that is responsive to the needs of customers.	Performance Indicator	Performance targets (indicate if % target)				Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met	
	No. of visitors accessing the library service	2012/13	2013/14	2014/15	2015/16	2016/17	High	Monthly	Business critical	Reduced uptake of service
	Active users	95,000	110,000	115,000	125,000	135,000	High	Monthly	Business critical	Reduced uptake of service
	% Self-service usage for stock transactions	54,000	54,000	54,500	55,000	56,000	High	Monthly	Outcome	Increased costs
	Active volunteers in libraries	95	95	95	95	95	High	Monthly	Business critical	Customer hardship
	Maintain income	143	180	180	180	180	High	Monthly	Unit cost	Increased costs
	Partnership numbers	£282,570	→	→	→	→	High	Monthly	Quality	Customer hardship
	% Customer satisfaction (ARS)	20	25	30	30	30	High	Monthly	Outcome	Reduced customer service
		78	78	78	78	78	High	Annual	Outcome	



BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	E-communications Strategy	1	E-communications Strategy	1		1	
2	Heritage projects	2	Heritage projects	2		2	
3	Stock efficiency program	3	Stock efficiency program	3	Stock efficiency program	3	
4	Children and Young People's projects	4	Children and Young People's projects	4	Children and Young People's projects	4	
5	Outreach and Community Engagement Plan	5	Outreach and Community Engagement Plan	5	Outreach and Community Engagement Plan	5	Outreach and Community Engagement Plan
6	IT Projects	6	IT projects	6		6	
7	Assisted Digital Support	7	Assisted Digital Support	7		7	
8		8		8	Security Services Contract	8	
9	Library Redevelopments	9	Library Redevelopments	9	Library Redevelopments	9	Library Redevelopments
10	London Libraries Consortium	10	London Libraries Consortium	10	London Libraries Consortium	10	London Libraries Consortium

Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS							
Expenditure	3,831	3,791	3,789	3,772	3,786	2013/14		2014/15		2015/16		2016/17	
Employees	1,337	1,319	1,309	1,309	1,310	13	Completion of changes to opening hours, rationalisation of a number of small contracts and increase in income. Includes some elements of capital rationalisation on Media Fund.	10	Completion of changes to opening hours, rationalisation of a number of small contracts and increase in income. Includes some elements of capital rationalisation on Media Fund.				
Premises	349	418	423	429	435								
Transport	3	3	3	3	3								
Supplies and Services	559	618	618	594	600								
3rd party payments	105	66	68	69	70								
Transfer Payments	0	0	0	0	0								
Support services	907	814	814	814	814								
Depreciation	571	553	553	553	553								
Income	441	488	497	502	507								
Government grants	0	0	0	0	0								
Other reimbursements	82	120	120	120	120								
Customer and client receipts	359	343	352	357	362								
Reserves	0	25	25	25	25								
Capital Funded	0	0	0	0	0								
NET BUDGET	3,390	3,303	3,292	3,270	3,279	13		10		0		0	
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)							
	34				550								

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
Libraries							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
<p>2013/15 E-communications Strategy</p> <p>1 Continue to channel shift communications through to digital methods: 1. Channel shift more customers towards receiving e-mail and SMS notifications; 2. Issue a quarterly customer e-newsletter; 3. Develop a library application for mobile phones; 4. Continue to develop library website</p>	More efficient way of working	No impact	Libraries - positive impact Whole organisation - positive impact	Community outreach	2	2	4
<p>2013/15 Heritage projects</p> <p>2 Monitor the Heritage Strategy and deliver expected outcomes. Complete Heritage Lottery Funded digitisation project 'Merton Memories' and launch new heritage website. Increase income from heritage services by providing online sales facilities.</p>	Improved customer satisfaction	No impact	Libraries - positive impact	Opportunity for sustainable education	2	2	4
<p>2013/16 Stock efficiency program</p> <p>3 Complete Stock Team review and complete implementation of direct delivery of stock. Increase usage of automated stock procurement systems to drive down cost and improve the quality of stock selection.</p>	Select one major outcome	Equality analysis undertaken	Libraries - positive impact	Other resource reduction	2	1	2
<p>2013/16 Children and Young People's projects</p> <p>4 Introduce a universal library membership scheme for all school children and students in Merton. Increase engagement with young people by establishing youth panels at libraries.</p>	Improved resident well being	Equality analysis undertaken	Schools, Standards and Quality - positive impact Libraries - positive impact	Community outreach	2	2	4
<p>2013/17 Outreach and Community Engagement Plan</p> <p>5 Deliver an annual outreach plan to increase usage of libraries. Conduct annual Public Library User Surveys (PLUS) and conduct research and engagement work with under represented groups and shape services accordingly,</p>	Improved customer satisfaction	Equality analysis undertaken	Whole organisation - positive impact Libraries - positive impact	Community outreach	2	2	4
<p>2013/16 IT Projects</p> <p>6 Complete rollout of wi-fi services and new public PC's. Implement new technology solution for staff workstations following review.</p>	Improved customer satisfaction	No impact	Whole organisation - positive impact Libraries - positive impact	Opportunity for sustainable education	3	2	6
<p>2013/15 Assisted Digital Support</p> <p>7 Increase volunteer numbers and skills in supporting customers with more complex IT needs. Increase partnership numbers to support the assisted digital agenda and link in with other council and partner services. Complete staff IT skills analysis and put development plans in place.</p>	Improved resident well being	No impact	Whole organisation - positive impact Libraries - positive impact	Opportunity for sustainable education	2	1	2
<p>2015/16 Security services contract</p> <p>8 Re-tender of contract and ongoing monitoring of current performance against contract.</p>	More efficient way of working	No impact	Libraries - neutral impact	Not applicable	3	2	6
<p>2013/17 Library Redevelopments</p> <p>9 Progress redevelopment plans at Wimbledon, Mitcham, Donaid Hope and West Barnes libraries. Investigate co-location opportunities with other council services and partners.</p>	Improved customer satisfaction	Equality analysis to be undertaken	Libraries - positive impact Property - positive impact	Not applicable	3	2	6
<p>2013/17 London Libraries Consortium</p> <p>10 Work with LLC to improve systems and drive through efficiencies. Re-tendering of LLC contracts 2014/15.</p>	More efficient way of working	No impact	Libraries - positive impact	District networks	3	2	6

Merton Adult Education		PLANNING ASSUMPTIONS						Corporate strategies your service contributes to		Workforce Development				
Cllr Martin Whelton Cabinet Member for Education		Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand						
Enter a concise description of your main activities/objectives below:														
Our vision is to enrich lives through learning and our mission is to provide high quality qualification and personal development learning responsive to the diverse needs of our communities. It is our ambition for Merton Adult Education to become an innovator and the college of choice for our community.		Number of accredited learners	1000	1000	1000	1000	1000	Customer demand - external		Medium Term Financial Strategy	N/A			
We are committed to providing the best learning experience for our students, deliver an excellent service to our customers, maximise partnership opportunities, remain financially viable, achieve our Skills Funding Agency contractual targets and develop a range of income generating commercial products.		Number of Personal Development Learners	3000	3000	3000	3000	3000	Customer demand - external		Community Plan	N/A			
		Number of commercial Learners	New	300	500	600	600	Customer demand-external		Community Plan	N/A			
		Number of commercial Learners	New	300	500	600	600	Customer demand-external		Medium Term Financial Strategy	N/A			
Our strategic objective is to increase the skills, knowledge and educational attainment of adults through the provision of a range of accredited and non accredited courses. The course offer is developed in response to both government priority targets and responding to emerging local needs. A range of courses are delivered within the following departments, English & Maths, ESOL, IT, Mind & Body, Early Years, Foreign Languages, NEET, Family Learning, Neighbourhood Learning for Deprived Communities, Fitness, Art & Craft and Employability.		Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply						
		Staff (FTE)	154	148	146	146	146	Select key driver						
								Select key driver						
								Select key driver						
		Performance Indicator	Performance targets (indicate if % target)				Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met				
			2012/13	2013/14	2014/15	2015/16	2016/17							
		Number of accredited learners	1000	1000	1000	1000	1000	High	Monthly	Business critical	Loss of income			
		Number of Personal Development Learners	3000	3000	3000	3000	3000	High	Monthly	Business critical	Loss of income			
		% Achievement Rate	95%	95%	96%	96%	96%	High	Monthly	Outcome	Government intervention			
		% Retention Rate	87%	87%	88%	88%	88%	High	Monthly	Outcome	Government intervention			
		% Success Rate	83%	83%	84%	84%	84%	High	Monthly	Outcome	Government intervention			
		Income Target	612890	662890	732890	732890	732890	High	Monthly	Business critical	Loss of income			
		Number of commercial learners	New	300	500	600	600	High	Monthly	Business critical	Loss of income			
DEPARTMENTAL BUDGET AND RESOURCES		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD												
<p>£'000s</p> <p>2012/13 2013/14 2014/15 2015/16 2016/17</p> <p>— Expenditure — Income — NET BUDGET</p>		Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17					
		1	Service re-configuration to support delivering to a commercial model	1		1		1		1				
		2		2		2		2		2				
		3		3		3		3		3				
		4		4		4		4		4				
		5		5		5		5		5				
		6		6		6		6		6				
		7		7		7		7		7				
		8		8		8		8		8				
		9		9		9		9		9				
		10		10		10		10		10				
Revenue Budget £'000s		2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS							
Expenditure		2,594	2,673	2,595	2,589	2,589	2013/14		2014/15		2015/16		2016/17	
Employees	1,758	1,813	1,753	1,740	1,732					14	Staffing Cost reduction		8	Staffing Cost reduction
Premises	164	141	117	119	122	50	Increase income from Commercial courses & Café	70	Increase income from Commercial courses & Café					
Transport	3	3	3	4	4	18	Reduce Administrative & Marketing costs	10	Reduce Administrative & Marketing costs					
Supplies and Services	351	334	339	344	350	32	Close Canons House site and seek alternative venues without incurring costs	30	Reduce staffing at management Level					
3rd party payments	0	0	0	0	0			26	Close the advice and guidance service					
Transfer Payments	0	0	0	0	0			240	Transfer Whatley Avenue Accommodation					
Support services	232	286	286	286	286			(240)	Reversal of above proposal (Transfer Whatley Avenue Accommodation)					
Depreciation	86	96	96	96	96			20	Income generation					
								20	Staffing Cost reduction					
Income	2,384	2,500	2,599	2,609	2,619									
Government grants	1,817	1,873	1,873	1,873	1,873									
Other reimbursements	3	3	3	3	3									
Customer and client receipts	564	624	723	733	743									
Reserves	0	0	0	0	0									
Capital Funded														
NET BUDGET	210	173	(4)	(20)	(30)	100				14			8	
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)								
	145													

Merton Adult Education							
DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/14 Service re-configuration to support delivering to a commercial model 1 staff restructure to ensure roles are more aligned with increasing commercial income.	Income generation	No impact	Whole organisation - no impact	Not applicable	1	1	1
2							
3							
4							
5							
6							
7							
8							
9							
10							

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Corporate Services Department

Business Improvement	PLANNING ASSUMPTIONS						Corporate strategies your service contributes to		Workforce Development			
	Anticipated demand		Key drivers of demand									
	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply						
Cllr Mark Allison Cabinet Member for Finance Operate as a Centre of Excellence for project and programme management, raising the capacity of the organisation to consistently plan and deliver programmes successfully. Embed a culture of continuous business improvement within the organisation through the provision of tools, techniques, advice and support – including but not limited to lean. Manage and deliver adhoc projects and programmes of work at the direction of CMT and M2015 Board. Lead and deliver a coordinated programme of PVRs and reactive service reviews to deliver efficiencies and improve customer satisfaction. Operating as PMO, ensure that all transformational activity is directed and monitored through M2015 and CMT so that resources, dependences, risks and issues are managed effectively and benefits – aligned to organisational objectives – are realised. Work with businesses and I&T to establish – under the direction of CMT – the strategic. Establish a Technical Design Authority, ensuring the organisation takes a coordinated and planned approach to systems implementation that complies with and drives agreed corporate strategy, standards and supportability. Proactively advise businesses of opportunities to exploit emerging technologies and to leverage existing systems investments for improved business efficiency and service. Provide support to the business for operational and maintenance related tasks for applications including upgrades, housekeeping, periodic scheduled tasks and batch processing, thus sustaining business continuity: availability, performance, and capability of the systems.	Core Service requests (days)		4500	4400	3960	3520	3080	Customer demand - internal		Customer Services Strategy	Learning & Dev.	
	Non-Core Service requests (days)		2000	2000	1800	1620	1450	Customer demand - internal		ICT Policy		
	PVRs (days)		300	600	600	600	300	Customer demand - internal		Capital Programme		
	Projects /programmes (days)		N/A	700	700	500	500	Customer demand - internal				
	Anticipated supply		2012/13	2013/14	2014/15	2015/16	2016/17					
	Staff - programme office		7FTE	8FTE	5FTE	4FTE	4FTE	Economic				
	Staff - systems improvement		24FTE	24FTE	24FTE	24FTE	24FTE	Economic				
	Systems (No. supported)		150	145	130	100	95	Technological				
Performance Indicator	Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met			
	2012/13	2013/14	2014/15	2015/16	2016/17							
	Systems availability		N/A	80%	90%	90%	90%	High	Monthly	Business critical	Reduced service delivery	
Percentage of bespoke systems		55%	50%	40%	30%	30%	Low	Quarterly	Business critical	Increased costs		
% systems integrated (where required)		50%	60%	70%	80%	85%	High	Quarterly	Business critical	Reduced service delivery		
% projects completed on time & within budget		N/A	85%	85%	85%	85%	High	Quarterly	Quality	Political risk	Reduced service delivery	
Satisfaction with projects/interventions (where measured)		75%	85%	90%	90%	90%	High	Quarterly	Perception	Political risk	Rework	
% teams with a working Info Centre		40%	75%	80%	85%	90%	High	Quarterly	Output	Reduced service delivery	Rework	
Training courses delivered in MAP		0	4	4	4	4	High	Quarterly	Output	Poor decision making	Rework	

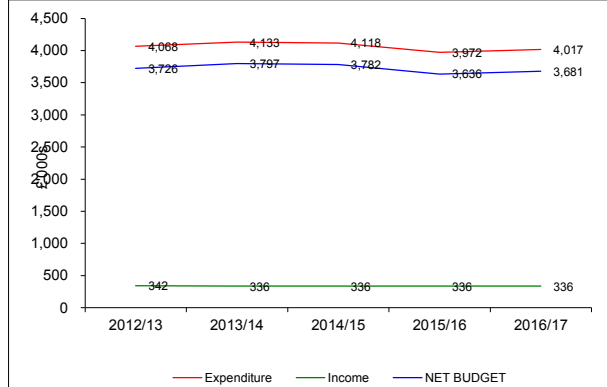
DEPARTMENTAL BUDGET AND RESOURCES	BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD												
	Project	2013/14		Project	2014/15		Project	2015/16		Project	2016/17		
	1	PVR Programme			1	PVR Programme			1	PVR Programme			1
	2	IT strategy (refresh)			2	IT strategy			2	IT strategy			2
	3	Customer Contact Programme			3	Customer Contact Programme			3	Customer Contact Programme			3
	4	GIS Strategy			4	GIS Strategy			4				4
	5	Electronic Document and Records Management System			5	Electronic Document and Record Management System			5				5
	6	Service review and improvement programme			6	Service review and improvement programme			6	Service review and improvement programme			6
	7	System Architecture Design			7	System Architecture Implementation			7	System Architecture Implementation			7
	8	Portfolio design and implementation			8				8				8
	9				9				9				9
	10				10				10				10

Revenue Budget £'000s						ACTIONS AND SAVINGS							
2012/13	2013/14	2014/15	2015/16	2016/17	2016/17	2013/14		2014/15		2015/16		2016/17	
Expenditure	2,053	1,853	1,808	1,774	1,789								
Employees	1,411	1,477	1,417	1,367	1,367			50	CS1	50	CS1		
Premises								5	CS3	5	CS3		
Transport	3	3	3	3	3			10	CS4				
Supplies and Services	338	34	49	65	80								
3rd party payments													
Support services	301	339	339	339	339								
Depreciation													
Income	0	0	5	10	10								
Government grants													
Other reimbursements													
Customer and client receipts			5	10	10								
Reserves													
Capital Funded													
NET BUDGET	2,053	1,853	1,803	1,764	1,779	0	65		55		0		
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)							
Parking system	46												
Document management		170	570										
Customer contact		127	658										

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
Business Improvement							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/16 PVR Programme 1 Coordinate and lead 3-year programme of Public Value Reviews for all services.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	3	9
2013/17 IT strategy (refresh) 2 Refresh the IT strategy to ensure fit for purpose to support and enable delivery of TOMs and drive delivery against Merton 2015 and then coordinate and lead on delivery.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	3	9
2013/16 Customer Contact Programme 3 Lead and deliver CC programme; to deliver improvements (technology and service redesign) set out in CC Strategy.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	4	3	12
2013/15 GIS Strategy 4 Review and implement GIS Strategy to support CC Programme.	Improved customer satisfaction	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	4	2	8
2013/15 Electronic Document and Records Management System 5 Secure support for and implement a replacement ED RMS to support and enable flexible/remote working and Customer Contact.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	5	3	15
2013/16 Service review and improvement programme 6 Proactive and reactive service reviews - under the direction of M2015B and CMT - to ensure business processes are efficient and customer-focused.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	2	6
2013/16 System Architecture Design 7 Plan and define systems architecture and implement; incorporates establishing appropriate governance to manage and control implementation and maintenance.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - negative impact	Not applicable	5	3	15
2013/14 Portfolio design and implementation 8 Clarify cross-cutting programmes and projects for governance by the Merton 2015 Board and ensure appropriate monitoring and control is in place to provide assurance on delivery and achievement of benefits.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - neutral impact	Not applicable	4	2	8
9							
10							

Corporate Governance		PLANNING ASSUMPTIONS						Corporate strategies your service contributes to		Workforce Development								
Cllr Mark Allison Cabinet Member for Finance		Anticipated demand		2012/13		2013/14		2014/15		2015/16		2016/17		Key drivers of demand		Corporate strategies your service contributes to		Workforce Development
Corporate Governance is made up of 7 core services: Information Governance - manages complaints, MP & Member enquiries, Freedom of Information requests, ensuring organisational compliance with Data Protection Act and the Transparency agenda, including maintaining the Publication Scheme. Also provides the Local Land Charges function. Internal Audit - provides independent, objective appraisal of risk management, governance & internal control processes and fraud risks including planned & unplanned audits. Safety Services - provides H&S, emergency planning & business continuity service. Investigations - investigates allegations of fraud. Democracy Services - maintains independent scrutiny function, support to Councillors & ensure council has robust decision making arrangements. Electoral Services - maintains registers of electors whilst managing the move to individual electoral registration, administers elections & referendums and undertakes boundary & electoral reviews. There is also the shared Legal service with the London Borough of Richmond.		Residents		205,500	210,300	215,000	219,600	↑	Customer demand - external		Corp Equality Scheme		Learning & Dev.					
		Officers		4081	↓	↓	↓	↓	Customer demand - internal		Customer Services Strategy							
		Councillors		60	60	60	60	60	Customer demand - internal		Risk Management Strategy							
									Select demand driver		Information Governance Policy							
											Corp Procurement Strategy							
		Anticipated supply		2012/13		2013/14		2014/15		2015/16		2016/17		Key drivers of supply		Corporate strategies your service contributes to		Workforce Development
		Staff (FTE)		44.92	43.92	→	→	→	Legal		Performance Management Framework							
		Staff - LALO		6	8	8	8	8	Legal		Civil Contingencies Plan							
		Staff - Election		800	0	900	800	800	Legal		Central Government							
		Staff - canvass		150	150	150	150	150	Legal									
Performance Indicator		Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met								
		2012/13	2013/14	2014/15	2015/16	2016/17												
FOI - dealt with in time		90%	90%	95%	95%	95%	High	Monthly	Perception	Reduced customer service								
Complaints - dealt with in time		95%	90%	95%	95%	95%	High	Monthly	Perception	Reduced customer service								
Public participation in Scrutiny		700	500	700	700	700	High	Quarterly	Quality	Poor decision making								
Audits completed against plan		90%	90%	90%	90%	90%	High	Quarterly	Business critical	Increased fraud								
Audit actions implemented by agreed date		90%	90%	90%	90%	90%	High	Quarterly	Business critical	Increased fraud								
BI sanction target / successful outcomes		70	70	70	SFIS	SFIS	High	Monthly	Outcome	Increased fraud								
Completed planned H&S inspections		60	60	60	60	60	High	Monthly	Outcome	Breach statutory duty								
Priority A H&S actions completed on time		75%	75%	85%	90%	90%	High	Quarterly	Outcome	Breach statutory duty								
No. supplementary agendas issued		30	28	26	24	24	Low	Quarterly	Quality	Rework								

DEPARTMENTAL BUDGET AND RESOURCES



BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	Implement new committee administration package	1		1		1	
2	Prepare for new intake of Councillors	2	Support new intake of Councillors	2		2	
3	Full compliance with the Transparency agenda	3		3		3	
4	Introduce more proactive fraud tests in internal audit work	4		4		4	
5	Cross cutting audits relating to procurement and other matters	5		5		5	
6	Prepare for individual electoral registration (IER), including data matching dry run	6	Start of implementing of IER / data matching	6	First canvass fully under IER	6	Full IER / first election under full IER
7	Prepare for 2014 council & European parliamentary elections	7	Administer 2014 council & European parliamentary elections	7	Administer UK Parliamentary general election	7	Administer GLA elections
8	Move to a web based accident reporting system	8		8		8	
9	Increase scope of Asbestos compliance	9		9		9	
10	Prepare for new working arrangements under Single Fraud Initiative Service (SFIS)	10	Implement new changes to SFIS	10		10	

Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17
Expenditure	4,068	4,133	4,118	3,972	4,017
Employees	2,347	2,414	2,355	2,250	2,250
Premises	5	5	5	5	5
Transport	25	25	26	27	28
Supplies and Services	1,350	1,348	1,391	1,349	1,393
3rd party payments	0	0			
Support services	341	341	341	341	341
Depreciation	0	0			
Income	342	336	336	336	336
Government grants					
Other reimbursements	274	274	274	274	274
Customer and client receipts	68	62	62	62	62
Reserves					
Capital Funded					
NET BUDGET	3,726	3,797	3,782	3,636	3,681
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17
Committee IT system	13				

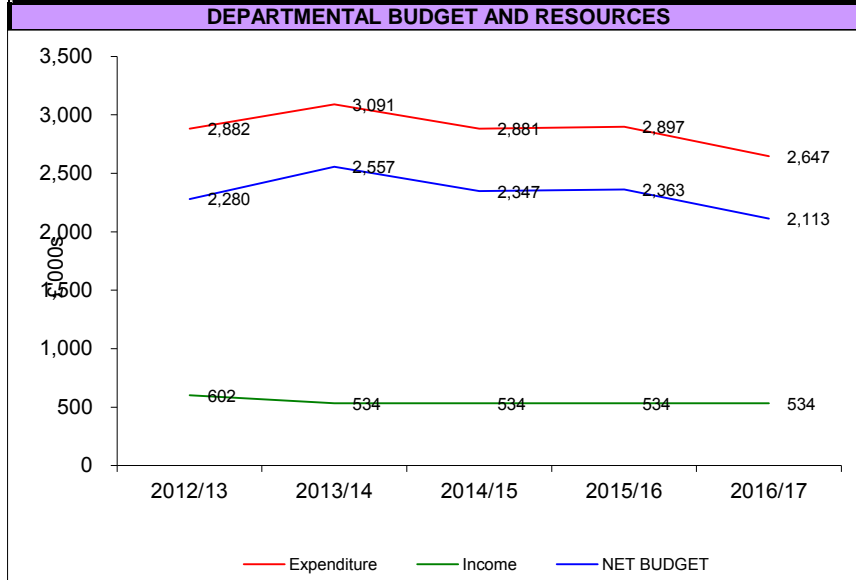
ACTIONS AND SAVINGS							
2013/14		2014/15		2015/16		2016/17	
24	CS54 (2012-15)	18	CS54(2012-15)	30	CS30	0	
1	CS56 (2012-15)	1	CS56(2012-15)	35	CS31		
14	CS59 (2012-15)	40	CS32	40	CS33		
				86	CS34		
39		59		191		0	
Finance Comments (Capital Budget or otherwise)							

Corporate Governance							
DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/14 Implement new committee administration package 1 Ensure that new system is fully embedded and staff trained for full implementation following annual Council meeting in May 2013	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	1	1	1
2013/15 Prepare for new intake of Councillors 2 To prepare information and support for new intake of councillors following May 2014 council elections. To ensure smooth introduction of any consequent changes to decision making structure or process.	Improved customer satisfaction	Equality analysis to be undertaken	Whole organisation - positive impact	Community outreach	1	1	1
2013/14 Full compliance with the Transparency agenda 3 Undertake audit to ensure full compliance	To meet legislative requirements	No impact	Whole organisation - positive impact	Not applicable	3	1	3
2013/14 Introduce more proactive fraud tests in internal audit work 4 To be included in Internal Audit work programmes and audit testing	Improved reputation	No impact	Whole organisation - positive impact Investigations - positive impact	Not applicable	3	2	6
2013/14 Cross cutting audits relating to procurement and other matters 5 Internal Audit reviews to include cross cutting reviews of areas such as procurement, risk management etc.	More efficient way of working	No impact	Whole organisation - positive impact Procurement - positive impact	Not applicable	3	1	3
2013/17 Implement Individual Electoral Registration 6 Prepare for, data match, implement Individual Electoral Registration and hold first election under new system	To meet legislative requirements	Equality analysis to be undertaken	Local Taxation - negative impact Parking - negative impact IT Service delivery - negative impact	Not applicable	1	3	3
2013/17 Administer statutory elections, referendums and ballots 7 Prepare for and administer London borough council and European Parliament elections in 2004, Parliamentary general election in 2015, GLA elections in 2016, and Willow BID ballot in 2014, together with any other ballots that may be required	To meet legislative requirements	No impact	Communications - negative impact Democracy Services - negative impact Merton Link and Contact Centre - negative impact	Not applicable	1	3	3
2013/14 Move to a web based accident reporting system 8 Introduction of a web based accident reporting system to improve reporting and preventative measures implemented. This will be shared with Sutton and Kingston as part of the Trinity project outcomes and will allow us to benchmark in the future	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	4	2	8
2013/14 Increase scope of Asbestos compliance 9 To include all corporate premises and schools	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	3	3	9
2013/15 Prepare for & implement changes to Single Fraud Initiative. 10	To meet legislative requirements	No impact	Whole organisation - positive impact	Not applicable	2	2	4

Customer Services						PLANNING ASSUMPTIONS						Corporate strategies your service contributes to		Workforce Development										
Cllr Mark Betteridge Cabinet Member for Performance & Implementation						Anticipated demand		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand											
<p>There are 5 core services:</p> <p>Local Taxation - responsible for Council Tax & Business Rates collection, Debt recovery & Bailiff collection services;</p> <p>Housing Benefit - responsible for administering housing and council tax benefit schemes & identification and prevention of fraud;</p> <p>Merton Link - first point of contact for most council customers & visitors, through either face to face or via telephone - also provide Translation Services;</p> <p>Registrars - responsible for registration of births & deaths, marriages & civil partnerships, citizenship ceremonies & nationality services;</p> <p>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.</p>						Benefit claimants		16,000	14,000	14,000	14,000	14,000	Customer demand - external			Customer Services Strategy		Learning & Dev.						
						Telephone callers		400,000	500,000	600,000	600,000	600,000	Customer demand - external			Homelessness Strategy								
						Face to face customers		130,000	115,000	100,000	90,000	90,000	Customer demand - external			Medium Term Financial Strategy								
						CTax properties		81,000	82,000	82,500	83,000	83,000	Customer demand - external			Social Inclusion Strategy								
						Anticipated supply		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply											
Staff (FTE)		148.06	↑	↑	→	→	Economic																	
Performance Indicator		Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met														
		2012/13	2013/14	2014/15	2015/16	2016/17																		
Business Rates collected		97%	97%	97.25%	97.50%	97.5%	High	Monthly	Business critical	Loss of income														
Merton Bailiff Services files paid in full		58%	58%	58%	58%	58%	High	Monthly	Outcome	Loss of income														
HB - COC & new claims processing days		16	16	9	9	9	Low	Monthly	Business critical	Customer hardship														
HB overpayments with no recovery action		16%	15.50%	15%	14.50%	14.5%	Low	Quarterly	Outcome	Loss of Government grant														
Customers seen in 30 minutes		90%	92%	95%	95%	95%	High	Monthly	Perception	Increased waiting times														
Calls answered by switchboard in 5 rings		85%	85%	85%	85%	85%	High	Monthly	Perception	Increased waiting times														
Number of events (marriages, civil p's)		900	900	→	↑	↑	High	Monthly	Business critical	Reduced service access														
Successful website visits		83%	83%	84%	84%	→	High	Monthly	Perception	Reduced uptake of service														
DEPARTMENTAL BUDGET AND RESOURCES													BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD											
													Project	2013/14		Project	2014/15		Project	2015/16		Project	2016/17	
													1	Customer Service Review		1	Customer Service Review		1			1		
													2	Improve access to online services		2	Improve access to online services		2	Improve access to online services		2		
													3	First call resolution software		3			3			3		
													4	Localism agenda for business rates		4			4			4		
													5	Council Tax discounts/exemptions		5			5			5		
													6	Council tax support scheme		6	Council tax support scheme		6	Council tax support scheme		6		
													7	Implement Welfare Assistance Scheme		7	Review Welfare Assistance Scheme		7			7		
													8			8	Appoint a Medical Examiner		8			8		
													9			9			9			9		
													10			10			10			10		
Revenue Budget £'000s													ACTIONS AND SAVINGS											
Expenditure	2012/13	2013/14	2014/15	2015/16	2016/17	2013/14		2014/15		2015/16		2016/17												
Employees	5,314	5,566	5,396	5,365	5,335	150	CS7 (2012-15)	50	CS12 (2012-15)	10	CS36	10	CS36											
Premises	63	39	39	39	39			31	CS13 (2012-15)	30	CS39	30	CS39											
Transport	74	74	74	74	74			30	CS35															
Supplies and Services	3,333	3,318	3,285	3,283	3,281			20	CS36															
3rd party payments	106	325	325	325	325			20	CS37															
Support services	2,642	2,753	2,753	2,753	2,753			30	CS38															
Depreciation	3	3	3	3	3			30	CS39															
								20	CS40															
Income	8,742	8,563	8,385	8,385	8,385																			
Government grants	1,809	1,826	1,628	1,628	1,628																			
Other reimbursements	1,030	930	930	930	930																			
Customer and client receipts	5,903	5,807	5,827	5,827	5,827																			
Reserves																								
Capital Funded																								
NET BUDGET	2,793	3,515	3,490	3,457	3,425	150		231		40		40												
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)																		

Customer Services							
DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
<p>2013/15 Customer Service Review</p> <p>1 Once options appraisal has been completed and detailed decisions regarding implementation timetable decided roll out of project will commence.</p>	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	2	6
<p>2013/16 Improve access to online services</p> <p>2 Maintain successful visits to the website at 83%, improve the look and feel of the website, implement the recommendations of the customer services review, increase uptake of online transactions.</p>	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	2	2	4
<p>2013/14 First call resolution software</p> <p>3 This is linked to the Customer Service Review and will commence with - Phase 1 - investigate enhancing current software. - Phase 2 - review software against aims/objectives. Phase 3 - implement.</p>	Improved customer satisfaction	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	2	2	4
<p>2013/14 Localism agenda for business rates</p> <p>4 Implement business rates retention scheme - review collection and administration processes to maximise income. Review discretionary reliefs, and notify any changes by April 13 - Monitor collection and performance.</p>	To meet legislative requirements	No impact	Whole organisation - positive impact	Not applicable	2	4	8
<p>2013/14 Council Tax discounts/exemptions</p> <p>5 12/13 new discounts proposed and agreed by Cabinet - implement changes from April 2013 Review changes and impact during 2013/14.</p>	To meet legislative requirements	No impact	Whole organisation - negative impact	Not applicable	2	2	4
<p>2013/16 Council tax support scheme</p> <p>6 New scheme has been proposed and awaiting full Council decision. 13/14 Secure new software & implement in line with government framework & legislation. 14/15 & 15/16 Review and revise scheme.</p>	To meet legislative requirements	Equality analysis to be undertaken	Housing Needs and Enabling Services - negative impact Local Taxation - negative impact	Not applicable	2	3	6
<p>2013/15 Implement & review Welfare Assistance Scheme</p> <p>7</p>	Improved resident well being	Equality analysis undertaken	Adult Social Care - neutral impact Housing Needs and Enabling Services - neutral impact	Select one	3	2	6
<p>2014/15 Appoint a Medical Examiner</p> <p>8 The Council will need to appoint a medical examiner for registration of deaths</p>	To meet legislative requirements	No impact	Whole organisation - neutral impact	Not applicable	2	2	4
<p>9</p>							
<p>10</p>							

Human Resources	PLANNING ASSUMPTIONS						Corporate strategies your service contributes to	Workforce Development		
Cllr Mark Allison Cabinet Member for Finance	Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand			
Enter a concise description of your main activities/objectives below: 1) Support effective people management across the organisation 2) Implement and maintain efficient HR transactions for recruitment, induction, employee data, payroll, performance management, appraisal, learning and development 3) Provide HR business partner support across the Council 4) Produce HR metrics, analyse people-related problems and take appropriate actions 5) Produce HR strategies, policy frameworks and systems to support effective people management	5,000 employees in Merton for HR, payroll, advice, L&D, EAP etc	4,800	4,600	4,400	4,400	4,400	Customer demand - internal	Workforce Development Plan	Ageing workforce	
	200 new recruits to be appointed		180	160	160	160	Customer demand - external	Economic Development Strategy		
							Select demand driver			
							Select demand driver			
	Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply			
	Staff (Apprentices)	24	25	26	27	28	Social			
	Staff (Trainees)	4	4	4	4	4	Social			
	Performance Indicator	Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
	2012/13	2013/14	2014/15	2015/16	2016/17					
Time to hire	105	90	90	90	90	High	Monthly	Outcome	Increased costs	Increased costs
Sickness absence	10	9	8	7	7	Low	Monthly	Outcome	Increased costs	Increased costs
Appraisal	98%	98%	98%	98%	98%	Low	Annual	Outcome	Poor decision making	Poor decision making
L&D satisfaction	80%	81%	82%	83%	83%	Low	Quarterly	Outcome	Poor decision making	Poor decision making



BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

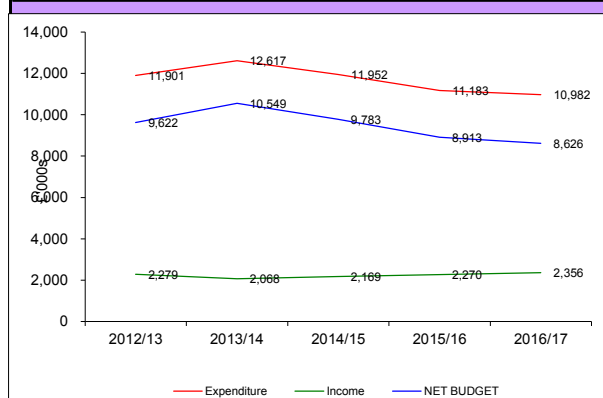
Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	Agency workers supply	1		1		1	
2	E-recruitment	2		2		2	
3		3	Occupational Health service	3		3	
4		4	Employee Assistance programme	4		4	
5		5	Leadership and management development	5		5	
6		6		6	Recruitment - agency and executive search via the LBRP	6	
7		7		7		7	
8		8		8		8	
9		9		9		9	
10		10		10		10	

Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS				
						2013/14	2014/15	2015/16	2016/17	
Expenditure	2,882	3,091	2,881	2,897	2,647					
Employees	2,030	2,254	2,024	2,024	1,803					
Premises	17	17	18	19	20					
Transport	7	7	7	7	7					
Supplies and Services	238	222	235	243	247					
3rd party payments	108	109	115	122	88					
Support services	482	482	482	482	482					
Depreciation										
Income	602	534	534	534	534					
Government grants										
Other reimbursements										
Customer and client receipts	602	534	534	534	534					
Reserves										
Capital Funded										
NET BUDGET	2,280	2,557	2,347	2,363	2,113	0	0	0	0	
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)				

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Human Resources							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/14 Agency workers supply Development of new HR policies 1	To meet budget savings	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	3	9
2013/14 E-recruitment Review of HR business partner 2	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	2	2	4
2014/15 Occupational Health service 3	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	3	9
2014/15 Employee Assistance programme Flexible working - policy development and learning and development to support culture change and technical change 4	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	4	12
2014/15 Leadership and management development Centralisation of L&D and Development of L&D and appraisal systems within I-Trent 5	More efficient way of working	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	3	3	9
2015/16 Recruitment - agency and executive search via the LBRP 6	Select one major outcome	Select one	Select a service	Select one	0	0	0
7							
8							
9							
10							

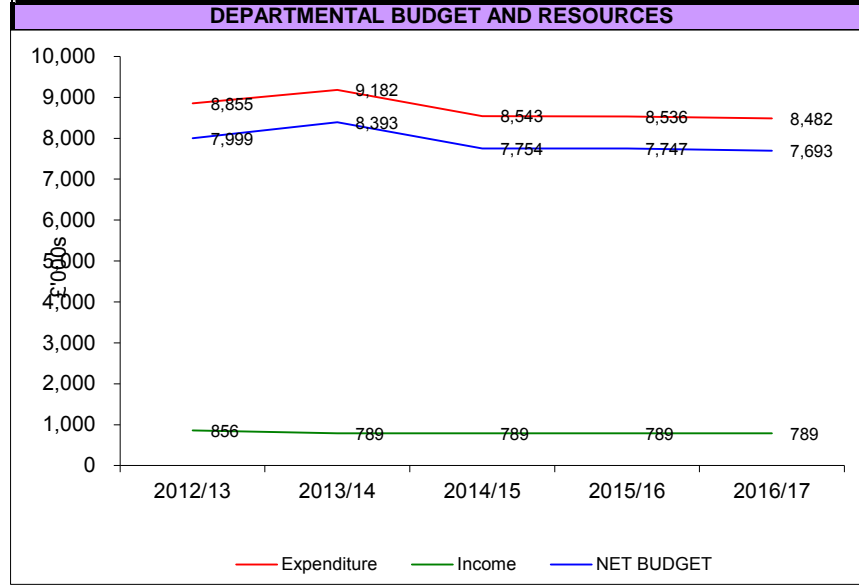
Infrastructure and Transactions						PLANNING ASSUMPTIONS						Corporate strategies your service contributes to		Workforce Development					
Cllr Mark Allison Cabinet Member for Finance						Anticipated demand		2012/13		2013/14		2014/15		2015/16		2016/17		Key drivers of demand	
Infrastructure and Transactions (I&T) is made up of three functions. IT and telecommunication services to support the councils operations using infrastructure, assets, service desk facilities, IT governance and ensuring data security. Facilities Management provide the infrastructure to deliver services through accommodation, building maintenance, energy management, cleaning, catering, print room and post room services, security and other associated FM services. Carry out development projects and generate external income through service provision to external clients (LBM schools, other authority schools and other authorities). Transactional Services incorporates Account Payable, Accounts Receivable, Carefirst Admin and Vendor Maintenance. Ensure prompt and accurate payment for all goods and services provided to LBM. Raise and issue invoices promptly and accurately to maximise revenue received. Maintain accurate records re client contributions on Carefirst to enhance correct invoicing and reduce queries. Vendor Maintenance database is controlled, accurate and cleansed. Providing training and support for all users of the systems required for payments or invoicing.						Repairs & maintenance - corporate buildings		600k	630k	661k	→	Customer demand - internal		ICT Policy		Learning & Dev.			
						Fix on Fail Calls		13,000	12,000	12,000	12,000	Customer demand - internal		Corp Procurement Strategy		Ageing workforce			
						Statutory work requests (hours)		1,820	1,820	1,820	1,820	Customer demand - internal		Asset Management Plan					
						Transactions requested by departments		90,000	80,000	75,000	70,000	Customer demand - internal							
						Anticipated supply		2012/13	2013/14	2014/15	2015/16	2016/17		Key drivers of supply					
Staff (FTE)		82.7	79.7	78.7	78.7	Economic													
Performance Indicator		Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met									
		2012/13	2013/14	2014/15	2015/16	2016/17													
Repairs & Maintenance reactive v planned		60/40	50/50	40/60	30/70	30/70	Low	Annual	Outcome	Increased costs									
Total external fee income		150,000	175,000	200,000	225,000	225,000	High	Quarterly	Outcome	Loss of income									
Calls logged through Self Service		40%	50%	65%	80%	80%	High	Monthly	Outcome	Reduced uptake of service									
Measure & improve first time fix rates for fault		62%	65%	69%	75%	75%	High	Monthly	Outcome	Reduced customer service									
Improve customer satisfaction results - Service Request Forms		93%	93%	94%	94%	94%	High	Monthly	Perception	Reduced customer service									
Proactis payment requests paid within 30 days		94%	95%	96%	97%	97%	High	Monthly	Business critical	Reduced service delivery									
Proactis service paid in 30 days of receipt by LBM		89%	91%	93%	95%	95%	High	Monthly	Business critical	Reduced service delivery									
Carefirst invoices paid in 30 days from invoice date		87%	88%	89%	90%	90%	High	Monthly	Business critical	Increased waiting times									
BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD																			
Project	2013/14		2014/15		2015/16		2016/17												
1	Replacement of desktop equipment		1		Replacement of desktop equipment		1												
2	Cloud computing project		2				2												
3	Replacement of Civic Centre PABX		3				3												
4	Consolidation of operational buildings		4		Consolidation of operational buildings		4												
5	Civic Centre refurbishment project		5		Civic Centre refurbishment project		5												
6	Centralising ASH functions into Transactional Services team		6				6												
7	Replacement of Civic Centre Windows		7				7												
8			8				8												
9			9				9												
10			10				10												
Revenue Budget £'000s																			
Expenditure	2012/13	2013/14	2014/15	2015/16	2016/17	2013/14		2014/15		2015/16		2016/17							
Employees	3,212	3,304	3,207	3,099	3,041	72	CS22 (2012-2015)	15	CS37 (2012-2015)	60	CS5	50	CS5						
Premises	2,936	3,287	2,778	2,140	2,026	15	CS37 (2012-2015)	29	CS5	10	CS7	20	CS7						
Transport	39	40	35	35	36	13	CS39 (2012-2015)	34	CS6	10	CS8	20	CS8						
Supplies and Services	2,902	3,097	3,040	3,014	2,981	-50	CS43 (2012-2015)	10	CS7	24	CS15	20	CS10						
3rd party payments	272	274	277	280	283			16	CS9	30	CS17	37	CS12						
Support services	866	930	930	930	930			5	CS11	24	CS18	50	CS23						
Depreciation	1,674	1,685	1,685	1,685	1,685			4	CS13	100	CS20	20	CS28						
								35	CS14	45	CS21								
								35	CS16	15	CS22								
								100	CS19	35	CS23								
Income	2,279	2,068	2,169	2,270	2,356			46	CS24	30	CS25								
Government grants								39	CS26	50	CS27								
Other reimbursements								10	CS28	20	CS28								
Customer and client receipts	2,279	2,068	2,169	2,270	2,356			200	CS29										
Reserves																			
Capital Funded																			
NET BUDGET	9,622	10,549	9,783	8,913	8,626	50		578		453		217							
Finance Comments (Capital Budget or otherwise)																			
IT Systems	1,826	2,004	224	1,525	1,672														
Cloud computing	243																		
FM works	851	3,690	650	850	1,000														



DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Infrastructure and Transactions							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/15 Replacement of desktop equipment 1 Replacement of desktop equipment to standardise operating systems and office to enable hot desking, mobile and flexible working through the use of the Virtualised Desktop Infrastructure and Unified Communications.	IT systems	No impact	Whole organisation - positive impact	Impact on building emissions	3	2	6
2013/14 Cloud computing project 2 Implementation of cloud computing project	Cloud co	No impact	Whole organisation - positive impact	Impact on building emissions	3	2	6
2013/14 Replacement of Civic Centre PABX 3	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	3	2	6
2013/16 Consolidation of operational buildings 4	To meet budget savings	Equality analysis to be undertaken	Children's Social Care - positive impact	Impact on building emissions	2	3	6
			Property - positive impact				
2013/16 Civic Centre refurbishment project 5 12/13 staff from Worsfold House and Athena House to be relocated to the Civic Centre.	To meet budget savings	Equality analysis to be undertaken	Children's Social Care - positive impact	Impact on building emissions	2	3	6
			Youth and Inclusion - positive impact				
2013/14 Centralising ASH functions into Transactional Services team 6	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	3	2	6
2013/14 Replacement of Civic Centre Windows 7 Replacement of Civic Centre windows	Mitigate Health & Safety risks	No impact	Whole organisation - positive impact	Impact on building emissions	2	2	4
8							
9							
10							

Resources	PLANNING ASSUMPTIONS										Corporate strategies your service contributes to		Workforce Development	
Cllr Mark Allison Cabinet Member for Finance	Anticipated demand					Key drivers of demand								
Enter a concise description of your main activities/objectives below:	2012/13	2013/14	2014/15	2015/16	2016/17									
<p>Resources is made up of four major areas of activity:</p> <p>Accountancy - manage financial health of the council through advice & support to officers and Members, production of council's financial accounts, revenue & budget setting, profiling, reporting & monitoring, council's day to day cash flow, insurance services, treasury management & pensions. Over the next four years we will transform by improving use of technology and reviewing how information is stored in our financial systems.</p> <p>Business planning - manage Financial Strategy & Capital Monitoring, 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</p> <p>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.</p> <p>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.</p>	Budget managers	200	↓	↓	↓	↓	Customer demand - internal					Asset Management Plan		Ageing workforce
	Senior officers	50	→	→	→	→	Customer demand - internal					Capital Programme		Learning & Dev.
	Members	60	→	→	→	→	Customer demand - internal					Central Government		
	Voluntary sector	150+	→	→	→	→	Customer demand - internal					Corp Equality Scheme		
	Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply					Corp Procurement Strategy		
	Staff (FTE)	67.1	67.2	67.2	67.2	64.2	Economic					Medium Term Financial Strategy		
	Staff (Trainees)	5.0	5.0	5.0	5.0	5.0	Economic					Risk Management Strategy		
												Treasury Management Strategy		
												Voluntary Sector Strategy		
	Performance Indicator	Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met				
	2012/13	2013/14	2014/15	2015/16	2016/17									
Spend overseen by Procurement Board	25%	30%	30%	35%	40%	High	Quarterly	Quality	Poor decision making					
No. of adjustments to audited accounts	0	0	0	0	0	Low	Annual	Business critical	Government intervention					
Managers budget forecast rec'd	75%	80%	85%	90%	95%	High	Monthly	Outcome	Poor decision making					
Capital spend forecast variance at end of year	5%	5%	5%	5%	5%	Low	Annual	Outcome	Poor decision making					
Risk action plans in place	90%	90%	90%	90%	90%	High	Quarterly	Outcome	Poor decision making					
Compliance with corporate PM timetable	100%	100%	100%	100%	100%	High	Monthly	Outcome	Poor decision making					
Residents agree people get on well together	89%	90%	91%	92%	92%	High	Annual	Perception	Reputational risk					
Unallocated identified balances over 3 days old	0	0	0	0	0	Low	Monthly	Business critical	Loss of income					
Satisfaction with Procurement training	80%	85%	85%	85%	85%	High	Quarterly	Quality	Poor decision making					



BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD									
Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17		
1	Evaluation of future funding levels	1	Evaluation of future funding levels	1	Evaluation of future funding levels	1	Evaluation of future funding levels		
2	Improve Joint Finance and Business Plan Monitoring	2	Improve Joint Finance and Business Plan Monitoring	2	Improve Joint Finance and Business Plan Monitoring	2	Improve Joint Finance and Business Plan Monitoring		
3	Review Financial Systems	3	Review Financial Systems	3	Review Financial Systems	3	Review Financial Systems		
4		4	Evaluation of Differing Methods of Funding the Capital Programme	4	Evaluation of Differing Methods of Funding the Capital Programme	4	Evaluation of Differing Methods of Funding the Capital Programme		
5		5	Develop and Implement a Whole Life Costing System	5	Develop and Implement a Whole Life Costing System	5	Develop and Implement a Whole Life Costing System		
6	Working with BI looking at ways of improving capital project management	6		6		6			
7	Developing in year and multi-year budget management	7		7		7			
8	Purchase and Implement an IT based capital accounting system	8		8		8			
9	Introduce new performance and risk management system.	9		9		9			
10		10		10		10			

Revenue Budget £'000s						ACTIONS AND SAVINGS							
	2012/13	2013/14	2014/15	2015/16	2016/17	2013/14		2014/15		2015/16		2016/17	
Expenditure	8,855	9,182	8,543	8,536	8,482								
Employees	3,944	4,103	4,008	4,002	3,900								
Premises	91	102	104	107	109								
Transport	4	4	4	4	4								
Supplies and Services	3,834	4,206	3,660	3,656	3,701								
3rd party payments	239	24	24	24	25								
Support services	743	743	743	743	743								
Depreciation													
Income	856	789	789	789	789								
Government grants													
Other reimbursements													
Customer and client receipts	856	789	789	789	789								
Reserves													
Capital Funded													
NET BUDGET	7,999	8,393	7,754	7,747	7,693	0		0		0		0	
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)							
IT Systems	191												
Acquisitions	1,000	1,000	1,000		500								
Bidding Fund			1,000	1,000									
	1,191	1,000	2,000	1,000	500								

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Resources							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		Score
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	
2013/17 Evaluation of future funding levels 1	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	2	2	4
2013/17 Improve Joint Finance and Business Plan Monitoring 2	To meet budget savings	No impact	Whole organisation - positive impact	Not applicable	2	2	4
2013/17 Review Financial Systems 3	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	1	2	2
2014/16 Evaluation of Differing Methods of Funding the Capital Programme 4	Improved reputation	No impact	Whole organisation - positive impact	Not applicable	2	2	4
2014/16 Develop and Implement a Whole Life Costing System 5	Improved customer satisfaction	No impact	Whole organisation - positive impact	Community outreach	3	2	6
2013/14 Working with BI looking at ways of improving capital project management 6	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	2	1	2
2013/14 Developing in year and multi-year budget management 7	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	1	2	2
2013/14 Purchase and Implement an IT based capital accounting system 8	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	1	2	2
2013/14 Introduce new performance and risk management system. 9	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	1	1	1
10							

Shared Legal Services
Cllr Mark Allison Cabinet Member for Finance
Enter a concise description of your main activities/objectives below:

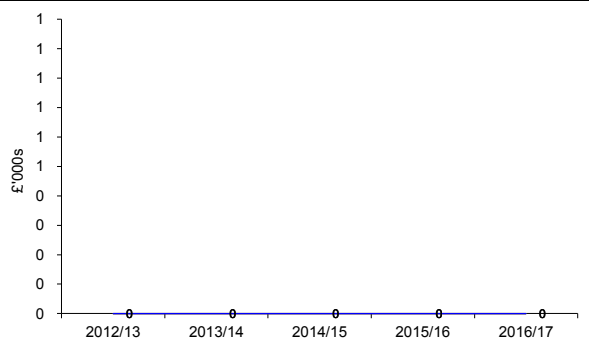
This is a shared legal service with the London Borough of Richmond. The service delivers legal advice, support and representation to all services across both councils. We also provide advice in relation to the constitution and decision making in both councils and advice to members in relation to their roles. The Monitoring Officer is a statutory role.

There will continue to be a shared service over the coming 4 years. Subject to agreement this may expand to share with one or more neighbouring authorities.

Anticipated demand	PLANNING ASSUMPTIONS					Key drivers of demand	Corporate strategies your service contributes to	Workforce Development		
	2012/13	2013/14	2014/15	2015/16	2016/17					
Chargeable hours for Merton	18602	18202	18202	18202	18202	Provision of shared services	Select Strategy delivery	N/A		
Chargeable hours for Richmond	18602	18202	18202	↓	↓	Provision of shared services	Select Strategy delivery	Select		
						Select demand driver	Select strategy delivery	Select		
						Select demand driver	Select Strategy delivery	Select		
Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply				
Staff (FTE)	40.58	40.58	↓	↓	→	Economic		Select Strategy delivery		
Staff (Trainees)	1	4	→	→	→	Economic		Select strategy delivery		
Select anticipated supply						Select key driver		Select strategy delivery		
Select anticipated supply						Select key driver		Select strategy delivery		
Performance Indicator	Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met	
	2012/13	2013/14	2014/15	2015/16	2016/17					
Chargeable Hours	37204	36404	36404	↓	↓	High	Monthly	Business critical	Increased costs	Select impact
Reduce photocopying costs	N/A	10%	10%	↓	↓	Low	Quarterly	Business critical	Increased costs	Select impact
Reduce storage costs	N/A	20%	10%	↓	↓	Low	Quarterly	Business critical	Increased costs	Select impact
						Select	Select	Select	Select impact	Select impact
						Select	Select	Select	Select impact	Select impact
						Select	Select	Select	Select impact	Select impact
						Select	Select	Select	Select impact	Select impact
						Select	Select	Select	Select impact	Select impact
						Select	Select	Select	Select impact	Select impact

DEPARTMENTAL BUDGET AND RESOURCES

BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD



Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
2	Continue to improve client satisfaction	2		2		2	
3	Continue to develop legal case management system	3		3		3	
4	Deliver income targets	4		4		4	
5	Retain Lexcel or apply for ISO 9001	5	Retain quality accreditation	5	Retain quality accreditation	5	Retain quality accreditation
6	To move to a "paperlight" way of working - reduce photocopying and storage costs and	6		6		6	
7	Decide on procurement strategy for the use of external firms of solicitors when original	7		7		7	
8		8		8		8	
9		9		9		9	
10		10		10		10	

Revenue Budget £'000s

ACTIONS AND SAVINGS

Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17
Expenditure	0	0	0	0	0
Employees					
Premises					
Transport					
Supplies and Services					
3rd party payments					
Support services					
Depreciation					
Income	0	0	0	0	0
Government grants					
Other reimbursements					
Customer and client receipts					
Reserves					
Capital Funded					
NET BUDGET	0	0	0	0	0

ACTIONS AND SAVINGS	2013/14		2014/15		2015/16		2016/17	

Capital Budget

Finance Comments (Capital Budget or otherwise)

Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17

Shared Legal Services							
DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	Equalities	IMPACT ON:			Risk	
			Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/14 Subject to agreement, to expand shared service to include Kingston and Sutton 2014/15 Embed the new expanded shared service and identify further	To meet budget savings	No impact	Whole organisation - positive impact	Not applicable	3	2	6
1			Legal Services - positive impact				
			Select a service				
2013/14 Continue to improve client satisfaction 2014/15 2015/16 2016/17	Improved customer satisfaction	No impact	Whole organisation - positive impact	Not applicable	3	3	9
2			Legal Services - positive impact				
			Select a service				
2013/14 Continue to develop legal case management system 2014/15 2015/16 2016/17	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	2	1	2
3			Legal Services - positive impact				
			Select a service				
2013/14 Deliver income targets 2014/15 2015/16 2016/17	Income generation	No impact	Whole organisation - positive impact	Not applicable	2	2	4
4			Legal Services - positive impact				
			Select a service				
2013/14 Retain Lexcel or apply for ISO 9001 2014/15 Retain quality accreditation 2015/16 Retain quality accreditation 2016/17 Retain quality accreditation	Improved reputation	No impact	Whole organisation - positive impact	Not applicable	2	1	2
5			Legal Services - positive impact				
			Select a service				
2013/14 To move to a "paperlight" way of working - reduce photocopying and storage costs and more effective mobile working 2014/15 2015/16 2016/17	More efficient way of working	No impact	Whole organisation - positive impact	Not applicable	2	1	2
6			Legal Services - positive impact				
			Select a service				
2013/14 Decide on procurement strategy for the use of external firms of solicitors when original framework agreement expires on 31 October 2013 2014/15 2015/16 2016/17	Improved customer satisfaction	No impact	Commercial and Procurement - neutral impact	Not applicable	2	1	2
7			Select a service				
			Select a service				
2013/14 2014/15 2015/16 2016/17	Select one major outcome	Select one	Select a service	Select one	0	0	0
8			Select a service				
			Select a service				
2013/14 2014/15 2015/16 2016/17	Select one major outcome	Select one	Select a service	Select one	0	0	0
9			Select a service				
			Select a service				
2013/14 2014/15 2015/16 2016/17	Select one major outcome	Select one	Select a service	Select one	0	0	0
10			Select a service				
			Select a service				

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Environment and Regeneration Department

Commercial Waste	PLANNING ASSUMPTIONS						Corporate strategies your service contributes to		Workforce Development																									
Cllr Mark Betteridge Cabinet Member for Performance & Implementation	Anticipated demand		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand		Waste Management Plan	Sickness																							
	Residual contracts		731	983	1183	1333	1403	Customer demand - external		Climate Change Strategy		Learning & Dev.																						
	Dry recycling contracts		508	643	993	1354	1724	Customer demand - external																										
	Commercial pest control work		1163	1213	1273	1338	1408	Customer demand - external																										
Commercial Waste & Recycling, Collection & Disposal directly from local businesses. Under government legislation the council has a duty to arrange for the collection of commercial waste when requested to do so. The Act defines commercial waste as: "waste from premises used wholly or mainly for the purposes of a trade or business or the purposes of sport, recreation or entertainment".	Anticipated supply		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply																										
	Staff		13	13	13	13	13	Economic																										
	Transport		6	6	6	6	6	Economic																										
Pest Control Service: Legislation requires that local authorities undertake enforcement for the purposes of controlling rats and mice. Owners / tenants have discretion on pest control providers. Merton is able to offer its residents and businesses a good quality, competitively priced service using fully qualified officers.	Performance Indicator		Performance targets (indicate if % target)				Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met																								
	2012/13	2013/14	2014/15	2015/16	2016/17																													
	Total Income from commercial waste	£1.4m	£1.45m	£1.5m	£1.6m	£1.65m	High	Monthly	Business critical	Loss of income																								
	% contracts with a recycling element	40	45	50	55	56	High	Monthly	Outcome	Environmental issues	Loss of income																							
Objectives • to make both services more efficient, cost effective and competitive in the commercial market • be more reactive to seasonal demands • become competitive in both commercial waste and pest control, looking at the marketing of the services and pricing structure.	Pest Control income	£150,000	£155,000	£160,000	£165,000	£170,000	High	Monthly	Business critical	Loss of income	Environmental issues																							
	% Commercial waste contract cancellations	10	9	8	7	7	Low	Quarterly	Outcome	Loss of income	Increased costs																							
	% Market share of commercial waste	26	30	34	37	39	High	Quarterly	Outcome	Loss of income	Increased costs																							
DEPARTMENTAL BUDGET AND RESOURCES																																		
BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD																																		
Project		2013/14		Project		2014/15		Project		2015/16		Project		2016/17																				
1		Double shifting vehicles		1				1				1																						
2		Review pricing structure		2				2				2																						
3		Amalgamate evening resources		3				3				3																						
4		Improve customer account management and backdesk IT systems		4				4				4																						
5		Public value review between July 2013 to December 2013		5				5				5																						
6		Introduce timed commercial waste collections in town centres		6				6				6																						
7				7				7				7																						
8				8				8				8																						
9				9				9				9																						
10				10				10				10																						
<table border="1"> <caption>Financial Summary Data</caption> <thead> <tr> <th>Year</th> <th>Expenditure</th> <th>Income</th> <th>NET BUDGET</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>719</td> <td>1,855</td> <td>-1,136</td> </tr> <tr> <td>2013/14</td> <td>712</td> <td>2,022</td> <td>-1,310</td> </tr> <tr> <td>2014/15</td> <td>716</td> <td>2,301</td> <td>-1,585</td> </tr> <tr> <td>2015/16</td> <td>719</td> <td>2,331</td> <td>-1,612</td> </tr> <tr> <td>2016/17</td> <td>723</td> <td>2,362</td> <td>-1,639</td> </tr> </tbody> </table>											Year	Expenditure	Income	NET BUDGET	2012/13	719	1,855	-1,136	2013/14	712	2,022	-1,310	2014/15	716	2,301	-1,585	2015/16	719	2,331	-1,612	2016/17	723	2,362	-1,639
Year	Expenditure	Income	NET BUDGET																															
2012/13	719	1,855	-1,136																															
2013/14	712	2,022	-1,310																															
2014/15	716	2,301	-1,585																															
2015/16	719	2,331	-1,612																															
2016/17	723	2,362	-1,639																															
Revenue Budget £'000s											ACTIONS AND SAVINGS																							
Expenditure		719	712	716	719	723	2013/14		2014/15		2015/16		2016/17																					
Employees		406	401	401	401	401																												
Premises		6	6	6	6	6																												
Transport		206	206	209	212	215																												
Supplies and Services		62	62	63	63	64																												
3rd party payments		0	0	0	0	0																												
Support services		38	36	36	36	36																												
Depreciation		1	1	1	1	1																												
Income		1,855	2,022	2,301	2,331	2,362																												
Government grants		0	0	0	0	0																												
Other reimbursements		0	0	0	0	0																												
Customer and client receipts		1,855	2,022	2,301	2,331	2,362	150	ER25	250	ER25																								
Reserves		0	0																															
Capital Funded		0	0																															
NET BUDGET		-1,136	-1,310	-1,585	-1,612	-1,639	150		250		0		0																					
Capital Budget		2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)																											

Commercial Waste							
DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/14 Double shifting vehicles Same vehicles are used all day so no downtime and potentially less vehicles required	More efficient way of working	No impact	Commercial Waste - positive impact	Impact on transport emissions	2	2	4
2013/14 Review pricing structure Look at more competitive pricing and ways of making the council able to compete with the commercial market	Income generation	No impact	Commercial Waste - positive impact	Not applicable	3	2	6
2013/14 Amalgamate evening resources Looking at combining all evening resources (recycling and residual, commercial and town centre)	More efficient way of working	No impact	Commercial Waste - positive impact	Impact on transport emissions	2	2	4
2013/14 Improve customer account management and backdesk IT systems Improved liasing with customers and ensure that IT systems reflect better practices.	Improved customer satisfaction	No impact	Commercial Waste - positive impact	Not applicable	2	2	4
2013/14 Public value review between July 2013 to December 2013 Public Value Review.	More efficient way of working	No impact	Commercial Waste - positive impact	Impact on transport emissions	2	2	4
2013/14 Introduce timed commercial waste collections in town centres This is to introduce time banding for commercial waste collections	More efficient way of working	No impact	Commercial Waste - positive impact	Not applicable	2	2	4

Development and Building Control		PLANNING ASSUMPTIONS						Corporate strategies your service contributes to		Workforce Development					
Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration		Anticipated demand		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand						
Increased enforcement cases		700	700	↑	↑	↑	Customer demand - external		Unitary Development Plan	Learning & Dev.					
planning applications economy dependant		2000	2000	→	↑	↑	Statutory / Government initiative		Climate Change Strategy	Ageing workforce					
BC applications economy dependant		1650	1650	↑	↑	↑	Statutory / Government initiative		Core Planning Strategy						
tree applications		600	600	↑	↑	↑	Statutory / Government initiative		E Merton & Mitcham N'bourhood						
Anticipated supply		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply		Housing Strategy						
Staff (FTE)		36	37	35	33	31	Economic		Local Development Framework						
									Central Government						
									London wide strategy						
									Capital Programme						
Building Control		Performance Indicator						Performance targets (indicate if % target)		Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met		
Building regulations regulate the built environment to add to the sustainability initiative, and safety at sports grounds to ensure that they are safe for occupation by spectators. Dangerous Structures service is provided to protect the residents .		2012/13	2013/14	2014/15	2015/16	2016/17									
Development control		Assess and determine planning applications against the adopted policies for the built environment contained within the council's Core Strategy. Implement the Mayoral, Community Infrastructure Levy (CIL) charging regime.													
Objectives		<ul style="list-style-type: none"> 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. 													
		% Major applications processed within 13 weeks	60	60	55	55	50	High	Monthly	Quality	Reduced service delivery	Political risk			
		% Minor applications processed within 8 weeks	65	65	60	60	55	High	Monthly	Quality	Reduced service delivery	Political risk			
		% Other applications processed within 8 weeks	80	80	75	75	70	High	Monthly	Quality	Reduced service delivery	Political risk			
		% appeals lost	35	35	40	40	40	Low	Quarterly	Perception	Reputational risk	Political risk			
		Income (Development and Building Control)	£1.97m	£1.97m	↑	↑	↑	High	Monthly	Business critical	Loss of income				
		% Market share retained by LA (BC)	85	80	75	75	75	High	Monthly	Perception	Loss of income				
		% Projects completed	60	60	60	60	60	High	Quarterly	Quality	Reduced uptake of service	Reputational risk			
		Number of enforcement cases closed	600	600	550	425	350	High	Quarterly	Quality	Reputational risk				
DEPARTMENTAL BUDGET AND RESOURCES		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD													
		Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17						
		1	Localism Bill	1	Localism Bill	1	Localism Bill	1							
		2	Commercialisation of Building Control	2	Commercialisation of Building Control	2									
		3		3	Mobile/Home working	3	Mobile/Home working	3							
		4		4		4									
		5		5		5									
		6		6		6									
		7		7		7									
		8		8		8									
		9		9		9									
		10		10		10									
Revenue Budget £'000s		2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS								
Expenditure		2,330	2,483	2,416	2,381	2,335	2013/14		2014/15		2015/16		2016/17		
Employees		1,564	1,627	1,554	1,514	1,462			73	EN06		40	EN09	52	EN11
Premises		2	2	2	2	2									
Transport		32	32	33	33	34									
Supplies and Services		244	306	311	316	321	14	EN01							
3rd party payments		0	0	0	0	0									
Transfer Payments		2	2	2	2	2									
Support services		486	514	514	514	514									
Depreciation		0	0	0	0	0									
Income		2,144	2,054	2,279	2,306	2,334									
Government grants		103	0	0	0	0									
Other reimbursements		106	134	134	134	134									
Customer and client receipts		1,935	1,816	2,041	2,068	2,096	-190	ER07 & EN08	200	ER07					
Reserves		0	104	104	104	104									
Capital Funded															
NET BUDGET		186	429	137	75	1	-176		273		40		52		
Capital Budget		2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)								

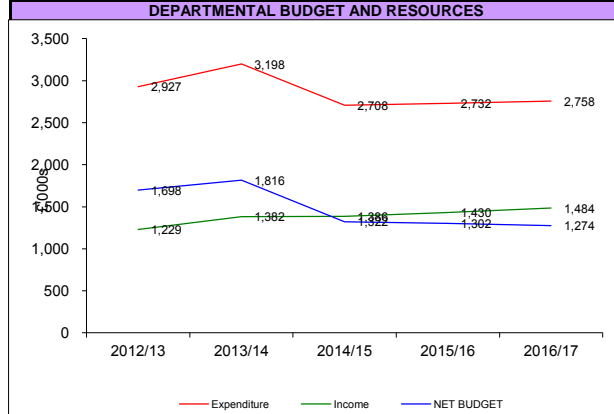
DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Development and Building Control							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/15 Localism Bill This is to ensure compliance with the Localism Bill covering areas involving planning	To meet legislative requirements	Equality analysis to be undertaken	Development and Building Control - neutral impact	Not applicable	4	2	8
2013/15 Commercialisation of Building Control This is to ensure Building Control is more commercial aware in a more competitive market	Income generation	No impact	Accountancy - positive impact	Not applicable	3	2	6
2014/16 Mobile / Home working This is introducing mobile and home working to the teams	More efficient way of working	No impact	Development and Building Control - positive impact	Impact on transport emissions	1	1	1

Environmental Health, Trading Standards & Licensing						PLANNING ASSUMPTIONS					Corporate strategies your service contributes to		Workforce Development																																	
Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration						Anticipated demand		2012/13			2013/14			2014/15			2015/16			2016/17			Key drivers of demand		Corporate strategies your service contributes to		Workforce Development																			
Provide a proportionate, risk-based approach to the council's statutory duty to enforce Environmental Health, Trading Standards & Licensing legislation that meets national / local priorities. Ensuring a healthy, safe and fair environment by:- <ul style="list-style-type: none"> Protecting interest of consumers and businesses from rogue traders and doorstep crime Preventing anti-social behaviour, minimise health risks and improve community safety through prevention of sales of age-restricted products maintaining food safety / hygiene / quality controlling infectious disease improving public health reducing the number of accidents and the level of ill-health associated with the commercial work environment improved housing conditions, air quality and reducing pollution provision of grant assistance programme for improvements and adaptations to properties including where occupied by those with a disability developing partnerships with local businesses to help them comply with legal obligations investigating and controlling excessive noise from neighbours, alarms, construction sites considering and granting licences/permits to trade through statutory premises inspection regimes; complaint investigation; testing/ sampling/monitoring activities formal legal action for persistent/serious offenders, remove rogue traders and unfair trading practices. 						Total number of food premises		1,525			1,530			1,535			1,540			1,545			Customer demand - external		Central Government		Learning & Dev.																			
						Total number of service requests		7,500			7,750			8,000			8,250			8500			Customer demand - external		Performance Management Framework		Ageing workforce																			
						Licence/permit applications		1,850			1,860			1,870			1,880			1890			Customer demand - external		Crime & Disorder (partnership plan)																					
						DF/PSH/EP grant enquiries/applications		550			560			570			580			590			Customer demand - external		Housing Strategy																					
						Anticipated supply		2012/13			2013/14			2014/15			2015/16			2016/17			Key drivers of supply		Air Quality Action Plan																					
Staff (FTE)		35.11			30			25			25			25			Economic		Commercial & Trading Standards																											
																Older People's Housing																														
																Social Inclusion Strategy																														
Performance Indicator		Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met																																				
		2012/13	2013/14	2014/15	2015/16	2016/17																																								
% service requests replied in 5 working days		95					90	85	85	85	85	High	Monthly	Perception	Reduced customer service	Reputational risk																														
Income generation by EHTSL		£325,000					£345,000	£345,000	£345,000	£345,000	£345,000	High	Monthly	Outcome	Loss of income	Increased costs																														
% of Inspection category A, B & C food premises		100					95	90	90	90	90	High	Annual	Business critical	Government intervention	Reputational risk																														
No. of underage sales test purchases		240					220	200	200	200	200	High	Quarterly	Business critical	Anti social behaviour																															
% Data capture from air pollution monitoring sites		90					90	90	90	90	90	High	Quarterly	Business critical	Reduced enforcement																															
No. of enforcement/improvement notices		200					175	150	150	150	150	High	Quarterly	Quality	Loss of Government grant																															
% licensing apps. processed within 21 days.		100					95	90	90	90	90	High	Quarterly	Business critical	Reputational risk																															
Number of DF/SR Grants approved		75					77	80	82	85	85	High	Quarterly	Outcome	Loss of Government grant																															
DEPARTMENTAL BUDGET AND RESOURCES						BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD																																								
<p>2,500 2,000 1,500 1,000 500 0</p> <p>2012/13 2013/14 2014/15 2015/16 2016/17</p> <p>— Expenditure — Income — NET BUDGET</p>						Project	2013/14		Project	2014/15		Project	2015/16		Project	2016/17																														
						1	Development of shared 'regulatory' service		1			1			1																															
						2	Transfer of Public Health responsibilities		2			2			2																															
						3	Roll-out of Accredited Financial Investigation function		3			3			3																															
						4	Implementation of DFG LEAN review recommendations		4			4			4																															
						5	Contaminated Land investigation in Marlowe Square		5			5			5																															
						6	Produce and run Air Quality website for South London cluster group		6			6			6																															
						7	Investigation of Air Quality exceedences in Colliers Wood, Plough Lane and RRM site		7			7			7																															
						8	Delivery of 'Warm Homes Healthy People' grant funded programme		8			8			8																															
						9			9	Implementation of 'Flexible Working' across section		9			9																															
						10			10			10			10																															
Revenue Budget £'000s						2012/13						2013/14						2014/15						2015/16						2016/17						ACTIONS AND SAVINGS										
Expenditure						2,222		2,242		1,846		1,849		1,852		2013/14		2014/15		2015/16		2016/17																								
Employees						1,546		1,549		1,149		1,149		1,149				400		ER10																										
Premises						0		0		0		0		0																																
Transport						47		47		48		49		49																																
Supplies and Services						64		61		62		63		64																																
3rd party payments						97		99		101		102		104																																
Support services						463		481		481		481		481																																
Depreciation						5		5		5		5		5																																
Income						392		411		416		421		426																																
Government grants						11		0		0		0		0																																
Other reimbursements						65		65		65		65		65																																
Customer and client receipts						316		346		351		356		361																																
Reserves						0		0		0		0		0																																
Capital Funded																																														
NET BUDGET						1,830		1,831		1,430		1,428		1,426		0		400		0		0																								
Capital Budget						2012/13		2013/14		2014/15		2015/16		2016/17		Finance Comments (Capital Budget or otherwise)																														
						1,040		804		764		764		340																																

Environmental Health, Trading Standards & Licensing							
DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	Equalities	IMPACT ON:		Risk		
			Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/14 Development of shared 'regulatory' service Look to develop the sharing of the service with other boroughs.	To meet budget savings	Equality analysis undertaken	Human Resources - negative impact	Other resource reduction	4	2	8
1			Accountancy - negative impact				
			Safety Services - negative impact				
2013/14 Transfer of Public Health responsibilities Transfer of some of the Public Health responsibilities to the Local Authority from the Health Service.	Improved resident well being	No impact	Environmental Health - negative impact	Not applicable	3	1	3
2							
2013/14 Roll-out of Accredited Financial Investigation function To allow the investigation of suspects and their financial records.	Income generation	No impact	Housing Benefits - positive impact	Not applicable	3	1	3
3			Investigations - positive impact				
			Development and Building Control - positive impact				
2013/14 Implementation of DFG LEAN review recommendations Implement the recommendations from the review.	Improved resident well being	Equality analysis to be undertaken	Adult Social Care - positive impact	Not applicable	2	1	2
4			Business Improvement - positive impact				
			Children's Social Care - positive impact				
2013/14 Contaminated Land investigation in Marlowe Square Investigate the contaminated land at Marlow Square.	To meet legislative requirements	No impact	Environmental Health - neutral impact	Not applicable	5	2	10
5							
2013/14 Produce and run Air Quality website for South London cluster group Create and progress a website for the cluster.	More efficient way of working	No impact	Environmental Health - positive impact	Not applicable	2	1	2
6			Future Merton - positive impact				
2013/14 Investigation of Air Quality exceedences in Colliers Wood, Plough Lane and RRM site investigate and report on the problem sites	More efficient way of working	No impact	Environmental Health - positive impact	Not applicable	3	2	6
7			Future Merton - positive impact				
2013/14 Delivery of 'Warm Homes Healthy People' grant funded programme Deliver the programme to the borough.	Improved resident well being	No impact	Adult Social Care - positive impact	Community outreach	2	1	2
8			Children's Social Care - positive impact				
			Future Merton - positive impact				
2014/15 Implementation of flexible working Introduce flexible working to the section.	More efficient way of working	No impact	Environmental Health - positive impact	Not applicable	3	1	3
9							
10							

Future Merton	PLANNING ASSUMPTIONS						Corporate strategies your service contributes to	Workforce Development			
	Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17			Key drivers of demand		
Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration	Population	199,700	199,700	↑	↑	↑	Customer demand - external	Unitary Development Plan	Learning & Dev.		
	Actual businesses in borough	2200	7420	↑	↑	↑	Customer demand - external	Road Safety Plan			
								Climate Change Strategy			
								Community Plan			
								Core Planning Strategy			
To deliver the council's regeneration plans, prioritising areas for regeneration and investment and to; ✓ develop new spatial planning policies to support regeneration objectives ✓ develop site assembly requirements to support regeneration and development objectives	Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply		Capital Programme		
	Staff (FTE)	32	24	24	24	24	Technological		Housing Strategy		
									Local Implementation Plan		
									London wide strategy		
objectives ▪ develop sustainable development policies to support Merton's commitment to carbon reduction ▪ develop urban design frameworks to support regeneration 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 ▪ attract developer and inward investment, public sector funding and support to deliver our regeneration.	Performance Indicator	Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met	
		2012/13	2013/14	2014/15	2015/16	2016/17					
	Housing supply targets	370	320	320	320	320	High	Annual	Outcome	Loss of Government grant	Political risk
	% Town centre vacancy rates	12	10	10	10	10	Low	Quarterly	Outcome	Political risk	
	Increase the % modal share for walking and cycling in the borough	35.40	35.80	↑	↑	↑	High	Annual	Perception	Environmental issues	Reputational risk
	% Emissions reduction from buildings	4.0	6.5	9.0	11.5	12.0	High	Annual	Outcome	Environmental issues	Reputational risk
	Reduce total no. killed or seriously injured in road traffic accidents	56	54	↓	↓	↓	Low	Annual	Outcome	Reputational risk	
	Reduce CO2 emissions by councils fleet transport (kilo tonnes)	155	150	↓	↓	↓	Low	Annual	Outcome	Environmental issues	Reputational risk
	To deliver new business start ups and jobs through the EDS Merton Business Support Service	New	300	300	300	300	High	Annual	Output	Environmental issues	Anti social behaviour



BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD							
Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	Morden station planning brief, Morden public realm and Master Plan	1	Morden station planning brief, Morden public realm and Master Plan	1	Morden station planning brief, Morden public realm and Master Plan	1	
2	Mitcham Cricket Green Planning Framework	2	Mitcham Cricket Green Planning Framework	2	Mitcham Cricket Green Planning Framework	2	
3	Broadway Car Park	3	Broadway Car Park	3	Broadway Car Park	3	
4	Central Business district - Wimbledon Bridge/Dundonald Yard	4	Central Business district - Wimbledon Bridge/Dundonald Yard	4	Central Business district - Wimbledon Bridge/Dundonald Yard	4	
5	Colliers Wood / South Wimbledon Planning Framework	5	Colliers Wood / South Wimbledon Planning Framework	5	Colliers Wood / South Wimbledon Planning Framework	5	
6	Raynes Park - Rainbow Estate	6	Raynes Park - Rainbow Estate	6		6	
7	Sites and policies DPD and Proposals map	7	Sites and policies DPD and Proposals map	7		7	
8	Library/Marlborough Hall	8	Library/Marlborough Hall	8	Library/Marlborough Hall	8	
9	EDS Merton Business Support Service	9	EDS Merton Business Support Service	9	EDS Merton Business Support Service	9	
10		10		10		10	

Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS					
						2013/14		2015/16		2016/17	
Expenditure	2,927	3,198	2,708	2,732	2,758						
Employees	1,104	1,112	658	658	658		454	ER23 & EN41			
Premises	126	289	293	297	301						
Transport	6	9	9	9	10						
Supplies and Services	719	601	550	559	569		60	EN43			
3rd party payments	555	751	762	773	784						
Support services	344	363	363	363	363						
Depreciation	73	73	73	73	73						
Income	1,229	1,382	1,386	1,430	1,484						
Government grants	218	0	0	0	0						
Other reimbursements	691	118	118	118	118						
Customer and client receipts	272	306	310	354	408				40	EN42	50 EN42
Reserves	48	958	958	958	958						
Capital Funded											
NET BUDGET	1,698	1,816	1,322	1,302	1,274	0	514		40		50
Capital Budget	350	3,295	1,250	878	1,037						
Finance Comments (Capital Budget or otherwise)											

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT								
Future Merton		MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
PROJECT DESCRIPTION	Equalities		Select up to 3 services	Sustainability	Likelihood	Impact	Score	
1	2013/14 Morden station planning brief, Morden public realm and Master Plan 2014/15 Morden station planning brief, Morden public realm and Master Plan Work in Partnership with TfL to bring forward the redevelopment of Morden Station for a mixed use, retail led scheme to reinvigorate Morden Town Centre. This will feed into the Masterplan and public realm	Income generation	No impact	Development and Building Control - positive impact Parking - negative impact Local Taxation - positive impact	District networks	2	3	6
2	2013/14 Mitcham Cricket Green Planning Framework 2014/15 Mitcham Cricket Green Planning Framework 2015/16 Mitcham Cricket Green Planning Framework Work with stakeholders to facilitate the regeneration of Mitcham Planning Framework (through the preparation of a masterplan, development control and delivery of new, more sustainable homes)	Improved resident well being	Equality analysis to be undertaken	Development and Building Control - positive impact Housing Needs and Enabling Services - negative impact Housing Needs and Enabling Services - positive impact	Impact on transport emissions	4	2	8
3	2013/17 Broadway Car Park Produce a new Planning Brief for the redevelopment of Broadway car park for mixed town centre uses. Follow through to procurement and planning with IPT Property Team	Income generation	Equality analysis to be undertaken	Development and Building Control - positive impact Parking - negative impact Local Taxation - positive impact	Other resource reduction	4	2	8
4	2013/16 Central Business district - Wimbledon Bridge/Dundonald Yard Conduct research into the viability of a new central business district in Wimbledon. Site viability, market demand, logistics, planning and place branding	Income generation	No impact	Local Taxation - positive impact Highways - positive impact Development and Building Control - positive impact	Impact on building emissions	3	2	6
5	2013/16 Colliers Wood / South Wimbledon Planning Framework Work with stakeholders to facilitate the regeneration of Colliers Wood / South Wimbledon Development Framework (through the preparation of a masterplan, development control and delivery of new, more sustainable homes)	Improved resident well being	Equality analysis to be undertaken	Development and Building Control - positive impact Housing Needs and Enabling Services - positive impact	Not applicable	3	2	6
6	2013/16 Raynes Park - Rainbow Estate Work with the site owners to prepare a planning brief to guide the redevelopment of the site for employment led uses and secure public realm enhancements to Raynes Park Southside and provision of a station drop-off area.	Improved reputation	Equality analysis to be undertaken	Local Taxation - positive impact Highways - positive impact Housing Needs and Enabling Services - positive impact	Impact on building emissions	3	2	6
7	2013/16 Sites and policies DPD and Proposals map This is the sites that have been put forward for consultation throughout the borough	Improved reputation	Equality analysis to be undertaken	Whole organisation - positive impact Local Taxation - positive impact Housing Needs and Enabling Services - positive impact	Impact on building emissions	2	3	6
8	2013/15 Library/Marlborough Hall Proposals to refurbish library and hall for community use	Improved reputation	Equality analysis to be undertaken	Libraries - positive impact Future Merton - positive impact Select a service	Impact on building emissions	3	2	6
9	2013/17 EDS Merton Business Support Service The authority to assist businesses through the current financial difficulties where possible	Improved reputation	Equality analysis to be undertaken	Future Merton - positive impact	Not applicable	2	2	4
10	2013/15 [Blank]	Select one major outcome	Select one	Select a service Select a service Select a service	Not applicable	0	0	0

Leisure & Culture Development						PLANNING ASSUMPTIONS									Corporate strategies your service contributes to		Workforce Development																											
Cllr Nick Draper Cabinet Member for Community & Culture Engage local people in healthy living and lifestyle changes through increased involvement and participation in sports, arts, cultural and physical activities and events. Working with partners to increase the number, scope and quality of facilities and programmes available on offer in the borough. Managing three Leisure Centres, one public hall, a water sports centre, Wimbledon Theatre, BMX track and all of the booking functions (pitch hire, cemeteries; allotments; activity programmes; pavilions; hall, etc). We will also contribute towards the new Health and Well-being duties. We anticipate that leisure services will be expected to meet shortfalls by government savings in other areas; population growth and impact of government initiatives which can be delivered through Leisure & Cultural Services e.g. Skills, Employment, Health, Well-being, Community Cohesion, etc. Objectives Over the next four years we will transform our services by • using technology especially in the area of online bookings • determine the future of services for Morden Park Pools and Wimbledon Watersports centre • working with our schools to develop community use • working with our leisure centres & theatres to improve their community offers and commercial viability • reviewing the delivery of the arts, sports and physical activity development functions and move to an economically viable business solution • working in partnership to increase income; raise external funding and inward investment to deliver our key objectives. • deliver Merton's contribution to major sports, arts & cultural events appropriately • reducing costs, increase income and be more cost effective.											Anticipated demand			Key drivers of demand			Asset Management Plan		Learning & Dev.																									
											2012/13	2013/14	2014/15	2015/16	2016/17	Customer demand - external		Children & Young person's Plan																										
											Population	199,700	199,700	↑	↑	↑	Increase revenue		Cultural Strategy																									
						Select demand driver		Community Plan																																				
						Select demand driver		Open Spaces Strategy																																				
Anticipated supply						Key drivers of supply			Social Inclusion Strategy																																			
2012/13	2013/14	2014/15	2015/16	2016/17	Economic			Voluntary Sector Strategy																																				
Staff (FTE)	17.77	14.3	14.1	14.1	Social																																							
Staff seasonal	30	30	30	30	Political																																							
Accommodation	7	7	7	7	Social																																							
Voluntary Services	20	20	20	20																																								
Performance targets (indicate if % target)											Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met																														
Performance Indicator	2012/13	2013/14	2014/15	2015/16	2016/17																																							
Income generated £ - Merton Active Plus	52,000	58,000	64,000	79,000	84,000	High	Monthly	Business critical	Reduced customer service	Reputational risk																																		
No. of participants hours - Leisure Devt Merton Active Plus	New	13,000	↑	↑	↑	High	Monthly	Output	Reduced customer service	Reputational risk																																		
External funding £ - Capital & Revenue	250,000	→	→	→	→	High	Quarterly	Business critical	Loss of income	Reduced service delivery																																		
Income £ from Morden Assembly Hall	17,230	20,230	24,230	26,550	28,550	High	Monthly	Output	Loss of income	Reduced customer service																																		
Income £ from Watersports Centre	358,960	375,660	392,460	402,460	412,460	High	Monthly	Output	Loss of income	Reduced customer service																																		
No. of participants engaged at Watersports Centre for one hourly session per annum	120,000	125,000	130,000	135,000	140,000	High	Monthly	Output	Reduced customer service	Reputational risk																																		
% of residents rating Leisure & Sports facilities Good to Excellent	48.0	48.5	49.0	49.5	50.0	High	Annual	Outcome	Reduced customer service	Reputational risk																																		
No. of participants hours - leisure & arts activities & events, excluding MAP	New	32,000	↑	↑	↑	High	Monthly	Output	Reduced service delivery	Social exclusion																																		
14-25 yr old Fitness Centre Participation at leisure centres	56,350	57,480	58,620	59,800	61,000	High	Monthly	Output	Reduced customer service	Reduced service access																																		
DEPARTMENTAL BUDGET AND RESOURCES													BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD																															
<table border="1"> <caption>Budget Data from Chart</caption> <thead> <tr> <th>Year</th> <th>Expenditure</th> <th>Income</th> <th>NET BUDGET</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>2,817</td> <td>1,564</td> <td>1,253</td> </tr> <tr> <td>2013/14</td> <td>2,025</td> <td>977</td> <td>1,048</td> </tr> <tr> <td>2014/15</td> <td>1,993</td> <td>1,039</td> <td>954</td> </tr> <tr> <td>2015/16</td> <td>2,012</td> <td>1,075</td> <td>937</td> </tr> <tr> <td>2016/17</td> <td>2,030</td> <td>1,112</td> <td>918</td> </tr> </tbody> </table>													Year	Expenditure	Income	NET BUDGET	2012/13	2,817	1,564	1,253	2013/14	2,025	977	1,048	2014/15	1,993	1,039	954	2015/16	2,012	1,075	937	2016/17	2,030	1,112	918	Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
													Year	Expenditure	Income	NET BUDGET																												
													2012/13	2,817	1,564	1,253																												
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													1	Increasing participation in sport, recreation and physical activity	1	Increasing participation in sport, recreation and physical activity	1	Increasing participation in sport, recreation and physical activity	1	Increasing participation in sport, recreation and physical activity																								
													2	Increasing participation & engagement in the arts, cultural and well-being activities	2	Increasing participation & engagement in the arts, cultural and well-being activities	2	Increasing participation & engagement in the arts, cultural and well-being activities	2	Increasing participation & engagement in the arts, cultural and well-being activities																								
													3	Leisure Centres Contract & Wimbledon Theatre Management	3	Leisure Centres Contract & Wimbledon Theatre Management	3	Leisure Centres Contract & Wimbledon Theatre Management	3	Leisure Centres Contract & Wimbledon Theatre Management																								
													4	Future of Morden Park Pool & Wimbledon Park Watersports Centre & Cultural Facility	4	Future of Morden Park Pool & Wimbledon Park Watersports Centre	4	Future of Morden Park Pool & Wimbledon Park Watersports Centre & Cultural Facility	4	Future of Morden Park Pool & Wimbledon Park Watersports Centre & Cultural Facility																								
5	Implementation of Online Leisure & Cultural Bookings	5	Implementation of Online Leisure & Cultural Bookings	5	Implementation of Online Leisure & Cultural Bookings	5	Implementation of Online Leisure & Cultural Bookings																																					
6	Commercialisation of Merton Active Plus Programme & Cultural Development	6	Commercialisation of Merton Active Plus Programme & Cultural Development	6	Commercialisation of Merton Active Plus Programme & Cultural Development	6	Commercialisation of Merton Active Plus Programme & Cultural Development Services																																					
7	St Mark's Academy School & PFI Schools - Community Use	7	St Mark's Academy School & PFI Schools - Community Use	7	St Mark's Academy School & PFI Schools - Community Use	7	St Mark's Academy School & PFI Schools - Community Use																																					
8	Cultural Framework - launch & implementation	8	Cultural Framework Implementation	8		8																																						
9	Deliver Ride London inaugural event in Merton	9	Develop the boroughs involvement in Ride London	9	Deliver major sporting, cultural, arts events as required	9	Deliver major sporting, cultural, arts events as required																																					
10	External Funding & Inward Investment Opportunities	10	External Funding & Inward Investment Opportunities	10	External Funding & Inward Investment Opportunities	10	External Funding & Inward Investment Opportunities																																					
Revenue Budget £'000s													ACTIONS AND SAVINGS																															
Expenditure													2013/14		2014/15		2015/16		2016/17																									
Employees	837	690	655	655	655	73	ER04 & ER05	35	EN33 & EN35																																			
Premises	12	27	27	28	28	1	ER04 & ER05																																					
Transport	11	13	13	13	13																																							
Supplies and Services	901	343	341	355	370	42	ER04, ER05, EN34 & EN38	18	ER04, EN35 & EN38																																			
3rd party payments	194	244	248	252	255	20	ER04 & ER05																																					
Transfer Payments	8	10	11	11	11																																							
Support services	375	268	268	268	268																																							
Depreciation	479	430	430	430	430																																							
Income	1,564	977	1,039	1,075	1,112																																							
Government grants	10	7	7	7	7																																							
Other reimbursements	560	43	58	68	78	13	ER04 & ER05	15	EN36	10	EN35	10	EN35																															
Customer and client receipts	448	500	547	573	600	20	ER04 & ER05	40	ER04, ER05 & EN35	19	EN35, EN36 & EN37	19	EN35, EN36 & EN37																															
Recharges	546	427	427	427	427																																							
Capital Funded																																												
NET BUDGET	1,253	1,048	954	937	918	169		108		29		29																																
Capital Budget													Finance Comments (Capital Budget or otherwise)																															
	501	300	1,300	10,300	300																																							

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
Leisure & Culture Development							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	Equalities	IMPACT ON:			Risk	
			Select up to 3 services	Sustainability	Likelihood	Impact	Score
1 2013/17 Increasing participation in sport, recreation and physical activity Providing programmes, activities and events in partnership with others to deliver increased participation in sport, recreation and physical activities improving people's health and well-being.	Improved resident well being	Equality analysis undertaken	Leisure Development - positive impact	Not applicable	2	2	4
			Parks and Green Spaces - positive impact				
			Partner Organisation - positive impact				
2 2013/17 Increasing participation & engagement in the arts, cultural and well-being activities Providing programmes, activities and events in partnership with others to deliver increased participation in arts, cultural and well-being activities improving people's health and well-being.	Improved resident well being	Equality analysis to be undertaken	Leisure Development - positive impact	Not applicable	2	2	4
			Parks and Green Spaces - positive impact				
			Partner Organisation - positive impact				
3 2013/17 Leisure Centres Contract & Wimbledon Theatre Management Management of the leisure centre contract and New Wimbledon Theatre lease including contractor and council's capital investment as well as compliance with agreements and ensuring business & facility viability continues.	Improved resident well being	Equality analysis to be undertaken	Leisure Development - positive impact	Not applicable	2	2	4
4 2013/17 Future of Morden Park Pool & Wimbledon Park Watersports Centre & Cultural Facility Development The future of Morden Park Pool will need to be reconsidered in 2013 and a plan and scope of works determined. The existing Watersports Centre is an ageing building - need to explore the potential replacement of this building with something more fit for purpose that provides increased leisure opportunities in this part of the borough.	More efficient way of working	Equality analysis to be undertaken	Leisure Development - positive impact	Not applicable	4	2	8
			Parks and Green Spaces - positive impact				
5 2013/17 Implementation of Online Leisure & Cultural Bookings Implement the Mango online booking system for pitch, halls, pavilions, courses, events and activities. Working with IT and other service beneficiaries for a whole council approach.	More efficient way of working	Equality analysis to be undertaken	Leisure Development - positive impact	Not applicable	2	2	4
			Parks and Green Spaces - positive impact				
			Libraries - positive impact				
6 2013/17 Commercialisation of Merton Active Plus Programme & Cultural Development Services Make the Merton Active Plus programme cost neutral over a three year period such that the salary of the Leisure Development Officer is included in that cost making a zero based budget and move the work of the arts & leisure development officers to be ones of delivering commissioned projects and commissioning projects moving to a cost neutral and zero based budget.	To meet budget savings	Equality analysis to be undertaken	Leisure Development - negative impact	Not applicable	2	2	4
			Partner Organisation - negative impact				
7 2013/17 St Mark's Academy School & PFI Schools - Community Use Work with St Mark's Academy School and CSF to develop a community leisure, cultural and community hub increasing community use of the school's facilities and work with PFI company and Sport England to open high schools for community use	Improved resident well being	Equality analysis to be undertaken	Leisure Development - positive impact	Not applicable	2	1	2
			Partner Organisation - positive impact				
			Early Years - positive impact				
8 2013/15 Cultural Framework - launch & implementation Launch Cultural Framework and commence delivery of arts & leisure development services with that Framework.	Improved resident well being	Equality analysis to be undertaken	Leisure Development - positive impact	Not applicable	2	1	2
			Parks and Green Spaces - positive impact				
			Libraries - positive impact				
9 2013/17 Deliver Ride London inaugural event in Merton Deliver and develop Merton's contribution to the Ride London Event as well as delivering Merton's contribution to other major sporting, arts and cultural events as appropriate and required	Improved reputation	No impact	Traffic - negative impact	Not applicable	2	2	4
			Leisure Development - positive impact				
			Partner Organisation - positive impact				
10 2013/17 External Funding & Inward Investment Opportunities Seek out partnership working and funding opportunities that deliver against the Cultural Framework as well as seeking external funding to extend the delivery of our strategic needs.	Income generation	No impact	Leisure Development - positive impact	Not applicable	2	1	2

Parking		PLANNING ASSUMPTIONS						Corporate strategies your service contributes to		Workforce Development				
Cllr Mark Betteridge Cabinet Member for Performance & Implementation		Anticipated demand		2012/13	144	2014/15	2015/16	2016/17	Key drivers of demand					
		Number of resident permits issued	13,638	↑	↑	↑	↑	Customer demand - external	Medium Term Financial Strategy	Learning & Dev.				
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 visitors permits issued	252,520	↑	↑	↑	↑	Customer demand - external	Road Safety Plan	Sickness				
									Local Transport Plan					
Objectives <ul style="list-style-type: none"> continue to improve the efficiency of the section in conjunction with the findings of the comprehensive review of parking undertaken in 2011 enforce parking regulations including Controlled Parking Zones and bus lanes review the number of locations where moving traffic can be enforced due to a lack of compliance and congestion problems Survey of parking needs, hours of operation, the number of parking spaces and the charging structure 		Anticipated supply		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply					
		Staff (FTE) update	68.5	↑	↑	↑	↑	Economic						
		Transport	tbc					Technological						
Performance Indicator		Performance targets (indicate if % target)				Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met					
		2012/13	2013/14	2014/15	2015/16	2016/17								
% of parking permits issued within 5-7 days	90%	90%	90%	90%	90%	90%	High	Monthly	Outcome	Loss of income Increased costs				
Sickness- No of days per FTE (12 month rolling average)	15	12	12	12	12	12	Low	Monthly	Quality	Loss of income Reduced customer service				
Number of cases won at PATAS	New	2%	2%	2%	2%	2%	High	Monthly	Business critical	Loss of income Reputational risk				
Number of cases lost at PATAS	New	-2%	-2%	-2%	-2%	-2%	Low	Monthly	Business critical	Loss of income Reputational risk				
Number of cases where council does not contest at PATAS due to new evidence	New	-2%	-2%	-2%	-2%	-2%	Low	Monthly	Business critical	Loss of income Reputational risk				
DEPARTMENTAL BUDGET AND RESOURCES		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD												
		Project	2013/14		Project	2014/15		Project	2015/16		Project	2016/17		
		1	Mobile phone payment for parking		1			1			1			
		2	Obtain approved device status for the 4 new vehicles CCTV cameras which are used for		2			2			2			
		3	Review the existing bus lane cameras		3	Review the existing bus lane cameras		3			3			
		4			4			4			4			
		5			5			5			5			
		6			6			6			6			
		7			7			7			7			
		8			8			8			8			
		9			9			9			9			
		10			10			10			10			
Revenue Budget £'000s		2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS							
Expenditure		4,103	4,402	4,371	4,389	4,410	2013/14		2014/15		2015/16		2016/17	
Employees	2,208	2,382	2,334	2,334	2,334			48	EN12					
Premises	685	674	684	694	705									
Transport	121	150	152	154	157									
Supplies and Services	220	218	221	224	228									
3rd party payments	178	180	182	185	188									
Support services	640	747	747	747	747									
Depreciation	51	51	51	51	51									
Income		10,898	11,457	11,740	11,933	12,315								
Government grants	0	0	0	0	0									
Other reimbursements	0	0	0	0	0									
Customer and client receipts	10,898	11,457	11,740	11,933	12,315	380	ER14	125	EN03 & EN04	37	EN05	226	EN02	
Reserves	0	0	0	0	0									
Capital Funded	0	0	0	0	0									
NET BUDGET		-6,795	-7,055	-7,369	-7,544	-7,905	380		173		37		226	
Capital Budget		2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)							
		2	133											

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Parking							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/14 Mobile phone payment for parking This is by introducing a facility to accept payment over the phone.	More efficient way of working	Equality analysis to be undertaken	Whole organisation - no impact	Not applicable	2	1	2
2013/14 Obtain approved device status for the 4 new vehicles CCTV cameras which are used for enforcement This will be the enforcement of the box junctions in the borough	Improved resident well being	No impact	Whole organisation - no impact	Not applicable	2	2	4
2013/15 Review the existing bus lane cameras Review the capability of the current bus lane cameras with the intention of introducing vehicle recognition cameras this will improve the quality of enforcement and service delivery. The Vehicle Recognition cameras have to achieve approved status and this can only be given by Department for Transport.	Improved resident well being	No impact	Whole organisation - no impact	Not applicable	2	2	4

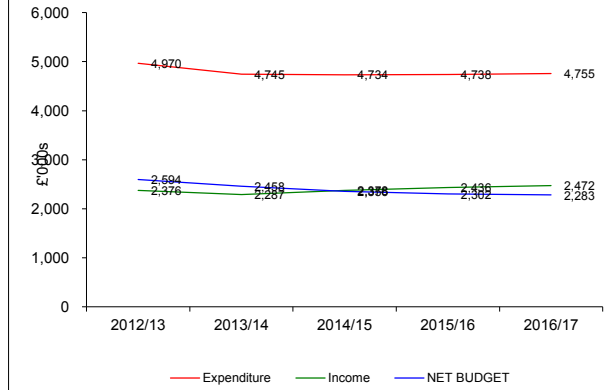
Parks and Green Spaces	PLANNING ASSUMPTIONS						Corporate strategies your service contributes to	Workforce Development	
	Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17			Key drivers of demand
Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration	Increased sport pitch demand	3%	2%	1%	1%	1%	Customer demand - external	Open Spaces Strategy	Learning & Dev.
	Attendance at community outdoor events	662	675	682	689	696	Customer demand - external	Children & Young person's Plan	Sickness
	Allotment plot supply	1350	1355	1360	1365	1370	Customer demand - external	Cultural Strategy	
								London wide strategy	
								Capital Programme	
	Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply		
	Staff	73	69.5	58	58	58	Economic		
	Accommodation	12	12	11	11	11	Economic		
	Transport	19	19	19	19	19	Economic		

Objectives:
The team's primary objectives in the forthcoming years include the following principal tasks:

- increasing income
- reducing operational expenditure
- maintaining and improving service standards and performance
- securing investment and delivering improvements to open space facilities
- encouraging and facilitating community / self-management of sites and facilities
- providing project management, support and / or advice on the development and delivery of major open space construction and redevelopment projects

Performance Indicator	Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met	
	2012/13	2013/14	2014/15	2015/16	2016/17					
Residents % satisfaction with parks & green spaces	70	71	72	73	74	High	Annual	Perception	Reputational risk	
Young peoples % satisfaction with parks & green spaces	69	70	71	72	73	High	Annual	Perception	Reputational risk	
Total LBM cemeteries income £	384,000	396,000	475,000	489,000	504,000	High	Monthly	Business critical	Loss of income	Increased costs
Total outdoor events income £	289,000	305,000	316,000	328,000	341,000	High	Monthly	Outcome	Loss of income	Increased costs
Number of Green Flags	5	5	5	5	5	High	Annual	Quality	Reputational risk	Reduced customer service
Number of outdoor events in parks	110	120	130	130	130	High	Monthly	Outcome	Reputational risk	Reduced customer service
Increase % income from sports bookings	5	3	3.75	3.75	3.75	High	Annual	Business critical	Loss of income	Increased costs

DEPARTMENTAL BUDGET AND RESOURCES



BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	Management of parks & open spaces	1	Management of parks & open spaces	1	Management of parks & open spaces	1	Management of parks & open spaces
2	Management of paddling pools	2	Management of paddling pools	2	Management of paddling pools	2	Management of paddling pools
3	Management of allotments	3	Management of allotments	3	Management of allotments	3	Management of allotments
4	Management of bowling greens	4	Management of bowling greens	4	Management of bowling greens	4	Management of bowling greens
5	Morley Park (development of new open space)	5	Morley Park (development of new open space)	5	Morley Park (development of new open space)	5	
6	Car parking fees in key parks	6	Car parking fees in key parks	6	Car parking fees in key parks	6	
7	Commercialisation of grounds and sports services	7	Commercialisation of grounds and sports services	7	Commercialisation of grounds and sports services	7	Commercialisation of grounds and sports services
8	New cemetery extension (London Road)	8	New cemetery extension (London Road)	8	New cemetery extension (London Road)	8	
9	Development of new sporting hub at Joseph Hood Rec	9	Development of new sporting hub at Joseph Hood Rec	9	Development of new sporting hub at Joseph Hood Rec	9	Development of new sporting hub at Joseph Hood Rec
10	Refurbishment of Wimbledon Park tennis courts	10		10		10	

Revenue Budget £'000s						ACTIONS AND SAVINGS									
	2012/13	2013/14	2014/15	2015/16	2016/17	2013/14		2014/15		2015/16		2016/17			
Expenditure	4,970	4,745	4,734	4,738	4,755	28	ER01	12	EN45						
Employees	2,083	1,981	1,969	1,969	1,969	5	ER01								
Premises	624	539	547	546	554										
Transport	217	217	219	221	224										
Supplies and Services	481	435	426	429	435	30	ER06	16	EN45	4	EN45				
3rd party payments	1	1	1	1	1										
Transfer Payments	7	7	7	7	7										
Support services	1,459	1,471	1,471	1,471	1,471										
Depreciation	98	94	94	94	94										
Income	2,376	2,287	2,378	2,436	2,472										
Government grants	76	53	53	53	53										
Other reimbursements	225	44	44	44	44										
Customer and client receipts	1,662	1,728	1,819	1,877	1,913	41		68	EN45 & EN46	35	EN45	13	EN45		
Recharges	413	487	487	487	487										
Reserves	0	-25	-25	-25	-25										
NET BUDGET	2,594	2,458	2,356	2,302	2,283	104		96		39		13			
Capital Budget	1,505	752	250	250	425	Finance Comments (Capital Budget or otherwise)									

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT								
Parks and Green Spaces		MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
PROJECT DESCRIPTION			Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
1	2013/17 Management of parks & open spaces This is to investigate the future management of parks and open spaces by either friends groups or community groups.	More efficient way of working	Equality analysis undertaken	Whole organisation - no impact	Not applicable	2	2	4
2	2013/17 Management of paddling pools This is to investigate the future management of paddling pools by either friends groups or community groups.	More efficient way of working	Equality analysis undertaken	Whole organisation - no impact	Not applicable	2	2	4
3	2013/17 Management of allotments To look at allotments being managed by users rather than by the council	More efficient way of working	Equality analysis undertaken	Whole organisation - no impact	Not applicable	2	2	4
4	2013/17 Management of bowling greens To ascertain whether local clubs would manage the bowling greens themselves rather than the council	More efficient way of working	Equality analysis undertaken	Whole organisation - no impact	Not applicable	2	2	4
5	2013/16 Morley Park (development of new open space) To review the management arrangements for the new Morley Park.	Income generation	Equality analysis to be undertaken	Whole organisation - no impact	Not applicable	3	2	6
6	2013/16 Car parking fees in key parks Introduction of car parking fees in certain car parks	Income generation	Equality analysis undertaken	Whole organisation - no impact	Impact on transport emissions	4	2	8
7	2013/17 Commercialisation of grounds and sports services This is a project to commercialise the grounds and sports services that are currently supplied by the council	Income generation	Equality analysis to be undertaken	Whole organisation - no impact	Not applicable	2	2	4
8	2013/16 New cemetery extension (London Road) Commissioning of a new cemetery extension at Merton and Sutton Cemetery	Income generation	Equality analysis to be undertaken	Facilities Management - negative impact	Not applicable	2	3	6
9	2013/17 Development of new sporting hub at Joseph Hood Rec	Improved reputation	Equality analysis to be undertaken	Whole organisation - positive impact	Impact on building emissions	3	2	6
10	2013/14 Refurbishment of Wimbledon Park tennis courts	Improved reputation	Equality analysis to be undertaken	Whole organisation - positive impact Parks and Green Spaces - positive impact	Not applicable	2	2	4

Property		PLANNING ASSUMPTIONS						Corporate strategies your service contributes to		Workforce Development			
Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration		Anticipated demand		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand				
<p>To ensure that all property transactions provide value for money and comply with statutory control. To maintain an accurate record of the property assets of the council and to provide asset valuations to support the council's accounts. To manage the council's investment portfolio to maximise income, managing the council's asset base to ensure that it has the accommodation necessary to support its services at a standard it can afford. To support regeneration, deal with occupation of council land by Gypsies and Travellers and lead the Integrated Project Team to deliver a programme of property sales to maximise capital receipts. Community Right to Bid -to manage applications for community assets to be listed and claims for compensation.</p> <p>Objectives</p> <ul style="list-style-type: none"> • complete Asset Valuations to timetable agreed with Director of Corporate Services • drive programme of property disposals to maximise capital receipts and exceed target • critically examine operational property to ensure the council has the minimum necessary to support the business plan • maximise revenue income by letting vacant property • provide timely advice to inform regeneration projects • ensure team is arranged to support objectives. 		The number of proposed disposals		10	2	7	8	➔	Increase revenue		Asset Management Plan	Learning & Dev.	
		The number of proposed lettings.		12	10	9	8	➔	Increase revenue		Capital Programme		
		The number of proposed rent reviews		36	30	25	21	➔	Increase revenue		Gypsy and Traveller Strategy		
		Regeneration		N/A	↑	↑	↑	↑	Increase revenue		Economic Development Strategy		
		Anticipated supply		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply		Children & Young person's Plan		
Staff		6	8	8	8	8	Economic		Civil Contingencies Plan				
									Medium Term Financial Strategy				
									Open Spaces Strategy				
									Community Plan				
Performance Indicator		Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met			
		2012/13	2013/14	2014/15	2015/16	2016/17							
Capital receipts		£5m	£5m	£10m	£10m	£5m	High	Quarterly	Business critical	Loss of income			
% Vacancy rate of prop. owned by council		5.5	5	4.5	4	4	Low	Quarterly	Outcome	Loss of income			
% Debt owed to LBM by tenants inc businesses		10	9.8	9.5	9	9	Low	Quarterly	Outcome	Loss of income			
DEPARTMENTAL BUDGET AND RESOURCES		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD											
<p>£'000s</p> <p>2012/13 2013/14 2014/15 2015/16 2016/17</p> <p>— Expenditure — Income — NET BUDGET</p>		Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17				
		1	Integrated Project Team	1	Integrated Project Team	1	Integrated Project Team	1					
		2	Asset Management Plan	2	Asset Management Plan	2	Asset Management Plan	2					
		3		3		3		3					
		4		4		4		4					
		5		5		5		5					
		6		6		6		6					
		7		7		7		7					
		8		8		8		8					
		9		9		9		9					
		10		10		10		10					
Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS							
Expenditure	1,088	1,189	1,195	1,201	1,206	2013/14		2014/15		2015/16		2016/17	
Employees	317	268	268	268	268								
Premises	291	261	265	269	272								
Transport	0	0	0	0	1								
Supplies and Services	66	121	123	125	126								
3rd party payments	7	7	7	7	7								
Support services	399	518	518	518	518								
Depreciation	8	14	14	14	14								
Income	3,598	4,566	4,622	4,676	4,731								
Government grants	0	0	0	0	0								
Other reimbursements	31	18	18	18	18								
Customer and client receipts	3,194	4,046	4,102	4,156	4,211								
Recharges	373	502	502	502	502								
Reserves	0	0	0	0	0								
Capital Funded	0	0	0	0	0								
NET BUDGET	-2,510	-3,377	-3,427	-3,475	-3,525	0		0		0		0	
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)							
	750												

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Property							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/16 Integrated Project Team 1 This is to create a team which covers all aspects of the council which will allow better use of council properties and maximise capital receipts through either selling or rental	Income generation	Equality analysis to be undertaken	Future Merton - positive impact	Other resource reduction	2	2	4
2013/16 Asset Management Plan 2 This is the creation of a plan which will help to maximise all the property held by the council.	Income generation	Equality analysis to be undertaken	Future Merton - positive impact	Other resource reduction	1	2	2
3							
4							
5							
6							
7							
8							
9							
10							

Safer Merton		PLANNING ASSUMPTIONS						Corporate strategies your service contributes to		Workforce Development		
Cllr Edith Joan Macauley Cabinet Member for Engagement & Equality		Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand				
<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 Drugs and alcohol abuse commissioning The provision of school officers, CCTV and offender work <p>Other support and commissioned services are part of the teams remit as well as ensuring that the council is compliant with legislation. The service is managed through the council, and delivered by Police officers, joint health staff, voluntary sector and community. 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	550	600	600	600	600	Customer demand - external		Crime & Disorder (partnership plan)		
		Population	199700	199700	↑	↑	↑	Customer demand - external				
		No. Multi Agency Risk Assessment cases (domestic abuse)	105	117	129	141	153	Customer demand - external				
		Clients presenting at the One Stop Shop	205	250	275	275	275	Customer demand - external				
		Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply				
Staff (FTE)	24	24	24	20		Political						
Voluntary Services						Social						
Performance Indicator	Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met			
Number of new ASB cases	2012/13	2013/14	2014/15	2015/16	2016/17	Low	Monthly	Business critical	Anti social behaviour			
% CCTV cameras operational	95	95	95	95	95	High	Monthly	Outcome	Reputational risk			
% Improvement in successful completions in drug treatment	33	34	35	36	37	High	Quarterly	Outcome	Safeguarding issues			
% perception of residents worried about drunk & rowdy behaviour (ARS)	43	42	41	40	39	Low	Annual	Perception	Reputational risk			
% perception of residents worried about ASB (ARS)	45	44	43	42	41	Low	Annual	Perception	Reputational risk			
% perception of residents worried about crime (ARS)	52	51	50	49	48	Low	Annual	Perception	Reputational risk			
No. Multi Agency Risk Assessment cases (domestic abuse)	105	117	129	141	153	High	Monthly	Business critical	Breach statutory duty			
No. of One Stop Shop sessions	46	46	46	46	46	High	Quarterly	Business critical	Reduced service delivery			
No. of Local Multi Agency Problem Solving meetings	27	27	27	27	27	High	Quarterly	Business critical	Reduced service delivery			
% perception of residents worried about drug users (ARS)	34	33	32	31	30	Low	Annual	Perception	Reputational risk			
% perception of residents feeling well informed about tackling ASB (ARS)	29	30	31	32	33	High	Annual	Perception	Reputational risk			
DEPARTMENTAL BUDGET AND RESOURCES		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD										
<p>Expenditure: 3,203 (2012/13), 3,205 (2013/14), 3,229 (2014/15), 3,254 (2015/16), 3,278 (2016/17)</p> <p>Income: 1,888 (2012/13), 1,888 (2013/14), 1,888 (2014/15), 1,888 (2015/16), 1,888 (2016/17)</p> <p>NET BUDGET: 1,315 (2012/13), 1,317 (2013/14), 1,341 (2014/15), 1,366 (2015/16), 1,390 (2016/17)</p>		Project	2013/14		Project	2014/15		Project	2015/16		Project	2016/17
		1			1			1			1	
		2	Risk limitation of future grant loss		2			2			2	
		3	ASB changes		3			3			3	
		4			4			4			4	
		5			5			5			5	
		6			6			6			6	
		7			7			7			7	
		8			8			8			8	
		9			9			9			9	
		10			10			10			10	
Revenue Budget £'000s		2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS					
Expenditure		3,203	3,205	3,229	3,254	3,278	2013/14		2014/15		2015/16	2016/17
Employees		1,101	1,012	1,012	1,012	1,012						
Premises		5	5	5	5	5						
Transport		7	7	7	7	7						
Supplies and Services		161	179	181	184	186						
3rd party payments		1,467	1,568	1,590	1,612	1,634						
Support services		358	330	330	330	330						
Depreciation		104	104	104	104	104						
Income		1,888	1,888	1,888	1,888	1,888						
Government grants		322	317	317	317	317						
Other reimbursements		1,464	1,539	1,539	1,539	1,539						
Customer and client receipts		76	6	6	6	6						
Reserves		26	26	26	26	26						
Capital Funded		0	0	0	0	0						
NET BUDGET		1,315	1,317	1,341	1,366	1,390	0		0		0	0
Capital Budget		2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)					
		45	165	40								

Safer Merton							
DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/15	Select one major outcome	Select one	Select a service	Not applicable	0	0	0
1			Select a service				
			Select a service				
2013/14 Risk limitation of future grant loss 2014/15 2015/16 2016/17	To meet legislative requirements	Equality analysis undertaken	Whole organisation - negative impact	Not applicable	4	2	8
2			Children's Social Care - negative impact				
			Safer Merton - negative impact				
2013/14 ASB changes	To meet legislative requirements	No impact	Whole organisation - negative impact	Not applicable	4	3	12
3			Safer Merton - negative impact				
			Select a service				
2013/14	Select one major outcome	Select one	Select a service	Select one	0	0	0
4			Select a service				
			Select a service				
2013/17	Select one major outcome	Select one	Select a service	Select one	0	0	0
5			Select a service				
			Select a service				
2013/17	Select one major outcome	Select one	Select a service	Select one	0	0	0
6			Select a service				
			Select a service				
2013/17	Select one major outcome	Select one	Select a service	Select one	0	0	0
7			Select a service				
			Select a service				
2013/17	Select one major outcome	Select one	Select a service	Select one	0	0	0
8			Select a service				
			Select a service				
2013/17	Select one major outcome	Select one	Select a service	Select one	0	0	0
9			Select a service				
			Select a service				
2014/17 2014/15	Select one major outcome	Select one	Select a service	Select one	0	0	0
10			Select a service				
			Select a service				

Street Cleaning		PLANNING ASSUMPTIONS						Corporate strategies your service contributes to		Workforce Development					
Cllr Mark Betteridge Cabinet Member for Performance & Implementation		Anticipated demand		2012/13		2013/14		2014/15		2015/16		2016/17		Key drivers of demand	
<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.</p> <p>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		199,700	199,700	↑	↑	↑	Customer demand - external		Anti Social Behaviour		Learning & Dev.		
		Increased housing density		80,890	↑	↑	↑	↑	Customer demand - external		Performance Management Framework		Reliance on agency		
		Anticipated supply		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply		Waste Management Plan		Sickness		
		Staff		102	102	102	102	102	Economic						
		Transport		26	26	26	26	26	Economic						
Performance Indicator		Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met					
		2012/13	2013/14	2014/15	2015/16	2016/17									
% Residents satisfied with street cleanliness		56	58	60	62	62	High	Annual	Perception	Reputational risk		Political risk			
% Sites surveyed below standard for litter		9	8.5	7.5	7	7	Low	Quarterly	Perception	Reputational risk		Reduced customer service			
% Sites surveyed below standard for Detritus		13	12.5	12	11.5	11	Low	Quarterly	Perception	Reputational risk		Reduced customer service			
% Sites surveyed below standard for graffiti		6	5.5	5.0	4.5	4.0	Low	Quarterly	Perception	Reputational risk		Reduced customer service			
% Sites surveyed below standard for weeds		15	14.50	14.00	13.50	13.00	Low	Quarterly	Perception	Reputational risk		Reduced customer service			
Number of fly tips reported		3500	3300	3200	3100	3000	Low	Monthly	Outcome	Reputational risk		Reduced customer service			
Days lost through sickness per FTE		14	12	10	10	9	Low	Quarterly	Outcome	Increased costs					
% Sites surveyed below standard for flyposting		1	1	1	1	1	Low	Quarterly	Perception	Reputational risk		Reduced customer service			
DEPARTMENTAL BUDGET AND RESOURCES		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD													
<p>£'000s</p> <p>2012/13 2013/14 2014/15 2015/16 2016/17</p> <p>— Expenditure — Income — NET BUDGET</p>		Project	2013/14		Project	2014/15		Project	2015/16		Project	2016/17			
		1	Introduce mobile working		1			1			1				
		2	Public value review of street cleansing and enforcement		2			2			2				
		3	Introduce timed commercial waste collections in town centres		3			3			3				
		4			4			4			4				
		5			5			5			5				
		6			6			6			6				
		7			7			7			7				
		8			8			8			8				
		9			9			9			9				
		10			10			10			10				
Revenue Budget £'000s		2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS								
Expenditure		5,540	5,028	4,981	4,991	5,000	2013/14		2014/15		2015/16		2016/17		
Employees		3,451	3,399	3,343	3,343	3,343		56	EN13						
Premises		24	25	25	25	26									
Transport		667	289	293	298	302	203	ER18							
Supplies and Services		167	167	169	172	174									
3rd party payments		150	152	155	157	159									
Support services		1,076	991	991	991	991									
Depreciation		5	5	5	5	5									
Income		230	231	234	237	241									
Government grants		0	0	0	0	0									
Other reimbursements		0	0	0	0	0									
Customer and client receipts		230	231	234	237	241									
Reserves		0	0	0	0	0									
NET BUDGET		5,310	4,797	4,747	4,754	4,759	203	56		0		0			
Capital Budget		2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)								
		612	451	315	275	100									

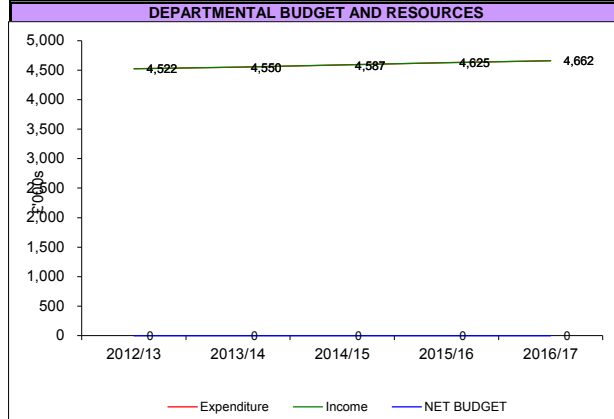
Street Cleaning							
DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/14 Introduce mobile working This to introduce the use of handheld devices for all operators enabling receiving of reports from residents and also to report any to the office.	More efficient way of working	No impact	Whole organisation - no impact	Not applicable	2	2	4
2013/14 Public value review of street cleansing and enforcement Implementation of agreed PVR recommendations as per the review which will take place October 12 to March 13, these will include new enforcement strategy.	Improved customer satisfaction	Equality analysis to be undertaken	Commercial Waste - positive impact	Waste	2	2	4
2013/14 Introduce timed commercial waste collections in town centres Introduce time banded waste collections in town centres starting with Wimbledon town centre	To meet legislative requirements	Equality analysis to be undertaken	Street Cleaning - positive impact Whole organisation - positive impact	Impact on transport emissions	2	2	4
							0
							0
							0
							0
							0
							0
							0
							0

Traffic and Highways		PLANNING ASSUMPTIONS					Corporate strategies your service contributes to			Workforce Development				
Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration		Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand						
The service discharges the council's responsibilities as a Highway, Traffic and Parking 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.		Street lights	12,673	12,673	12,673	12,673	12,673	Customer demand - external			Road Safety Plan	Learning & Dev.		
		Maintenance of trees	16,500	16,570	16,640	16,710	16,710	Customer demand - external			Local Transport Plan	Reliance on agency		
		Network Maintenance and Improvement	363.5	363.5	363.5	363.5	363.5	Statutory / Government initiative			Local Implementation Plan	Ageing workforce		
		Streetwork Permits issued	5,600	11,650	↑	↑	↑	Customer demand - external			Capital Programme			
		Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply			Local Development Framework			
Staff	40.5	39.7	38.7	TBC	TBC	Economic								
The main aims of the service are: • ensure the safe and expeditious movement of all traffic on the Highway Network. • improve the Public Realm. • improve the Street Scene. • improve the quality of life of local residents														
Objectives The overall objectives of the Service is to effectively manage the highway network and to ensure that this network is safe and serviceable for all road users. The specific objectives for 2013/14 is to reduce the Council's Street Lighting energy costs and Carbon footprint. The Council began operating the London Permit Scheme in January 2013 to manage road work activities on the public highway. 11,650 permits are expected to be granted per year. The Streetwork and Network Co-ordination team will grow by an additional 6 staff as a result.		Performance Indicator	Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met			
		% of out of light lamp columns under LA control repaired within 3 working days	85	87	85	86	86	High	Quarterly	Quality	Reduced customer service			
		% response to Emergency Callouts	100	100	100	100	100	High	Monthly	Quality	Increased costs			
		% Streetworks permitting determined	98	98	98	98	98	High	Monthly	Quality	Loss of income			
		% Streetworks inspections completed	30	32	35	37	38	High	Quarterly	Unit cost	Loss of income			
		% of jobs completed where no Fixed Penalty Notice issued	96	96	98	99	99	High	Monthly	Outcome	Reduced customer service			
		% of Conditon Surveys completed on time	80%	90%	92%	95%	95%	High	Annual	Quality	Increased costs			
DEPARTMENTAL BUDGET AND RESOURCES		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD												
<p>The graph shows a general downward trend for Expenditure and NET BUDGET, and a slight upward trend for Income over the five-year period.</p>		Project	2013/14		Project	2014/15		Project	2015/16		Project	2016/17		
		1	Flood and Water Management Schemes		1	Flood and Water Management Schemes		1			1			
		2	Grounds maintenance contract		2			2			2			
		3	Street Lighting contract		3			3			3			
		4	Delivery of Mitcham Town Centre scheme		4	Delivery of Mitcham Town Centre scheme		4			4			
		5	Ride London		5	Ride London		5			5			
		6			6			6			6			
		7			7			7			7			
		8			8			8			8			
		9			9			9			9			
		10			10			10			10			
Revenue Budget £'000s		2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS							
Expenditure		11,443	11,420	11,210	10,986	10,961	2013/14		2014/15		2015/16		2016/17	
Employees	1,327	1,622	1,622	1,370	1,370	272	ER20, ER21 & ER22		252	EN29				
Premises	1,210	1,274	1,243	1,237	1,226	50	EN23				30	EN31		
Transport	105	128	130	132	134									
Supplies and Services	497	252	182	186	151	6	EN30				20	EN30		
3rd party payments	2,046	1,914	1,803	1,831	1,850	149	ER20, ER21, ER22 & EN22		139	EN24-EN28		10	EN27	
Support services	1,322	1,294	1,294	1,294	1,294									
Depreciation	4,936	4,936	4,936	4,936	4,936									
Income		2,451	2,619	2,639	2,659	2,689								
Government grants	125	0	0	0	0									
Other reimbursements	802	624	624	624	634							10	EN32	
Customer and client receipts	859	1,436	1,456	1,476	1,496	13	ER20, ER21 & ER22							
Recharges	665	559	559	559	559									
Reserves	0	0	0	0	0									
NET BUDGET		8,992	8,801	8,571	8,327	8,272	440	189		252	70			
Capital Budget		2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)							
Street Lighting	640	390	300	200	462									
TFL	3,512	3,177	2,912	2,912	2,759									
Traffic & Parking management	12	323	135	135	306									

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT

Traffic and Highways							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/15 Flood and Water Management Schemes This is work covered by the Flood Action Plan which has to be approved by the Environment agency.	To meet legislative requirements	Equality analysis to be undertaken	Highways - positive impact	Impact on flood plains / drainage systems	1	1	1
2013/14 Grounds maintenance contract Procurement of the new ground maintenance contract	Improved customer satisfaction	Equality analysis to be undertaken	Highways - positive impact Parks and Green Spaces - positive impact	Impact on transport emissions	2	3	6
2013/14 Street Lighting contract This is deciding upon whether the Street lighting contract should be extended	Improved customer satisfaction	Equality analysis to be undertaken	Highways - positive impact Parks and Green Spaces - positive impact	Impact on transport emissions	1	2	2
2013/15 Delivery of Mitcham Town Centre scheme Major improvement to road network around Mitcham Town Centre	Improved resident well being	Equality analysis to be undertaken	Highways - positive impact Future Merton - positive impact	Not applicable	4	3	12
2013/15 Ride London Delivery of London - Surrey Cycle Road Race	Improved reputation	Equality analysis to be undertaken	Whole organisation - positive impact	Not applicable	1	1	1

Transport - Commissioning	PLANNING ASSUMPTIONS						Corporate strategies your service contributes to	Workforce Development		
<p>Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration</p> <p>To provide a comprehensive effective transport service, in support of the user departments such as Children Schools & Families and Community & Housing and including Waste Operations and the rest of the council who use transport or associated services.</p> <p>Objectives</p> <ul style="list-style-type: none"> Ensuring that the service provides effective value for money while still meeting customers expectations. Procurement of goods & services for the workshop area. 	Anticipated demand	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand			
	CSF Passenger Journeys - Contractors	162000	95000	95000	95000	95000	Customer demand - internal	Children & Young person's Plan	Ageing workforce	
	CSF Passenger Journeys - In-House	61700	70000	70000	70000	70000	Customer demand - internal	Adult Treatment Plan	Learning & Dev.	
	C&H Passenger Journeys - Contractors	48000	48000	50000	50000	50000	Customer demand - internal	Social Inclusion Strategy		
	C&H Passenger Journeys - In-House	93500	85000	85000	80000	80000	Customer demand - internal	Customer Services Strategy		
	Anticipated supply	2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply			
	dave	34	34	34	34	34	Economic			
	Staff (FTE)	8	9	9	9	9	Economic			
	Fleet Supply	220	192	192	192	192	Economic			
	Performance Indicator	Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met
	Spot checks on contractors	2012/13	2013/14	2014/15	2015/16	2016/17	High	Monthly	Business critical	Reduced customer service
	% Turn around of Req forms - 3 days	30	50	50	50	50	High	Quarterly	Outcome	Customer hardship
	% Turn around of Req forms - 10 days (complex clients)	90	90	95	95	95	High	Quarterly	Outcome	Customer hardship



BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD

Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17
1	Closer Working with Merton Community Transport	1		1		1	
2		2	Passenger Transport Provision Framework	2		2	
3		3		3		3	
4		4		4		4	
5		5		5		5	
6		6		6		6	
7		7		7		7	
8		8		8		8	
9		9		9		9	
10		10		10		10	

Revenue Budget £'000s	2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS			
Expenditure	2013/14	2014/15	2015/16	2016/17					
Employees	357	367	367	367	367				
Premises	64	67	68	69	70				
Transport	2,330	2,330	2,365	2,400	2,435				
Supplies and Services	67	67	68	69	70				
3rd party payments	30	30	30	31	31				
Support services	1,160	1,174	1,174	1,174	1,174				
Depreciation	514	515	515	515	515				
Income	4,522	4,550	4,587	4,625	4,662				
Government grants	0	0	0	0	0				
Other reimbursements	2	2	2	2	2				
Customer and client receipts	3,850	3,878	3,915	3,953	3,990				
Recharges	670	670	670	670	670				
Reserves	0	0	0	0	0				
Capital Funded	0	0	0	0	0				
NET BUDGET	0	0	0	0	0	0	0	0	0
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)			
Other	43	183	2,500	2,500					
TFL	2,625	1,919	1,839	1,839					

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
Transport - Commissioning							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/14 Closer Working with Merton Community Transport Working closer with Merton Community Transport, to find ways of improving services, and providing training. Merton have made available to MCT the fuel bunker to reduce MCT costs, and further work in being carried regarding vehicle utilisation, and vehicle procurement	More efficient way of working	No impact	Transport - no impact	Not applicable	2	2	4
2014/15 Passenger Transport Provision Framework Passenger Transport Framework 4 year contract due to expire August 2015. Liasing with neighbouring boroughs (Sutton & Kingston) for the possibility to work together in providing this service.	To meet budget savings	No impact	Whole organisation - positive impact	Not applicable	2	2	4

Transport - Passenger Fleet		PLANNING ASSUMPTIONS						Corporate strategies your service contributes to	Workforce Development					
Cllr Andrew Judge Cabinet Member for Sustainability & Regeneration		Anticipated demand		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand					
Merton Transport Services provides transport and fleet support.		C&H Passenger journeys	93,500	85,000	85,000	80,000	80,000	80,000	Customer demand - internal					
We provide transport for adults and children who have special needs. Working in conjunction with our partners at Special Educational Needs (SEN) and Adult Social Care offering transport support. We operate a fleet of welfare vehicles that are fully accessible by all. Transport can be provided to day centres and schools as well as other journeys as required.		CS&F passenger Journeys - in house	61,700	70,000	70,000	70,000	70,000	70,000	Customer demand - internal					
		Maintenance repair of fleet vehicles	220	200	200	200	200	200	Customer demand - internal					
		Anticipated supply		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply					
Full fleet management is provided to support the councils fleet of vehicles. This includes all servicing, repairs, maintenance and Operators Licence requirements. In addition, we assist client departments such as Waste Services, in developing vehicle specifications and advise on vehicle types to enable solutions for operational problems to be resolved.		Staff (FTE)	86	87	87	87	87	87	Economic					
		Transport	51	46	46	46	46	46	Economic					
Objectives <ul style="list-style-type: none"> Merton Transport Services will provide a comprehensive and efficient transport service. We will support user departments including Community & Housing, Childrens Schools and Families, Waste Operations and all other departments that require transport support. We will ensure legal compliance with regard to all statutory requirements for road transport services including Operators Licence requirements. 		Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met				
		Performance Indicator		2012/13	2013/14	2014/15	2015/16	2016/17						
		% MOT Vehicle pass rate		95	95	95	95	95	High	Quarterly	Outcome	Reduced service delivery		
		Average % Passenger vehicles in use		65	65	65	70	70	High	Quarterly	Unit cost	Increased costs		
		% In house journey that meet timescales		85	85	85	85	85	High	Quarterly	Outcome	Increased costs		
		% Client user satisfaction		97	97	97	97	97	High	Annual	Outcome	Reduced uptake of service		
DEPARTMENTAL BUDGET AND RESOURCES		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD												
<p>Legend: Expenditure (red), Income (green), NET BUDGET (blue)</p>		Project	2013/14	Project	2014/15	Project	2015/16	Project	2016/17					
		1	Completion of bay extension	1		1		1						
		2	Closer working with Merton Community Transport	2		Closer working with Merton Community Transport	2		2					
		3	Tachograph Facility	3		Tachograph Facility	3		3					
		4		4			4		4					
		5		5			5		5					
		6		6			6		6					
		7		7			7		7					
		8		8			8		8					
		9		9			9		9					
		10		10			10		10					
Revenue Budget £'000s		2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS							
Expenditure		3,560	3,794	3,809	3,823	3,837	2013/14		2014/15		2015/16		2016/17	
Employees	1,674	1,663	1,663	1,663	1,663									
Premises	49	34	35	35	36									
Transport	665	915	928	941	953									
Supplies and Services	24	63	64	65	66									
3rd party payments	0	0	0	0	0									
Support services	1,148	1,119	1,119	1,119	1,119									
Depreciation	0	0	0	0	0									
Income		3,560	3,794	3,809	3,823	3,837								
Government grants	0	0	0	0	0									
Other reimbursements	0	0	0	0	0									
Customer and client receipts	2,478	2,712	2,727	2,741	2,755									
Recharges	1,082	1,082	1,082	1,082	1,082									
Capital Funded	0	0	0	0	0									
NET BUDGET		0	0	0	0	0	0		0		0		0	
Capital Budget		2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)							
		974	500	500	500	500								

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT								
Transport - Passenger Fleet		MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
PROJECT DESCRIPTION	Equalities		Select up to 3 services	Sustainability	Likelihood	Impact	Score	
1	<p>2013/14 Completion of bay extension</p> <p>In order to meet our obligations with regard to vehicle maintenance within the changing roles of Waste Operations, we need to be able to work on vehicles into the evening. At present this is not possible as the current workshops were not designed for refuse vehicle maintenance. A three bay workshop extension will enable evening work to be carried out.</p>	More efficient way of working	No impact	<p>Whole organisation - positive impact</p> <p>Waste Management - positive impact</p>	Not applicable	2	2	4
2	<p>2013/15 Closer working with Merton Community Transport</p> <p>Closer working with the voluntary sector has been identified as an objective to improve services. We are looking at ways to better cooperate with Merton Community Transport. So far we have an arrangement to supply fuel to them and we are now looking at vehicle maintenance and vehicle utilisation.</p>	More efficient way of working	No impact	Adult Social Care - positive impact	Community outreach	2	2	4
3	<p>2013/15 Tachograph Facility</p> <p>At the present time there is no tachograph repair facility within the borough. We have to visit a Tachograph Centre 40+ times a year. We are investigating the viability of operating an in house repair centre that could both repair LB Merton Vehicles as well as taking on 3rd party work.</p>	Income generation	No impact	<p>Transport - positive impact</p> <p>Waste Management - positive impact</p>	Impact on transport emissions	2	2	4
4								
5								
6								
7								
8								
9								
10								

Waste Management		PLANNING ASSUMPTIONS						Corporate strategies your service contributes to		Workforce Development				
Cllr Mark Betteridge Cabinet Member for Performance & Implementation		Anticipated demand		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of demand					
Enter a concise description of your main activities/objectives below:		Population		199,700	199,700	↑	↑	↑	Customer demand - external					
As a unitary authority, Merton is responsible for both household waste collection and disposal.		Increased housing density		80,890	↑	↑	↑	↑	Customer demand - external					
Household Reuse and Recycling Centres - Merton is required to provide facilities for the disposal of excess household and garden waste free of charge.		Household waste tonnage		71,000	↑	→	→	→	Customer demand - external					
Objectives		Anticipated supply		2012/13	2013/14	2014/15	2015/16	2016/17	Key drivers of supply					
● provide efficient and accessible services to all of our customers, including those with specific needs.		Staff		97	97	97	97	97	Economic					
● to advise our customers on the services provided and to keep improving our services in line with customer needs.		Transport		33	31	31	29	29	Economic					
● promote public awareness of waste minimisation and encourage re-use and recycling through information, education and empowerment.		Performance Indicator		Performance targets (indicate if % target)					Polarity	Reporting cycle	Indicator type	Impact(s) if performance indicator not met		
		2012/13	2013/14	2014/15	2015/16	2016/17								
		% Household waste recycled	40	42	43	44	45	High	Monthly	Business critical	Reputational risk			
		% Residents satisfied with refuse collection	72	74	76	78	78	High	Annual	Perception	Reputational risk			
		Residual waste kg per household pa	525	512	504	496	483	Low	Monthly	Outcome	Increased costs			
		% Municipal solid waste landfilled	49	48	47	46	10	Low	Monthly	Outcome	Increased costs			
		Number of missed bins per 100,000	70	60	55	50	45	Low	Monthly	Outcome	Reduced customer service			
		Total waste arising from households	875	874	873	872	868	Low	Monthly	Outcome	Reputational risk			
		Days lost from through sickness per FTE	14	12	10	10	10	Low	Quarterly	Outcome	Increased costs			
		% Residents satisfied with recycling facilities	70	73	76	79	79	High	Annual	Perception	Reputational risk			
		No. Town Centre FPN's Issued	250	750	1000	1000	800	High	Annual	Output	Reduced customer service			
DEPARTMENTAL BUDGET AND RESOURCES		BRIEFLY DETAIL YOUR MAJOR WORK / PROCUREMENT PROJECTS - MAXIMUM OF 10 OVER THE FOUR YEAR PERIOD												
		Project	2013/14		Project	2014/15		Project	2015/16		Project	2016/17		
		1	South London waste partnership (phase B)		1			1			1			
		2	Public value review between Dec 2013 and May 2014		2			2			2			
		3	Double shifting domestic flats reduce 2 fleet vehicles		3			3			3			
		4	Improved enforcement regime to support time-banding in town centres		4			4			4			
		5	Review of Phase A contract		5			5			5			
		6	SLWP review Phase C		6			6			6			
		7			7	Mobile technology including GPS and in cab monitors		7			7			
		8			8			8	Double shift garden waste collection vehicles reduce 2 x vehicles		8			
		9			9			9			9			
		10			10			10			10			
Revenue Budget £'000s		2012/13	2013/14	2014/15	2015/16	2016/17	ACTIONS AND SAVINGS							
Expenditure		16,140	15,897	13,520	13,574	13,792	2013/14		2014/15		2015/16		2016/17	
Employees	3,313	3,466	3,352	3,304	3,356	25	EN15	165	EN15 & EN17	100	EN14			
Premises	185	128	129	131	133									
Transport	1,560	1,518	1,541	1,498	1,520	68	ER18			66	EN16			
Supplies and Services	513	573	581	590	598									
3rd party payments	8,557	8,395	6,100	6,234	6,368	191	ER17	2,029	EN18-EN21 & ER17					
Transfer Payments	2	2	2	2	2									
Support services	1,569	1,454	1,454	1,454	1,454									
Depreciation	441	361	361	361	361									
Income	877	872	876	880	883									
Government grants	0	0	0	0	0									
Other reimbursements	0	0	0	0	0									
Customer and client receipts	274	274	278	282	285									
Recharges	603	598	598	598	598									
Reserves	0	0	0	0	0									
Capital Funded	0	0	0	0	0									
NET BUDGET	15,263	15,025	12,644	12,694	12,909	284		2,194		166		0		
Capital Budget	2012/13	2013/14	2014/15	2015/16	2016/17	Finance Comments (Capital Budget or otherwise)								
	952	131	90	90										

DETAILS OF YOUR MAJOR WORK PROJECTS AND THEIR IMPACT							
Waste Management							
PROJECT DESCRIPTION	MAJOR EXPECTED OUTCOME	IMPACT ON:			Risk		
		Equalities	Select up to 3 services	Sustainability	Likelihood	Impact	Score
2013/14 South London waste partnership (phase B) 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.	More efficient way of working	Equality analysis undertaken	Whole organisation - no impact	Recycling	2	4	8
2013/14 Public value review between Dec 2013 and May 2014 Implementation of agreed Public Value Review recommendations.	Improved customer satisfaction	Equality analysis to be undertaken	Waste Management - positive impact	Not applicable	2	2	4
2013/14 Double shifting domestic flats reduce 2 fleet vehicles Reduction of two fleet vehicles.	More efficient way of working	Equality analysis undertaken	Waste Management - no impact Transport - positive impact	Impact on transport emissions	2	3	6
2013/14 Improved enforcement regime to support time-banding in town centres 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. There will need to be capital investment approx £120K.	More efficient way of working	Equality analysis undertaken	Waste Management - positive impact	Waste	2	2	4
2013/14 Review of Phase A contract Reduction of two fleet vehicles.	More efficient way of working	Equality analysis undertaken	Waste Management - positive impact	Recycling	2	2	4
2013/14 SLWP review Phase C	More efficient way of working	Equality analysis undertaken	Waste Management - positive impact	Recycling	2	2	4
2014/15 Mobile technology including GPS and in cab monitors	More efficient way of working	Equality analysis to be undertaken	Waste Management - positive impact Transport - no impact	Impact on transport emissions	3	2	6
2015/16 Double shift garden waste collection vehicles reduce 2 x vehicles Issues with disposal licences may cause a delay to the commencement date of this project.	More efficient way of working	Equality analysis to be undertaken	Waste Management - neutral impact	Impact on transport emissions	3	2	6
						0	0
						0	0

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Section F

List of Revenue Savings 2013/17

REVENUE SAVINGS 2013-17

The revenue savings agreed by service departments during the 2013/17 Business Planning Process are set out in the following pages.

During 2013/14 revenue savings proposals were considered by Cabinet on

- 10 December 2012
- 18 February 2013

Final revenue savings were considered and agreed by Council on 6 March 2013.

Revenue savings were scrutinised by the Overview and Scrutiny Commission and Panels during the January 2013 cycle of meetings and by the Overview and Scrutiny Commission on 28 February 2013.

In total the following savings have been identified by each department:

SERVICE DEPARTMENTS: SUMMARY OF SAVINGS 2013-17				
	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Corporate Services	0	1,446	801	630
Children Schools and Families	0	150	631	250
Environment and Regeneration	215	1,456	602	439
Community And Housing	0	1,190	1,414	1,608
In Year Total	215	4,242	3,448	2,927
Cumulative	215	4,457	7,905	10,832

These savings are in addition to those identified as part of the 2012-16 Business Planning Process.

The three tables over the page summarise the spread of agreed risks across the financial years for the council:

SUMMARY OF TOTAL RISKS OVER FINANCIAL YEARS

2013/14 & 2014/15 RISKS

DELIVERABILITY RISK	High	1.12%	17.34%	6.73%
	Medium	18.94%	9.60%	13.13%
	Low	26.63%	2.96%	3.54%
		Low	Medium	High
REPUTATIONAL RISK				

2015 /16 RISKS

DELIVERABILITY RISK	High	1.91%	27.87%	26.68%
	Medium	7.37%	10.67%	1.42%
	Low	14.62%	2.15%	7.31%
		Low	Medium	High
REPUTATIONAL RISK				

2016 /17 RISKS

DELIVERABILITY RISK	High	0.00%	18.79%	30.06%
	Medium	8.03%	15.07%	21.97%
	Low	1.71%	1.33%	3.04%
		Low	Medium	High
REPUTATIONAL RISK				

The table below summarises the savings by type for the Council over the financial period of the Medium Term Financial Strategy:

Total Savings Identified as part of the 2013-17 Planning Period

		2013/14	2014/15	2015/16	2016/17
		£000	£000	£000	£000
SI1	Income: increase in current level of charges		255	110	32
SI2	Income: increase arising from expansion of existing service/new service		165	120	306
SS1	Staffing: reduction in costs due to efficiency	44	316	215	393
SS2	Staffing: reduction in costs due to deletion/reduction in service		1,194	1,007	439
SNS1	Non - Staffing: reduction in costs due to efficiency	100	1,091	374	118
SNS2	Non - Staffing: reduction in costs due to deletion/reduction in service	61	249	51	89
SP1	Procurement / Third Party arrangements - efficiency	10	770	1,471	1,500
SG1	Grants: Existing service funded by new grant		50	100	50
SG2	Grants: Improved Efficiency of existing service currently funded by unringfenced grant		0	0	0
SPROP	Reduction in Property related costs		152	0	0
Total for Merton		215	4,242	3,448	2,927

The following pages provide a detailed breakdown of the savings identified as part of the 2013-17 Business Planning Process, these are displayed in departmental order. The Panel shown in the first column of the analysis represents the Scrutiny Panel who reviewed the proposals, these are:

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

Children, Schools and Families Department

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS - BUDGET PROCESS 2013/17

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF01	Service Description	CSF School Standards and Quality Increased income generation and management efficiencies	524	0	40	40	M	M	SS1 & SI2
		Service Implication	Review costs, charging internally and increased external work.							
		Staffing Implications	Consideration may be given to a restructure when external funding is clearer - a national funding formula could affect DSG allocations and current agreed de-delegation							
		Business Plan implications	Development of Merton Education Partnership							
		Impact on other departments	None							
		Equalities Implications	A focus would remain on the outcomes of key equalities groups							
C&YP	CSF02	Service Description	CSF SEND Integrated Service Restructuring within the service to deliver efficiencies as well as reduced commissioning.	1,936	0	10	10	M	H	SS2
		Service Implication	Part of the implementation of the current Children and Families Bill							
		Staffing Implications	None							
		Business Plan implications	Implementation of the Children and Families legislation							
		Impact on other departments	None							
		Equalities Implications	Service is for a key equalities group and every effort will be made to protect front line services							

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS - BUDGET PROCESS 2013/17

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF03	Service Description	<u>CSF Commissioning Function and Commissioning Budgets</u> Reduction in commissioning budgets for Early Intervention and Prevention service	972	50			L	H	SP2
		Service Implication	The saving will be achieved through review of the departmental commissioning intentions and reduction in external commissioning in 2014-15							
		Staffing Implications	None							
		Business Plan implications	EIP services are an essential element in CSF's ability to contain levels of LAC and children on CP Plans. This saving will reduce the overall EIP service capacity.							
		Impact on other departments	None							
		Equalities Implications	Some EIP services have historically been targeted at specific equalities groups – e.g. BME groups; children with disabilities. Saving will reduce departmental capacity to target services although no specific equalities group will be disadvantaged through application of this saving.							

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS - BUDGET PROCESS 2013/17

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
C&YP	CSF04	<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>CSF Commissioning Function and Commissioning Budgets</p> <p>Reduce expenditure on LAC and SEN placements</p> <p>These placements are commissioned by the department's Access to Resources Service. Savings will be achieved through more effective recruitment and deployment of in house foster carers and through robust procurement of placements provided in the private, voluntary and independent sectors.</p> <p>None</p> <p>One of the department's business plan targets is to increase the proportion of looked after children provided with in house placements</p> <p>None</p> <p>LAC are a key equalities group for whom high quality placements are essential in supporting positive outcomes. Placements will continue to be provided which meet the assessed needs of individual LAC.</p>	4,702	0	100	50	H	M	SP2

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS - BUDGET PROCESS 2013/17

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF05	<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>CSF SEN Transport</p> <p>Introduce new models of fulfilling the council's statutory responsibilities for the provision of SEN transport</p> <p>2,882</p>	0	161	50	H	M	SP1

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS - BUDGET PROCESS 2013/17

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
C&YP	CSF07	<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>CSF Children Social Care & Youth Inclusion</p> <p>Family and Adolescent Services Stream - Transforming Families (TF), Youth Offending Team (YOT) and in Education, Training and Employment (ETE)</p> <p>The Service teams will need to work together in an increasingly integrated way to ensure the complexity of families needs are met at an earlier stage</p> <p>7 Full Time Equivalent posts over the 3 years</p> <p>The need to continue to ensure low level first time entrants to YJ is essential as is the need to assist more young people to effectively stay engaged in ETE</p> <p>Possible implication on Housing service in C&H and Safer Merton service in E&R.</p> <p>Service is for a key equalities group and where possible services will be commissioned as a more affordable rate to protect from line service provision</p>	1,844	100	220	100	H	H	SS2

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES SAVINGS - BUDGET PROCESS 2013/17

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	CSF08	Service Description	CSF Children Social Care & Youth Inclusion Post 16 LAC/CL accommodation cost. Smarter commissioning/contracts	774		100		M	M	SP1
		Service Implication	An improvement in the quality and cost of services to 16+ through better procurement							
		Staffing Implications	None							
		Business Plan implications	no specific Implications							
		Impact on other departments	close working relationship with Housing will need to be assured							
		Equalities Implications	Services are to a key group and a group that may experience further pressure within the welfare benefits changes							
Total Children, Schools and Families Savings					150	631	250			

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Community and Housing Department

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH01	<u>Service</u> Description	<u>Adult Social Care</u> Below inflation uplift to third party suppliers	38,465	0	500	500	High	High	SP1
		Service Implication	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.							
		Staffing Implications	None							
		Business Plan implications	Contributes to efficiency savings							
		Impact on other departments	None							
		Equalities Implications	See overall EA							

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

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH02	<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>	1,657	500	200	100	High	Medium	SS2
		<p>Promoting Independence</p> <p>Public Value Review - Efficiencies to be found in hospital discharge process and customers to be enabled to regain and maintain independence</p> <p>Efficiencies may lead to fewer staff and / or changes in working practices</p> <p>In line with the aim of delivering cost effective, person centred services.</p> <p>None</p> <p>See overall EA</p>							

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

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
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>	5,357	200	200	150	High	High	SP1
		<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>							

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH04	<u>Service</u> Description	Reduce Management costs and reduction in staffing costs	453	148	0	100	High	Medium	SS2
		Service Implication	Staffing restructure to deliver efficient processes, and building on planned shift of some customers to manage their own processes.							
		Staffing Implications	Deletion of posts							
		Business Plan implications	Contributes to efficiency savings							
		Impact on other departments	None							
		Equalities Implications	See overall EA							

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

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH05	<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>	1,556	0	0	500	Medium	High	SP1
		<p>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.</p> <p>Reduced demand for statutory services or reduced level of preventive services. In the latter case people would lose some of the services which make their life fuller. .</p> <p>Potential reduction in voluntary sector organisation staffing.</p> <p>In line with the aim of delivering cost effective, person centred services and focus early intervention and prevention.</p> <p>None</p> <p>See overall EA</p>							

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

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH06	<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>	1,556	150	0	0	Medium	Medium	SP1
		<p>Voluntary Organisations - SLA reduction</p> <p>Delivering efficiencies through reduction in voluntary organisations' overheads and back office costs, or reductions in demand for statutory services</p> <p>Potential reduction in voluntary sector organisation staffing levels.</p> <p>In line with the aim of delivering cost effective, person centred services and focus early intervention and prevention.</p> <p>None</p> <p>See overall EA</p>							

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

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH07	<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>	454	100	0	0	Medium	High	SS2
		<p>Direct Provision - Day services options (staff reduction)</p> <p>The main offer for people using in house day services would be a more basic one, with the emphasis on providing a safe respite option for carers and group activities for customers.</p> <p>The core staff at each day service could be reduced, with more emphasis based on volunteers providing variety and/or community activities.</p> <p>Day services would continue to play a role in shaping the social care market locally.</p> <p>None</p> <p>See overall EA</p>							

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

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH08	<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>	278	100	0	0	Medium	High	SNS1
		<p>Transport</p> <p>Day services staff will assume the role of collecting customers from home and taking them to the centres or community venues.</p> <p>A change of role for some staff - some staff have already begun this work at JMC</p> <p>This fits in with the need to be more self reliant on travel options.</p> <p>There will be reduced business for E&R providing fleet vehicles.</p> <p>See overall EA</p>							

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

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH09	<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>	7,295	0	250	0	High	Medium	SP1
		<p>Remodelling and re-procuring the domiciliary care service, following the end of the 3 year contract starting in 2012.</p> <p>Reducing dependency on domiciliary care services, through different forms of contract which incentivise providers to manage demand and new needs, and through other cost effective preventative solutions such as telecare and telehealth.</p> <p>None</p> <p>In line with the aim of delivering cost effective, person centred services and focus early intervention and prevention.</p> <p>None</p> <p>See overall EA</p>							

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH10	<u>Service</u> Description	Procurement Opportunities	5,357	0	250	250	High	Medium	SP1
		Service Implication	Delivering further efficiencies through contract negotiations.							
		Staffing Implications	None							
		Business Plan implications	In line with the aim of delivering cost effective, person centred services.							
		Impact on other departments	None							
		Equalities Implications	See overall EA							

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH11	<u>Service</u> Description	Restructuring Supporting People, continuing the mainstreaming of the procurement process, and reducing overall expenditure within these contracts	2,666	100	0	0	Medium	High	SP1
		Service Implication	There may be some reductions in the level of support to some vulnerable groups, this is in addition to other savings already identified.							
		Staffing Implications	None							
		Business Plan implications	In line with the aim of delivering cost effective, person centred services.							
		Impact on other departments	None							
		Equalities Implications	See overall EA							

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
sc	CH12	<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>Housing Needs</p> <p>Homelessness Prevention Grant</p> <p>The homelessness prevention grant is a central plank in minimising the incidences of homelessness episodes and is assisting the service in maintaining its position of having the lowest number of households in temporary accommodation in London. The additional resources flowing from this grant whilst allocated by government for homelessness prevention is not ring fenced and as a result the grant can be utilised for homelessness prevention or another purpose. Whilst there has been historic under spends in this grant the proposed welfare reform changes may impact upon the use of this fund. It remains difficult to accurately predict whether the welfare reform will see an increased use of this grant.</p> <p>None</p> <p>None</p> <p>Potential increased need for social care interventions if Temporary accommodation placements increased. Potential increase in rough sleeping and single homelessness which may have crime and disorder implications.</p> <p>This will not disproportionately affect one group over another</p>	500	92	0	0	<p>Medium</p> <p>The grant is assured until up to 2014/15 but not beyond (Allocation is reduced to £400k)</p>	<p>Medium</p> <p>external scrutiny of grant spend e.g. government specialist housing advices or press</p>	SG2

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
sc	CH13	Service Description	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	n/a	n/a	n/a
		Service Implication	n/a							
		Staffing Implications	n/a							
		Business Plan implications	n/a							
		Impact on other departments	n/a							
		Equalities Implications	None							

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
sc	CH14	Service Description	Merton Adult Education Income generation	(564)	20	0	0	Medium	Medium	SNS1
		Service Implication	MAE will work hard to increase income through commercial activity combined with bidding for funds							
		Staffing Implications	Staff will need to undertake new roles							
		Business Plan implications	The commercial target has been included in the business plan							
		Impact on other departments	Other departments such as L & D could aid achievement of the commercial target through stronger partnership working							
		Equalities Implications	None							
sc	CH15	Service Description	Staffing cost reductions	1,108	20	14	8	Medium	Medium	SNS1
		Service Implication	Delivery utilising the use of Information Technology and other efficiencies							
		Staffing Implications	Staffing reductions resulting in post deletions							
		Business Plan implications	The service re-configuration has been included in the business plan actions							
		Impact on other departments	Reduce capacity to undertake Library new enrolments							
		Equalities Implications	None							
Total Community and Housing Savings					1,190	1,414	1,608			

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Corporate Services Department

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS1	<u>Service Description</u>	<u>Business Improvement</u> Rationalisation of management costs	230	50	50		Medium	Medium	SS1
		<u>Service Implication</u>	Reduction in quality control and assurance; potential for less strategic alignment of improvement activity and transformation. The impact of this would be felt over time. However there is an expectation that by this time less transformation should be required so less strategic oversight may be appropriate.							
		<u>Staffing Implications</u>	Fewer staff at senior management level - looking to extend spans of control where appropriate (to share management costs) and reduce management levels where team sizes and levels of transformation needed decrease.							
		<u>Business Plan implications</u>	Not Significant - as long as sufficient degree of transformation can be achieved within the given timescale and therefore strategic capacity released.							
		<u>Impact on other departments Equalities Implications</u>	As above None							

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS3	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p><u>Business Improvement - Programme Management</u></p> <p>Generate income through training</p> <p>Programme Office will deliver training in MAP through L&D programme (rather than external provider).</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	0	5	5		Low	Low	S12
	CS4	<p>Service Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications</p> <p>Impact on other departments</p> <p>Equalities Implications</p>	<p><u>Business Improvement - Expiry of salary protection</u></p> <p>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.</p> <p>It is envisaged that there will be a reduction in morale for those staff who lose pay protection.</p> <p>None</p> <p>None</p> <p>None</p> <p>Staff undertaking the same jobs will now be paid comparable salaries.</p>	1,266	10	0		Low	Low	SS1

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS5	<u>Service</u>	<u>Business Improvement - Programme Management</u>							
		<u>Service</u>	<u>IT Service Delivery</u>							
		Description	Review and challenge of the procurement of Support & Maintenance & Licence Contracts	1,400	29	60	50	Medium	Low	SNS1
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	Working with departments to ensure only have what is necessary							
		Equalities Implications	None							

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS6	Service	I & T							
		Description	Consolidation of ITSD Revenue Budgets	2,761	34			Low	Low	SNS1
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							
	CS7	Service	I & T							
		Description	Reduction of costs through re-procurement of Mobile Telephones Contract against a number of revenue budgets spread across the Council	266	10	10	20	Low	Low	SNS1
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS8	<u>Service</u>	<u>I & T</u>							
		Description	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		10	20	Medium	Low	SNS1
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS9	<u>Service</u>	I & T - Fallout of pay protection							
		Description	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	16			Low	Low	SS1
		Service Implication	It is envisaged that there will be a reduction in morale for those staff who lose pay protection.							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	Staff undertaking the same jobs will now be paid comparable salaries.							
	CS10	<u>Service</u>								
		Description	Outsourcing - Service Desk	574			20	Medium	High	SNS2
		Service Implication	None							
		Staffing Implications	Staff currently providing the service are likely to be TUPE transferred to an external service provider							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	TBA							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS11	<u>Service</u>	<u>I & T</u>							
		Description	Deletion of One Van	15	5			Low	Low	SNS1
		Service Implication	Reduction in the number of vehicles available for use by the I&T division may have some impact on the time taken to respond to requests for repairs and maintenance of buildings and IT equipment							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	Will have some impact for departments in terms of the time taken to respond to requests for repairs and maintenance of buildings and IT equipment							
		Equalities Implications	None							

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Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
	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>I & T</p> <p>Information Governance Vacant Post</p> <p>The provision of performance and operational documentation will be affected and incidents involving data security will take longer to investigate and resolve.</p> <p>This will require a restructure within IT Service Delivery in order to reassign the duties of the post to other members of staff</p> <p>None</p> <p>Delays in the investigation and resolution of issues relating to data security and governance</p> <p>None</p>	574			37	Low	High	SS2

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS13	<u>Service</u>	<u>I & T</u>							
		Description	Cancellation of all Escrow Agreements (Carefirst, Hometrack Data, Ash, Open Revenues, Proactis, Fibonacci)	576	4			Low	Low	SNS1
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS14	Service	I & T							
		Description	Cancellation of ttMobile contract	263	35			Low	Low	SNS2
		Service Implication	None							
		Staffing Implications	Staff that have been issued with a mobile telephone for business use will be required to sign up to an agreement to pay a nominal monthly charge to cover the cost of recovering personal telephone calls and also mitigate any personal tax liability.							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							
	CS15	Service	I & T							
		Description	Asset & Change Analyst Vacant Part Post (0.8)	574		24		Low	Low	SNS1
		Service Implication								
		Staffing Implications	This will require a restructure within IT Service Delivery team.							
		Business Plan implications								
		Impact on other departments	Likely to be some adverse impact for departments in terms of service delivery as the loss of the post will mean that we are then unable to cover absence due to holidays and sickness.							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS16	<u>Service</u>	<u>I & T</u>							
		Description	Surrender of remainder of ITSD Overtime budget	35	35			Low	High	SNS1
		Service Implication	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.							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	Loss of systems during normal working hours is likely to have a major impact on service delivery for departments and the Councils general operations.							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS17	Service	<u>I & T-Transactional Services</u>							
		Description	Delete 1 Transactional Services Assistant Post (Compulsory Redundancy)	487		30		Low	Low	SS2
		Service Implication	Subject to the introduction of new new software to improve the process of scanning, we will be able to achieve efficiency savings by reducing the number of paper invoices being manually handled and processed.							
		Staffing Implications	Delete 1 Transactional Services Assistant Post through compulsory redundancy							
		Business Plan implications	No impact in respect to the time taken to process payments in Carefirst, but will have an impact on the time taken to process payments in Proactis.							
		Impact on other departments	None							
		Equalities Implications	TBA							

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Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
	CS18	<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>I & T-Transactional Services</p> <p>Delete Assistant Vendor Maintenance - Part Post 0.7 FTE (Compulsory Redundancy)</p> <p>The reduction of resources will leave one member of staff to undertake all of the duties associated with vendor maintenance on the financial systems and there will be no cover available during periods of holiday and sickness. Deletion of the post will also require agreement from Audit regarding issues around the separation of duties.</p> <p>Delete 1 Part time Vendor Maintenance Officers post through compulsory redundancy</p> <p>None</p> <p>The Transactional Services team will no longer be able to set up suppliers on the same day that they are requested and this will have a consequential impact on departments being able to raise orders and the time taken to pay suppliers.</p> <p>TBA</p>	487		24		Medium	Low	SS2

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS19	Service	<u>I&T - Facilities Management</u>							
		Description	Energy ReFit Savings (Subject to agreed investment) - Phase 1	990	100			Low	Low	SNS1
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	Existing departmental revenue budgets for utilities will be reduced to reflect the savings made through improving the energy efficiency of the buildings.							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS20	Service	<u>I&T - Facilities Management</u>							
		Description	Energy ReFit Savings (subject to agreed investment) - Phase 2	990		100		Low	Low	SNS1
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	Existing departmental revenue budgets for utilities will be reduced to reflect the savings made through improving the energy efficiency of the buildings.							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS21	<u>Service</u>	<u>I&T - Facilities Management</u>							
		Description	Increase income targets for building repairs and maintenance works	-39		45		Medium	Low	S12
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS22	Service	<u>I&T - Facilities Management</u>							
		Description	Restructure of Archive Store	15		15		Low	Low	SNS2
		Service Implication	Closure of the Garth Road Archiving facility and transfer existing documentation to an external service provider							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	Closure of the corporate archive facility will necessitate the council entering into commercial contracts with external suppliers for the storage and retrieval of archived documents and information, but this should also encourage teams to look very closely at what they are storing and for how long in order to further reduce costs.							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS23	<u>Service</u>	<u>I&T - Facilities Management</u>							
		Description	Outsourcing - Building Services & Security Service	202		35	50	Medium	Medium	SS1
		Service Implication	None							
		Staffing Implications	Staff currently providing the service are likely to be TUPE transferred to an external service provider							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS24	<u>Service</u>	<u>I&T - Facilities Management</u>							
		Description	Project Manager - Accommodation (Vacant Post)	575	46			Low	Low	SS2
		Service Implication	Post was created to manage the moves associated with the Civic centre refurbishment project, which will be completed by April 2014. Any further moves will be managed by remaining resources with the FM section.							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	There may be some delays in completing interdepartmental and team moves due to a lack of available resources.							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS25	<u>Service</u>	<u>I&T - Facilities Management</u>							
		Description	Delete 1 post from the Building Repair and Maintenance team (Compulsory Redundancy)	575		30		Low	Low	SS2
		Service Implication	Small repairs and routine maintenance works that are currently being completed by "In house" resources will be undertaken by external service providers.							
		Staffing Implications	Delete 1 Post through compulsory redundancy							
		Business Plan implications	None							
		Impact on other departments	An increased cost for departments requesting works that are currently being undertaken directly by the in house resources free of charge							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS26	<u>Service</u>	<u>I&T - Facilities Management</u>							
		Description	Savings realised from the renegotiation of Corporate Cleaning Contract	379	39			Low	Low	SNS1
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS27	<u>Service</u>	<u>I&T - Facilities Management</u>							
		Description	Consolidation of Utilities budgets	350		50		Medium	Low	SNS1
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS28	<u>Service</u>	<u>I&T - Facilities Management</u>							
		Description	M&E Term Contract (Amalgamation) of Intruder Alarms	108	10	20	20	Medium	Low	SNS1
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS29	<u>Service</u>	<u>I&T - Facilities Management</u>							
		Description	Energy Procurement	1503	200					
		Service Implication	None					Medium	Low	SNS1
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

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Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
	CS30	<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>Corporate Governance - Investigations Services</p> <p>Rationalise benefits and corporate investigation team - possible shared resources</p> <p>Risk of increase in undetected fraud</p> <p>Possible reduction in half or full time post</p> <p>None</p> <p>Reduction in resource to carry out investigations</p> <p>None</p>	290		30		Medium	Medium	SS1
	CS31	<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>Corporate Governance - Health and Safety</p> <p>Rationalise Health and Safety and Business Continuity planning - if possible explore shared service</p> <p>Potential increase in resilience</p> <p>Possible reduction in staff resource</p> <p>None</p> <p>Need for departmental managers to self serve more</p> <p>None</p>	136		35		Medium	Medium	SS1

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS32	Service Description	<u>Corporate Governance - Information Governance</u> Integrate the FOI and Complaints functions Greater shift to openness and self service	392	40			Medium	Medium	SS1
		Service Implication	Greater shift to openness and self service							
		Staffing Implications	Possible reduction in 1 FTE							
		Business Plan implications	None							
		Impact on other departments	Greater emphasis on self serve							
		Equalities Implications	None							
	CS33	Service Description	<u>Corporate Governance - Internal Audit</u> Rationalise teams - possible shared service Possible sharing of resources	345		30		Medium	Medium	SS1
		Service Implication	Increased resilience and specialism			10				
		Staffing Implications	Possible reduction in staff resource, increase in flexible working							
		Business Plan implications	None							
		Impact on other departments	Clearer focus on identification of risk							
		Equalities Implications	None							

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Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
	CS34	<p><u>Service Description</u></p> <p><u>Service Implication</u></p> <p><u>Staffing Implications</u></p> <p><u>Business Plan implications</u></p> <p><u>Impact on other departments</u></p> <p><u>Equalities Implications</u></p>	<p><u>Corporate Governance</u></p> <p>Services and suppliers savings within Corporate Governance</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	1559		86		Low	Low	SNS1
	CS35	<p><u>Service Description</u></p> <p><u>Service Implication</u></p> <p><u>Staffing Implications</u></p> <p><u>Business Plan implications</u></p> <p><u>Impact on other departments</u></p> <p><u>Equalities Implications</u></p>	<p><u>Customer Services</u></p> <p><u>Close Cash Office</u></p> <p>No public facing payment facility within the Council Currently covered by FTC that will not be extended upon decision.</p> <p>Arrangements will need to be put in place for internal cash collections and payment of E>Returns Alternative facilities already exist for all payments to be made elsewhere.</p>	30	30			Low	Medium	SS2

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS36	<u>Service</u> Description	<u>Customer Services</u> Re tendering of Cash Collection Contract	193	20	10	10	Low	Low	SP1
		Service Implication								
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	Departments have been consulted and advised of the proposals							
		Equalities Implications	None							
	CS37	<u>Service</u> Description	<u>Customer Services</u> Increase Registrars Income	(398)	20			Low	Low	SI2
		Service Implication								
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	CS38	<u>Service</u>	<u>Customer Services</u>							
		Description	Review of Welfare Benefits and New Welfare Support program	1232	30			Medium	Medium	SS2
		Service Implication	The role of the welfare benefits team will evolve with the localisation of welfare support funding (replacement of crisis loans and community care grants) - this review will streamline administration processes and the impact of Universal Credit on the team							
		Staffing Implications	1 FTE reduction (although it will be found through vacant post)							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	An Equalities Assessment will be completed on the replacement welfare support scheme							

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Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
	CS39	<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>Customer Services</p> <p>Impact of Customer Service Review</p> <p>Channel shift strategy and implementing year one of customer service review</p> <p>1 FTE reduction each year should be achieved through vacant posts/natural wastage</p> <p>None</p> <p>None</p> <p>Any proposals will be subject to impact assessments to ensure services are maintained and accessible to all in the desired format.</p>	929	30	30	30	Low	Medium	SS2
	CS40	<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>Customer Services</p> <p>Rationalisation of Divisional Budgets</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>	43	20			Low	Low	SNS2

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS41	Service Description	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	185			Low	Low	SNS1
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS42	<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>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.</p> <p>It is envisaged that there will be a reduction in morale for those staff who lose pay protection.</p> <p>None</p> <p>None</p> <p>None</p> <p>Staff undertaking the same jobs will now be paid comparable salaries.</p>	2,519	45	5		Low	Low	SS1

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS43	Service Description	Resources -Delete Business Planning Post It is envisaged that a new Performance Management System will reduce the level of manual intervention and administration.	566	50			Low	Low	SS1
		Service Implication	None							
		Staffing Implications	The level of staffing on the team will reduce from 3 to 2.							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS44	Service Description	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	200	0		Low	Low	SNS1
		Service Implication	It is not envisaged that this will denigrate the level of cover provided to services.							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS45	Service Description	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	148	52		Low	Low	SI1
		Service Implication	None							
		Staffing Implications	None							
		Business Plan implications	None							
		Impact on other departments	None							
		Equalities Implications	None							
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.	2,985			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 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
O&S	CS48	<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>Further rationalisation of HR Services</p> <p>Reduction of HR business partner (HRBP's) posts</p> <p>High risk to HR BP support to departments at time of change</p> <p>Approximately two/three HR BP's at risk</p> <p>Risk of supporting departments through change from PVR and other programmes</p> <p>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>	543			130	High	High	SS1
O&S	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>Introduction of new application tracking system</p> <p>Reduction of employees as processes are automated</p> <p>Different delivery model</p> <p>Reduction of staff</p> <p>The new system will support HR self-service roll out and new ways of working</p> <p>New way of delivering service - will enhance service</p> <p>Will impact women in the division as a high number of HR employees are female</p>	124		5	10	Low	Medium	SS2

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2013/14

Panel	Ref	Description of Saving	Baseline Budget 12/13 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
O&S	CS50	<p>Service Description Occupational Health & Employee Assistance programme</p> <p>Service Implication Review OH and EAP contracts</p> <p>Staffing Implications Reduction in staffing will have impact on numbers</p> <p>Business Plan implications nil</p> <p>Impact on other departments The re-procurement exercise will facilitate savings</p> <p>Equalities Implications Prioritisation of cases. More nurse-led service</p> <p>None identified</p>	107			40	Medium	Medium	SP1
O&S	CS51	<p>Service Description HR Transactions - including COT</p> <p>Service Implication HR Support - centralisation</p> <p>Staffing Implications More self service</p> <p>Business Plan implications Reduction in staff numbers</p> <p>Impact on other departments HR transactions review part of long-term HR business plans</p> <p>Equalities Implications resistance to change</p> <p>Will impact women in the division as a high number of HR employees are female</p>	265			90	Medium	High	SS1
Total Corporate Services Savings					1,446	801	630		

Environment and Regeneration Department

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN01	Service/Section Description	Legal Budget/PP&D Reduction in spend on legal cases byway of a combination of proactive resolution of issues at first point and/or drawing on section budgets to cover shortfall.	88	14				Low	Medium	SNS1
		Service Implication	More proactive resolution of cases and less legal/court cases.								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	Slight reduction in demand for legal service support.								
		Equalities Implications	None								

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN02	Service/Section Description	Parking Services Introduction of unattended automatic number plate recognition CCTV parking enforcement cameras at fixed locations.	(4,883)				226	Medium	Medium	S12
		Service Implication	There needs to be a limited but as yet unquantified amount of capital investment, it is expected that the investment will be paid back within 1 to 2 years. This will be found from within the overall capital programme.								
		Staffing Implications	This new system has the ability to free up enforcement staff from the CCTV PCN verifying process, releasing those officers to carry out more enforcement which will improve the free flow of traffic and reducing congestion. However, through the development of the TOM it is more likely that the introduction of this new system will result in opportunities for further efficiencies relating to overall numbers of FTEs, thereby leading to additional savings not currently built in to this proposal.								
		Business Plan implications Impact on other departments Equalities Implications	Further consideration will need be given if shared service/sub regional model becomes a reality for parking services. Need for IT to be involved and part of any back office changes such as higher spec PC's and the capacity of servers to be increased. none								

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN03	<p>Service/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	<p>Parking Services</p> <p>Enforcement of new CPZ's (Controlled Parking Zones)</p> <p>There is a need and expectation by the residents who have purchased a resident permit that the Council will enforce the parking regulations.</p> <p>The figure of £50k is net of any extra capacity that would be needed to properly implement the proposal (Approx. 1FTE = 25K).</p> <p>Needs to be considered in the context of shared service/sub regional models.</p> <p>With any increase in the issue of PCNs the number of complaints, phone calls and correspondence has the potential to increase. However, through the development of the TOM, specifically channel migration, it is intended that the increase in on line transactions will reduce any anticipated impact on IT, Post Room/Scanning, Comms team and the complaints team.</p> <p>none</p>	(4,883)		50			Medium	Low	SI2

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN04	Service/Section Description	Parking Services Implementation of Pay & Display machines in new CPZ's (Controlled Parking Zones)	(2,126)		75			Medium	Low	SI2
		Service Implication	The P&D machines were installed as part of the implementation of a CPZ providing P&D parking to the motorist.								
		Staffing Implications	There is capacity within the technical team to cope with the increase in P&D machines								
		Business Plan implications	This income was not part of any previous budgetary forecasts. There will be running costs such a P&D ticket replacement which is minimal. Maintenance costs would also be minimal in the first and 2nd second years.								
		Impact on other departments	There will be an increase in cash collections. This contract is managed by corporate services and we need to ensure that officers are fully aware of implications.								
		Equalities Implications	none								

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN05	Service/Section Description	Parking Services Introduction of mobile phone payments for parking	(2,126)			37		Low	Low	SNS2
		Service Implication	There maybe technical issues in parts of the borough concerning the ability for the CEO's to receive the data showing that a motorist has paid. The cost of investment is likely to be minimal.								
		Staffing Implications	Proposal incorporates efficiency savings, the equivalent of 1 FTE post but this dependent upon the take up of mobile phone payments and any future growth in CPZ's.								
		Business Plan implications	The saving of 37k for Parking services can be achieved by a reduction in the number of P&D machines thus reducing expenditure in parts, P&D tickets and technical resources. In addition, the proposal would also generate a saving of 13k for Corporate Services who manage this contract.								
		Impact on other departments Equalities Implications	As above In order to ensure equal access for all customers, we would not propose the removal of all P&D machines as not all of the public will want to take up mobile phone payments.								

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN06	Service/Section Description	Building and Development Control Staff reductions in DC. Post enquiry research officer (admin team). IT systems manager.	805		73			Low	High	SS2
		Service Implication	There is a risk that IT/DC performance would be reduced and that systems failures may not be corrected in time resulting in delayed decision notices. However, we would look to develop TOM to address these concerns.								
		Staffing Implications	service reduced by 2 FTE								
		Business Plan implications	IT failures could be more common as a result of the removal of the designated IT support role, but this should be picked up by the Business Improvement division and through the development of the TOM, to address these concerns.								
		Impact on other departments Equalities Implications	Reduced ability to help coordinate wider council strategies none								

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN08	Service/Section Description	Building and Development Control Income generation. 10% increase in pre application planning fees. Additional charge for tree pre-application advice (relatively small income).	805	10				Low	Low	SP1
		Service Implication	could result in less enquiries if cost perceived too high.								
		Staffing Implications	none								
		Business Plan implications	none								
		Impact on other departments	none								
		Equalities Implications	none								

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN09	<p>Service/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications 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>	805			40		Low	Medium	SS2

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN11	<p>Service/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	<p>Building and Development Control</p> <p>Staff reduction. DC deputy area team leader</p> <p>Although the loss of this post could be partially managed by reallocation of responsibilities as part of development of TOM, the loss of this post may have a significant impact on ability to meet statutory performance targets in respect of major regeneration proposals in the borough. Reduced support for team leaders and reduced mentoring support for team members.</p> <p>reduce 1FTE</p> <p>Impact on ability to meet major applications targets</p> <p>reduced ability to help coordinate wider council regen strategies</p> <p>none</p>	805				52	Low	High	SS2

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN12	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Parking Services Deletion of back office manager post The development of the TOM, particularly relating to processes, will ensure effective management of the impact of this proposal. Reduction of 1 FTE managing of service enquiries during the initial transition period will need careful management None None	1,038		48			Low	Medium	SS2
	EN13	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	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. None 1.5 back office staff None None None	405		56			Low	Low	SS2

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN14	Service/Section Description	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			100		Low	Low	SS2
		Service Implication	None								
		Staffing Implications	3fte								
		Business Plan implications	None								
		Impact on other departments	Call centre								
		Equalities Implications	None								

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN15	Service/Section Description	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	25	100			High	Medium	SNS1
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								
	EN16	Service/Section Description	Waste Operations Double shift garden waste collection vehicles 2 x vehicles (this is not possible at the moment because of disposal licensing issues)	541			66		High	Low	SS2
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	Transport								
		Equalities Implications	None								

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN17	<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>Waste Management</p> <p>Reduction in Staffing 1.5 FTE</p> <p>Rationalisation of performance data analysis and contract management arrangements as a result in new South London Waste Partnership arrangements.</p> <p>1.5 FTE Reduction</p> <p>Improvements in data collection and improved management will continue to support the business plan, although will involve greater reliance on the partnership. Finance support to the business plan will not be unduly affected.</p> <p>No identified Impacts</p> <p>N/A</p>	405		65			Low	Low	SS1
	EN18	<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>Waste Management</p> <p>Reduction in cost of waste processing per tonne (phase B) contract gate fee</p> <p>Improved financial position as charged gate fee is significantly reduced, upon Phase B completion</p> <p>None</p> <p>None</p> <p>None</p> <p>N/A</p>	4,558		135			Medium	Low	SP1

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN19	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Waste Management Reduction/Re-negotiation of Phase A Contracts. Improved financial costings through reduced/negotiated pricing of Contract 1 and Contract 3 None None None N/A	4,558		295			Medium	Low	SP1
	EN20	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Waste Management Reduction of tonnage to landfill based on current projections for disposal Tonnage projection trends denote a gradual reduction of Landfill, whilst an improved position of recycle. National trends support our calculations. None None None	4,558		60			Low	Low	SP1

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN21	Service/Section Description	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		50			Medium	Low	SP1
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								
	EN22	Service/Section Description	Traffic and Highways Reduction in Street Lighting Budget	420	50				Medium	High	SNS2
		Service Implication	This will result in a reduced ability to undertake routine maintenance and non-urgent street light repairs.								
		Staffing Implications	Increased level of customer complaints.								
		Business Plan implications	A reduction in the maintenance budget will result in increased whole life costs and an increased in future maintenance costs.								
		Impact on other departments	This may have an impact on meeting the Council's objective of reducing the fear of crime.								
		Equalities Implications	The proposed savings may have an impact on vulnerable road users.								

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN23	<p>Service/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments Equalities Implications</p>	<p>Traffic and Highways</p> <p>Reduction in Grounds Maintenance Budget</p> <p>This will lead to a reduction of cyclical maintenance of shrubs, rose beds, grass cutting and tree maintenance. It will also have an impact on working practices as the contractor will have to procure new equipment to deal with longer grass and shrubs. As mitigation we will continue to work with the community to build capacity for local maintenance through schemes such as Adopt a Green Space.</p> <p>Potential increased level of customer complaints.</p> <p>Adverse impact on residents satisfaction with the Council.</p> <p>May lead to an increase in insurance claims.</p> <p>No significant implications</p>	444		50			Medium	High	SNS2

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN24	<p>Service / Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments Equalities Implications</p>	<p>Traffic and Highways</p> <p>Reduction in Walksheets Budget</p> <p>The Council will only respond to urgent repairs. Some non urgent repairs such as replacement of damaged posts and bollards will no longer take place and other repairs will take longer. The Council has a statutory duty under the Highways Act to ensure the public highway is maintained to a safe condition and a reduction in the budget identified for essential repairs could lead to an increase in trips and falls and vehicle damage with a knock on effect of an increase in claims against the Council.</p> <p>Potential increase in levels of complaints</p> <p>Increased whole life costings</p> <p>Increase in insurance claims</p> <p>Adversely impact vulnerable road users.</p>	666		50			Medium	High	SNS2

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN25	<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>Traffic and Highways</p> <p>Reduction in the Surface Water Budget</p> <p>The Council will have reduced resources to repair damaged gullies. We will prioritise works based on assessments of risk of likelihood of flooding to meet our statutory duties under the Highway Act 1980 and the Flood and Water Management Act 2009</p> <p>Potential increase in levels of complaints</p> <p>Increase in whole life costings deteriorating asset.</p> <p>Increase in insurance claims against the Council.</p>	37		18			Medium	High	SNS2

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN26	<p>Service/Section Description Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments</p> <p>Equalities Implications</p>	<p>Traffic and Highways</p> <p>Reduction in the Ditching Budget The Council will have reduced resources to clear drainage watercourses but will prioritise any works based on an assessment of the likelihood of flooding. There is the potential to increase the risk of flooding and could lead to additional insurance claims against the Council. These watercourses do not form part of the Public Highway but the Council has a new duty under the Flood and Water Management Act 2009 to manage all flooding incidents in the borough. Potential increase in levels of complaints</p> <p>Adverse impact on residents satisfaction with the Council.</p> <p>Potential increase in workload for Risk and Insurance as a result of higher number of claims. In addition this cut could impact a number of other Council departments ranging from Housing to Leisure as a number of these watercourses are within land for which they are responsible.</p> <p>No significant implications</p>	22		11			Medium	High	SNS2

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN27	<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>Traffic and Highways</p> <p>Reduction in the Lining Budget</p> <p>A reduction in the budget for carriageway markings will lead to a decline in their condition. Carriageway markings must comply with the Traffic Signs & General Directions Manual 2002. Only essential and mandatory road markings will be maintained as a result of this budget cut. Fading or non-existent road markings may lead to an increase in the number of collisions in the borough.</p> <p>Potential increase in levels of complaints</p> <p>Adverse impact on residents satisfaction with the Council. Increase in whole life costings of deteriorating asset.</p> <p>May lead to an increase in insurance claims.</p> <p>No significant implications</p>	31		10		10	Medium	High	SNS2
	EN28	<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>Traffic and Highways</p> <p>Contract Negotiation</p> <p>Reduction in specifications / service levels / maintenance regime.</p> <p>Potential increase in levels of complaints</p> <p>Increase in whole life costings deteriorating asset.</p> <p>May have an adverse impact on vulnerable road users.</p>	666		50			High	Low	SNS2

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Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN29	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Traffic and Highways Re-Structure of Traffic and Highway Services Re-Structure of Traffic and Highway Services to re-align management structure and adapt to anticipated change in working practices. Reduction of up to 7 posts. Dissatisfaction with the Council. Reduced ability to respond to service demands. To be advised				252		Low	High	SS2
	EN30	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Traffic and Highways Reduction in supplies and Services Costs Reduction in controllable expenditure such as the purchase of equipment, transport costs, subscriptions, stationery etc. No significant implications No significant implications No significant implications No significant implications	188	6			20	Low	Low	SNS2

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN31	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Traffic and Highways Reduction in energy costs A review of the existing street lighting inventory is expected to deliver savings to energy costs No significant implications No significant implications Will also lead to a reduction in corporate carbon footprint No significant implications	612				30	Medium	Low	SNS2
	EN32	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Traffic and Highways Renegotiation of J C Deceaux Contract Contract renegotiation to achieve increased income. No significant implications No significant implications No significant implications No significant implications	(160)				10	Medium	Low	SNS2

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	EN33	<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>Leisure & Culture Development Team</p> <p>Leisure Devt Service Support Staffing - Recharging for staff time & loss of 0.2fte staff member</p> <p>Loss of 0.2fte from Client & Partnership Officer Post, retaining 0.8fte. Loss of partnership working capacity, contract management etc.</p> <p>Loss of 0.2fte from Client & Partnership Officer Post, retaining 0.8fte. Recharge Merton & Sutton Joint Cemetery Board Salaries of staff time providing admin services.</p> <p>Client & Partnerships Officer work would need to be made more efficient to fit in shorting working time.</p> <p>None</p> <p>None</p>	180		33			Low	Low	SS2
SC	EN34	<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>Leisure & Culture Development Team</p> <p>Various Budgets - Reduction in supplies & services</p> <p>Will need to make more use of email rather than letters; reduce stationary & recycle; reduce spec on services and equip where safe to do so.</p> <p>None</p> <p>We will have to continue to get best prices, best value and be more prudent</p> <p>Services purchased from other departments may well be reduced and this will affect their income and works required – e.g. post room, print room, etc</p> <p>None</p>	386	6				Low	Low	SNS1

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC C&YP; HC&O P	EN35	Service/Section Description	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)		11	14	14	Medium	Medium	SI1
		Service Implication	This will push charges higher and may result in services not being purchased through the borough as people seek alternatives elsewhere or by different providers, which in turn could put properties and service provision at risk								
		Staffing Implications	None								
		Business Plan implications	This will cause greater demands on specific projects and programmes that are externally funded and could reduce participation rates in leisure, sport and the arts impacting on health, well-being and positive use of leisure time.								
		Impact on other departments	Those least able to afford may request services other support services via CSF / Health & C&H								
		Equalities Implications	Those less able to afford will find increases in charging more difficult and will have reduced range of opportunities								

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP; HC&O P		Description	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)		15	10	10	Medium	Medium	SI2
		Service Implication	This will leave less capacity to deliver sports, arts and leisure development services generally as capacity will be diverted to deliver these income generating activities and officers working for others for a fee.								
		Staffing Implications	Retains existing staff, hence retains a Leisure & Arts Development service and some capacity to deliver to harder to reach groups.								
		Business Plan implications	The business will move towards delivering bespoke services which are commercially viable and needed by the market, but will target those areas least likely to be catered for but where payment for services is possible.								
		Impact on other departments Equalities Implications	Less resources to support work of other areas unless they come with Commissions, Grants or finance. This will be a challenge where people and providers are less able to pay for service provision.								

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC C&YP	EN37	<p>Service/Section Description</p> <p>Service Implication</p> <p>Staffing Implications</p> <p>Business Plan implications Impact on other departments Equalities Implications</p>	<p>Leisure & Culture Development Team</p> <p>Merton Active Plus - Increased Income</p> <p>This will be achieved by increased charging over expenditure and maximising participation numbers.</p> <p>This programme is delivered through casual staffing and hired services and as such we are dependent on these being readily available.</p> <p>This service will have moved to a zero based budget on the marginal costs based on 1fte hence this person has limited capacity to deliver other work. Ability for CSF to purchase services should they wish to, but discounted / free activities will not be available.</p> <p>Available for all who can afford. Those young people with disabilities will be able to bring a carer/helper free of charge to engage in the activity with them.</p>	(49)			5	5	Medium	Low	S11

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	EN38	Service/Section Description	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	5	5	-1	-1	Low	Medium	SNS2
		Service Implication	There are already reductions year on year on both of these grants and this would continue the reductions for two further years requiring the organisations to generate this shortfall through alternative funding sources and income generation								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN39	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Senior Management & Support Removal of vacant Policy & Projects Officer post. None None None None None	719	44				Low	Low	SS1
	EN40	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Senior Management & Support Reduction in various supplies and services budgets within the section, including stationery and subscriptions. None None None None None	485	55				Low	Low	SNS1

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN41	Service/Section Description	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		40			Low	Low	SS1
		Service Implication	None								
		Staffing Implications	Loss of 1.5 FTE through more efficient use of staff team								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN42	Service/Section Description	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 Future Merton team.	0			40	50	Medium	Low	S12
		Service Implication Staffing Implications	None None - containable within the work programme for the Future Merton team								
		Business Plan implications Impact on other departments Equalities Implications	None None None								

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN43	Service/Section Description	Future Merton Community grant scheme reduction - grant pot to voluntary sector via a small grants pot. It was combined with Corporate 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		60			Low	Low	SG2
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	Yes								

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

Panel	Ref	Description of Saving		Baseline Budget 12/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	EN45	Service/Section Description	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		96	39	13	Medium	High	SI1
		Service Implication	Increased income. Potential loss of some customers due to increased fees.								
		Staffing Implications	No								
		Business Plan implications	Yes. Integral to current service plan projects								
		Impact on other departments	No								
		Equalities Implications	Yes								
Total Environment & Regeneration Savings						215	1,456	602	439		

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Section G

Revenue Estimates 2013-14

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Corporate Estimates 2013-14

SUMMARY - SUBJECTIVE ANALYSIS

FULL TIME EQUIVALENTS		2012/13	2013/14	
Number of FTE Staff		2,052.4	2,091.0	
Number of FTE Sutton / PCT TUPE Staff		63.9	68.5	
Total FTE Staff		2,116.4	2,159.5	
SUBJECTIVE ANALYSIS OF ESTIMATES				
	2012/13 Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	88,851	125	101	89,077
Premises	8,995	101	(452)	8,645
Transport	11,249	117	(473)	10,893
Supplies and Services	157,679	728	5,543	163,950
Third Party Payments	84,474	1,076	5,642	91,192
Transfer Payments	112,648	0	(13,601)	99,048
Support Services	32,285	0	1,345	33,629
Depreciation and Impairment Losses	13,920	0	70	13,990
GROSS EXPENDITURE	510,102	2,147	(1,826)	510,424
Income				
Government Grants	(258,548)	0	12,551	(245,997)
Other Reimbursements and Contributions	(20,615)	0	(1,408)	(22,023)
Customer and Client Receipts	(53,106)	(42)	(2,518)	(55,666)
Interest	(44)	0	0	(44)
Recharges	(33,864)	0	(1,358)	(35,222)
Reserves	(3,325)	0	2,345	(980)
GROSS INCOME	(369,502)	(42)	9,611	(359,933)
NET EXPENDITURE	140,600	2,106	7,786	150,491
Corporate Provisions	14,034	790	(1,055)	13,770
NET EXPENDITURE	154,634	2,896	6,731	164,260
Funded by:				
Formula Grant	(1,179)	0	(46,042)	(47,221)
Business Rates	(58,782)	0	26,762	(32,020)
New Homes Bonus	(1,136)	0	(1,588)	(2,724)
Council Tax	(82,522)	0	8,671	(73,850)
Council Tax Freeze Grant 2011/12	(2,060)	0	2,060	0
Council Tax Freeze Grant 2013/14	0	0	(835)	(835)
WPCCL Levy	(267)	0	(2)	(269)
Collection Fund	(3,891)	0	1,346	(2,545)
PFI Grant	(4,797)	0	0	(4,797)
Total Funding	(154,634)	0	(9,627)	(164,261)
BALANCE	0	2,896	(2,896)	0

Other Variations: Contingency/Other

Major Items: Corporate Provisions	£000	Fte
Corporate borrowing and investment	(202)	0.00
Further provision for revaluation/RCCO	1,618	0.00
Pension Fund and Auto-enrolment	550	0.00
Contingency and centrally held provisions	(1,413)	0.00
Cost of DR Recovery	(70)	0.00
CHAS - Council Tax loss	1,226	0.00
Appropriation to/from Reserves	(5,738)	0.00
Depreciation and impairment	871	0.00
Council Tax Freeze Grant 2012/13	2,070	0.00
Levies	34	0.00
TOTAL	(1,055)	0.00

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 if 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		2012/13	2013/14		
Number of FTE Staff		2,052.4	2,091.0		
Number of FTE Sutton / PCT TUPE Staff		63.9	68.5		
Total FTE Staff		2,116.4	2,159.5		
SERVICE AREA ANALYSIS		2012/13 Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Corporate Services		10,534	180	(184)	10,529
Children, Schools and Families		42,224	737	7,751	50,712
Environment and Regeneration		27,708	411	(2,343)	25,777
Adult Social Care]	60,133	778	2,561	63,473
Cultural Services] C&H				
Housing General Fund]				
Public Health		0	0	0	0
TOTAL NET SERVICE EXPENDITURE		140,600	2,896	8,419	151,914
Corp. Provisions/Appropriations		14,034	0	(1,055)	13,770
NET EXPENDITURE		154,634	2,896	6,731	164,260
Funded by:					
Revenue Support Grant		(1,179)	0	(46,042)	(47,221)
Business Rates		(58,782)	0	26,762	(32,020)
New Homes Bonus		(1,136)	0	(1,588)	(2,724)
Council Tax		(82,522)	0	8,671	(73,850)
Council Tax Freeze Grant 11/12		(2,060)	0	2,060	0
Council Tax Freeze Grant 13/14		0	0	(835)	(835)
WPCC Levy		(267)	0	(2)	(269)
Collection Fund		(3,891)	0	1,346	(2,545)
PFI Grant		(4,797)	0	0	(4,797)
		(154,634)	0	(9,627)	(164,261)
		(0)	2,896	(2,896)	(0)

Other Variations: Contingency/Other

Major Items: Corporate Provisions	£000	fte
Corporate borrowing and Investment	(202)	0.00
Further provision for revaluation/RCCO	1,618	0.00
Pension Fund and Auto-enrolment	550	0.00
Contingency and centrally held provisions	(1,413)	0.00
Cost of DR Recovery	(70)	0.00
CHAS - Council Tax loss	1,226	0.00
Appropriation to/from Reserves	(5,738)	0.00
Depreciation and impairment	871	0.00
Council Tax Freeze Grant		
2012/13	2,070	0.00
Levies	34	0.00
TOTAL	(1,055)	0.00

CORPORATE ITEMS ANALYSIS

	2012/13 Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Cost of Borrowing including Minimum Revenue Provision	14,481	0	(260)	14,221
Further provision for revaluation/RCCO	0	0	1,618	1,618
Pension Fund	4,537	0	250	4,787
Pensions: Auto-enrolment	0	0	300	300
Centrally held provision for Utilities inflation	927	0	73	1,000
Centrally held provision for Pay Award and increments	408	0	(408)	0
Provision for excess inflation	0	0	314	314
Bad Debt Provision	500	0	0	500
Contingency	2,000	0	(500)	1,500
Single Status	515	0	(515)	0
Cost of DR recovery	70	0	(70)	0
Grants and other balances	510	0	(510)	0
Agency Workers	500	0	(500)	0
CHAS - Council Tax loss	0	0	1,226	1,226
Appropriation to Closing the Gap Reserve	5,768	0	(5,768)	0
Provision for Pay Award 2013/14	0	790	0	790
CRM Growth	0	0	159	159
Single Status / Equal Pay	0	0	474	474
Levies:-				
Lee Valley	215	0	5	220
London Pensions Fund	253	0	16	268
Environment Agency	146	0	11	157
WPCC	267	0	2	269
GROSS EXPENDITURE	31,097	790	(4,083)	27,803
Income				
Investment Income	(401)	0	58	(343)
Depreciation & Impairment	(14,562)	0	871	(13,691)
Use of Reserves - Closing the Gap Reserve	(30)	0	30	0
Council Tax Freeze Grant 2012/13	(2,070)	0	2,070	0
GROSS INCOME	(17,063)	0	3,029	(14,034)
NET EXPENDITURE	14,034	790	(1,055)	13,770

**Children, Schools
and Families
Department
Estimates
2013-14**

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 FTE Staff

2012/13	2013/14	DSG	LA
462.7	497.2	76.6	420.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000	2013/14 DSG Estimate £000	2013/14 LA Estimate £000
Expenditure						
Employees	25,595	(17)	(542)	25,036	4,780	20,256
Premises	973	11	(180)	804	166	638
Transport	3,443	50	(52)	3,441	58	3,383
Supplies and Services	133,089	467	8,916	142,472	133,977	8,495
Third Party Payments	26,420	226	(136)	26,510	10,633	15,877
Transfer Payments	352	0	79	431	0	431
Support Services	3,940	0	717	4,657	138	4,519
Depreciation and Impairment Losses	5,082	0	(93)	4,989	207	4,782
GROSS EXPENDITURE	198,894	737	8,709	208,340	149,959	58,381
Income						
Government Grants	(146,214)	0	(244)	(146,458)	(145,205)	(1,253)
Other Reimbursements and Contributions	(6,070)	0	(929)	(6,999)	(2,562)	(4,437)
Customer and Client Receipts	(4,092)	0	(143)	(4,235)	(2,192)	(2,043)
Interest	(44)	0	0	(44)	0	(44)
Recharges	0	0	0	0	0	0
Reserves	(250)	0	358	108	0	108
GROSS INCOME	(156,670)	0	(958)	(157,628)	(149,959)	(7,669)
NET EXPENDITURE	42,224	737	7,751	50,712	0	50,712

Other Variations are analysed as follow s:

Major Items	£000	fte
Current year savings	(822)	(3.5)
Overhead adjustments	717	0.0
Depreciation adjustments	(93)	0.0
Technical adjustments	7,046	0.0
Revenuisation	890	0.0
Transfers between departments	13	0.0
TOTAL	7,751	(3.5)

SUMMARY: CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14	DSG	LA
462.7	497.2	76.6	420.6

SERVICE AREA ANALYSIS

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000	2013/14 DSG Estimate £000	2013/14 LA Estimate £000
Senior Management	1,172	11	(5)	1,178	0	1,178
Childrens Social Care	10,794	46	228	11,068	55	11,013
Youth and Inclusion	2,926	24	1,446	4,396	708	3,688
Commissioning, Strategy and Performance	12,004	83	1,246	13,333	4,740	8,593
Education	22,969	126	4,228	27,323	15,144	12,179
Schools	(18,296)	0	1,027	(17,269)	(21,982)	4,713
Other Childrens, Schools and Families	10,655	447	(419)	10,683	1,335	9,348
TOTAL NET EXPENDITURE	42,224	737	7,751	50,712	0	50,712

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Senior Management

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

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14	DSG	LA
3.0	3.0	0.0	3.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000	2013/14 DSG Estimate £000	2013/14 LA Estimate £000
Expenditure						
Employees	414	0	(15)	399	0	399
Premises	0	0	0	0	0	0
Transport	1	0	0	1	0	1
Supplies and Services	732	11	(7)	736	0	736
Third Party Payments	0	0	0	0	0	0
Transfer Payments	0	0	0	0	0	0
Support Services	25	0	17	42	0	42
Depreciation and Impairment Losses	0	0	0	0	0	0
GROSS EXPENDITURE	1,172	11	(5)	1,178	0	1,178
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	1,172	11	(5)	1,178	0	1,178

Other Variations are analysed as follows:

Major Items

Overhead adjustments
 Transfer between departments
 Shared legal services devolved budgets
 Technical adjustments
TOTAL

£000	fte
17	0.0
(12)	0.0
(5)	0.0
(5)	0.0
(5)	0.0

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Children's Social Care

This budget contains the funding for the Community Support & Social Care, Looked After Children, Permanency & Placements and Safeguarding & Partnerships

FULL TIME EQUIVALENTS
Number of FTE Staff

2012/13	2013/14	DSG	LA
133.8	162.5	1.0	161.5

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13		Other	2013/14	2013/14	2013/14
	Current Estimate	Inflation	Variations	Estimate	DSG Estimate	LA Estimate
	£000	£000	£000	£000	£000	£000
Expenditure						
Employees	7,411	2	164	7,577	50	7,527
Premises	76	(1)	(1)	76	0	76
Transport	153	(1)	(1)	154	0	154
Supplies and Services	1,145	11	(118)	1,038	5	1,033
Third Party Payments	2,454	30	(755)	1,729	0	1,729
Transfer Payments	347	0	61	408	0	408
Support Services	1,267	0	299	1,566	0	1,566
Depreciation and Impairment Losses	11	0	0	0	0	11
GROSS EXPENDITURE	12,864	46	(351)	12,559	55	12,504
Income						
Government Grants	(1,098)	0	380	(718)	0	(718)
Other Reimbursements and Contributions	(881)	0	280	(601)	0	(601)
Customer and Client Receipts	(8)	0	3	(5)	0	(5)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	(83)	0	(84)	(167)	0	(167)
GROSS INCOME	(2,070)	0	579	(1,491)	0	(1,491)
NET EXPENDITURE	10,794	46	228	11,068	55	11,013

Other Variations are analysed as follows:

Major Items

Current year savings	(41)	0.0
Overhead adjustments	299	0.0
Depreciation adjustments	0	0.0
Transfer between departments	25	0.0
Technical adjustments	(55)	0.0
TOTAL	228	0.0

£000	fte
(41)	0.0
299	0.0
0	0.0
25	0.0
(55)	0.0
228	0.0

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Youth and Inclusion

This budget covers the services of social inclusion, alternative education, youth service, youth justice, connexions, education welfare, behaviour support, pupil retention grant expanded pupil tuition and teenage pregnancy

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14	DSG	LA
75.9	72.4	16.1	56.3

SUBJECTIVE ANALYSIS OF ESTIMATES

2012/13		Other	2013/14	2013/14	2013/14
Current Estimate	Inflation	Variations	Estimate	DSG Estimate	LA Estimate
£000	£000	£000	£000	£000	£000
Expenditure					
Employees	2,989	1	(11)	2,979	713
Premises	191	2	(30)	163	1
Transport	102	1	(11)	92	21
Supplies and Services	665	7	(235)	437	33
Third Party Payments	865	13	(181)	697	0
Transfer Payments	4	0	0	4	0
Support Services	516	0	58	574	11
Depreciation and Impairment Losses	9	0	0	9	0
GROSS EXPENDITURE	5,341	24	(410)	4,955	779

Income

Government Grants	(1,661)	0	1,316	(345)	0
Other Reimbursements and Contributions	(330)	0	182	(148)	(10)
Customer and Client Receipts	(66)	0	0	(66)	(61)
Interest	0	0	0	0	0
Recharges	0	0	0	0	0
Reserves	(358)	0	358	0	0
GROSS INCOME	(2,415)	0	1,856	(559)	(71)
NET EXPENDITURE	2,926	24	1,446	4,396	708

Other Variations are analysed as follows:

Major Items

	£000	fte
Current year savings	(132)	(1.5)
Overhead adjustments	58	0.0
Depreciation adjustments	0	0.0
Technical adjustments	1,520	0.0
TOTAL	1,446	(1.5)

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Commissioning, Strategy and Performance

This page contains the budgets for Policy, Planning & Performance, Joint Commissioning & Partnerships, Contract Procurement & School Organisation and Business Support.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14	DSG	LA
52.64571	53.8	5.9	48.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13		Other	2013/14	2013/14	2013/14
	Current Estimate	Inflation	Variations	Estimate	DSG Estimate	LA Estimate
	£000	£000	£000	£000	£000	£000
Expenditure						
Employees	2,288	1	(15)	2,274	243	2,031
Premises	159	2	(22)	139	82	57
Transport	33	1	4	38	7	31
Supplies and Services	6,233	60	379	6,672	2,068	4,604
Third Party Payments	6,327	19	27	6,373	4,827	1,546
Transfer Payments	0	0	0	0	0	0
Support Services	490	0	50	540	34	506
Depreciation and Impairment Losses	0	0	0	0	0	0
GROSS EXPENDITURE	15,530	83	423	16,036	7,261	8,775
Income						
Government Grants	(1,436)	0	796	(640)	(640)	0
Other Reimbursements and Contributions	(157)	0	40	(117)	(28)	(89)
Customer and Client Receipts	(1,933)	0	(13)	(1,946)	(1,853)	(93)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
GROSS INCOME	(3,526)	0	823	(2,703)	(2,521)	(182)
NET EXPENDITURE	12,004	83	1,246	13,333	4,740	8,593

Other Variations are analysed as follows

Major Items

	£000	fte
Current year savings	(399)	0.0
Overhead adjustments	50	0.0
Revenuisation	890	0.0
Technical adjustments	705	0.0
TOTAL	1,246	0.0

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Education

This page contains the budgets for School Standards & Quality, Extended Schools, Early Years & Children's Centres, Special Educational Needs, SMART Centre, The Virtual School and Schools ICT.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14	DSG	LA
171.6	203.3	53.6	149.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13		Other	2013/14	2013/14	2013/14
	Current Estimate	Inflation	Variations	Estimate	DSG Estimate	LA Estimate
	£000	£000	£000	£000	£000	£000
Expenditure						
Employees	8,649	2	401	9,052	3,127	5,925
Premises	417	4	(30)	391	50	341
Transport	3,150	47	(42)	3,155	30	3,125
Supplies and Services	12,073	43	571	12,687	11,042	1,645
Third Party Payments	7,491	30	868	8,389	5,806	2,583
Transfer Payments	1	0	18	19	0	19
Support Services	1,603	0	333	,936	93	1,843
Depreciation and Impairment Losses	49	0	0	49	0	49
GROSS EXPENDITURE	33,433	126	2,119	35,678	20,148	15,530
Income						
Government Grants	(6,063)	0	3,802	(2,261)	(2,202)	(59)
Other Reimbursements and Contributions	(2,406)	0	(1,529)	(3,935)	(2,523)	(1,412)
Customer and Client Receipts	(1,995)	0	(164)	(2,159)	(279)	(1,880)
Interest	0	0	0	0	0	0
Recharges	0	0	0	0	0	0
Reserves	0	0	0	0	0	0
GROSS INCOME	(10,464)	0	2,109	(8,355)	(5,004)	(3,351)
NET EXPENDITURE	22,969	126	4,228	27,323	15,144	142,179

Other Variations are analysed as follows

Major Items

Current year savings
Overhead adjustments
Depreciation adjustments
Technical adjustments

£000	fte
(245)	2.0
333	0.0
0	0
4,140	0.0
4,228	(2.0)

TOTAL

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Schools

This budget covers Schools Funding, including the two top slices to fund the Schools Sports Co-ordinator and Tree Works.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14	DSG	LA
0.0	0.0	0.0	0.0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13		Other	2013/14	2013/14	2013/14
	Current Estimate	Inflation	Variations	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
Expenditure						
Employees	767	0	(143)	624	624	0
Premises	34	0	0	34	34	0
Transport	0	0	0	0	0	0
Supplies and Services	111,799	0	7,717	119,516	119,516	0
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	5,013	0	(93)	4,920	207	4,713
GROSS EXPENDITURE	117,613	0	7,481	125,094	120,381	4,713
Income						
Government Grants	(135,826)	0	(6,537)	(142,363)	(142,363)	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	(83)	0	83	0	0	0
GROSS INCOME	(135,909)	0	(6,454)	(142,363)	(142,363)	0
NET EXPENDITURE	(18,296)	0	1,027	(17,269)	(21,982)	4,713

Other Variations are analysed as follows

Major Items

Depreciation adjustments

Technical adjustments

TOTAL

£000	fte
(93)	0.0
1,120	0.0
1,027	0.0

CHILDREN, SCHOOLS AND FAMILIES DEPARTMENT

Other Children Schools and Families Budgets

This budget covers residual schools retained budgets, Asylum Seeker Costs, Past and Present Pension and Redundancy Costs and PFI Unitary Charges.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14	DSG	LA
25.7	2.2	0.0	2.2

SUBJECTIVE ANALYSIS OF ESTIMATES

Expenditure

2012/13		Other	2013/14	2013/14	2013/14	
Current Estimate	Inflation	Variations	Estimate	DSG Estimate	LA Estimate	
£000	£000	£000	£000	£000	£000	
Employees	3,075	(23)	(921)	2,131	22	2,109
Premises	96	2	(98)	0	0	0
Transport	4	0	(4)	0	0	0
Supplies and Services	443	335	611	1,389	1,313	76
Third Party Payments	9,283	133	(95)	9,321	0	9,321
Transfer Payments	0	0	0	0	0	0
Support Services	40	0	(40)	0	0	0
Depreciation and Impairment Losses	0	0	0	0	0	0
GROSS EXPENDITURE	12,941	447	(547)	12,841	1,335	11,506

Income

Government Grants	(130)	0	0	(130)	0	(130)
Other Reimbursements and Contributions	(2,295)	0	97	(2,198)	0	(2,198)
Customer and Client Receipts	(91)	0	31	(60)	0	(60)
Interest	(44)	0	0	(44)	0	(44)
Recharges	0	0	0	0	0	0
Reserves	274	0	0	274	0	274
GROSS INCOME	(2,286)	0	128	(2,158)	0	(2,158)
NET EXPENDITURE	10,655	447	(419)	10,683	1,335	9,348

Other Variations are analysed as follows

Major Items

	£000	fte
Previous years savings	0	0.0
Overhead adjustments	(40)	0.0
Technical adjustments	(379)	0.0
TOTAL	(419)	0.0

**Community and
Housing
Department
Estimates
2013-14**

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COMMUNITY AND HOUSING DEPARTMENT Total

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

FULL TIME EQUIVALENTS

	2012/13	2013/14
Number of FTE Staff	531.79	524.71
Number of FTE PCT TUPE staff	21.28	19.88

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate	Inflation	Other Variations	2013/14 Estimate
	£000	£000	£000	£000
Expenditure				
Employees	19,332	16	151	19,500
Premises	1,053	16	(11)	1,058
Transport	1,499	23	(107)	1,415
Supplies and Services	5,045	71	(292)	4,824
Third Party Payments	43,371	653	(2,085)	41,939
Transfer Payments	12,639	0	391	13,030
Support Services	8,005	0	534	8,538
Depreciation and Impairment Losses	725	0	1	725
GROSS EXPENDITURE	91,668	779	(1,418)	91,029
Income				
Government Grants	(10,011)	0	7,208	(2,802)
Other Reimbursements and Contributions	(7,574)	0	(2,561)	(10,135)
Customer and Client Receipts	(10,251)	(1)	(1,025)	(11,277)
Interest	0	0	0	0
Recharges	(3,317)	0	0	(3,317)
Reserves	(381)	0	356	(25)
GROSS INCOME	(31,534)	(1)	3,979	(27,556)
NET EXPENDITURE	60,133	778	2,561	63,473

Other Variations are analysed as follows:

Major Items

	£000	fte
Current Year savings	(6,317)	(1.6)
Previous years savings	0	0.0
Previous years growth	1,522	0.0
Overheads adjustments	534	0.0
Depreciation adjustments	0	0.0
Rebasing of Income	(800)	0.0
Technical adjustments	617	0.0
Transfers between departments	(175)	0.0
Grants	10,446	0.0
Other	(3,266)	(6.9)
TOTAL	2,561	(8.5)

SUMMARY: COMMUNITY AND HOUSING DEPARTMENT

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE PCT TUPE staff

2012/13	2013/14
531.79	524.71
21.28	19.88
553.1	544.6

SERVICE AREA ANALYSIS

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Adult Social Care	55,037	742	2,260	58,039
Libraries and Heritage	3,378	14	(90)	3,303
Merton Adult Education	219	8	(54)	173
Housing General Fund	1,499	14	445	1,958
NET EXPENDITURE	60,133	778	2,561	63,473

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, Mitcham's Canons house, Pollards Hill and Morden libraries.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
30.65	31.36

SUBJECTIVE ANALYSIS OF ESTIMATES

Expenditure

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Employees	1,758	0	56	1,813
Premises	164	2	(26)	141
Transport	3	0	0	3
Supplies and Services	351	5	(23)	334
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	232	0	54	286
Depreciation and Impairment Losses	95	0	1	96
GROSS EXPENDITURE	2,604	8	61	2,673
Income				
Government Grants	(1,817)	0	(56)	(1,873)
Other Reimbursements and Contributions	(3)	0	0	(3)
Customer and Client Receipts	(564)	0	(60)	(624)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	0	0	0	0
GROSS INCOME	(2,385)	0	(115)	(2,500)
NET EXPENDITURE	219	8	(54)	173

Other Variations are analysed as follows:

Major Items

	£000	fte
Current Year savings	(100)	0.0
Previous years savings	0	0.0
Previous years growth	0	0.0
Overheads adjustments	54	0.0
Depreciation adjustments	0	0.0
Rebasing of Income	0	0.0
Technical adjustments	2	0.0
Transfers between departments	0	0.0
Grants	0	0.0
Other	(10)	0.71
TOTAL	(54)	0.71

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

2012/13	2013/14
46.40	43.20

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	1,343	0	(25)	1,319
Premises	353	6	59	418
Transport	3	0	0	3
Supplies and Services	599	6	13	618
Third Party Payments	139	2	(75)	66
Transfer Payments	0	0	0	0
Support Services	907	0	(93)	814
Depreciation and Impairment Losses	553	0	0	553
GROSS EXPENDITURE	3,897	14	(121)	3,791
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(135)	0	15	(120)
Customer and Client Receipts	(359)	0	16	(343)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	(25)	0	0	(25)
GROSS INCOME	(519)	0	31	(488)
NET EXPENDITURE	3,378	14	(90)	3,303

Other Variations are analysed as follows:

Major Items

	£000	fte
Current Year savings	(13)	(0.6)
Previous years savings	0	0.0
Previous years growth	0	0.0
Overheads adjustments	(93)	0.0
Depreciation adjustments	0	0.0
Rebasing of Income	0	0.0
Technical adjustments	10	0.0
Transfers between departments	9	0.0
Grants	0	0.0
Other	(3)	(2.6)
TOTAL	(90)	(3.2)

COMMUNITY AND HOUSING DEPARTMENT Housing General Fund

Housing Needs and Enabling Service

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
26.5	25.5

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	1,009	0	(48)	962
Premises	38	1	(37)	1
Transport	18	0	(0)	18
Supplies and Services	276	4	(91)	190
Third Party Payments	900	9	(0)	909
Transfer Payments	480	0	0	480
Support Services	235	0	(5)	230
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	2,957	14	(182)	2,790
Income				
Government Grants	(1,298)	0	500	(798)
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(30)	0	(4)	(34)
Interest	0	0	0	0
Recharges	0	0	0	0
Reserves	(130)	0	130	0
GROSS INCOME	(1,459)	0	627	(832)
NET EXPENDITURE	1,499	14	445	1,958

Other Variations are analysed as follows:

Major Items

	£000	fte
Current Year savings	(42)	(1.0)
Previous years savings	0	0.0
Growth	0	0.0
Overheads adjustments	(5)	0.0
Depreciation adjustments	0	0.0
Rebasing of Income	0	0.0
Technical adjustments	0	0.0
Transfers between departments	(6)	0.0
Grants	500	0.0
Other	(2)	0.0
TOTAL	445	(1.0)

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

2012/13	2013/14
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428.24	424.65
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Number of FTE PCT TUPE staff

21.28	19.88
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SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Original Estimate	2012/13 Current Estimate	Inflation	Other Variations	2013/14 Estimate
	£000	£000	£000	£000	£000
Expenditure					
Employees	15,178	15,222	16	168	15,405
Premises	492	498	7	(6)	500
Transport	1,468	1,474	23	(107)	1,390
Supplies and Services	041	3,818	55	(191)	3,682
Third Party Payments	42,620	42,332	642	(2,010)	40,964
Transfer Payments	12,159	12,159	0	391	12,550
Support Services	6,630	6,630	0	578	7,208
Depreciation and Impairment Losses	138	76	0	0	76
GROSS EXPENDITURE	82,725	82,209	743	(1,177)	81,775
Income					
Government Grants	(7,109)	(6,895)	0	6,764	(131)
Other Reimbursements and Contributions	(7,691)	(7,436)	0	(2,576)	(10,012)
Customer and Client Receipts	(9,259)	(9,298)	(1)	(977)	(10,276)
Interest	0	0	0	0	0
Recharges	(3,317)	(3,317)	0	0	(3,317)
Reserves	(226)	(226)	0	226	(0)
GROSS INCOME	(27,601)	(27,172)	(1)	3,437	(23,736)
NET EXPENDITURE	55,124	55,037	742	2,260	58,039

Other Variations are analysed as follows:

Major Items

	£000	fte
Current Year savings	(6,162)	0.0
Previous years savings	0	0.0
Growth	1,522	0.0
Overheads adjustments	578	0.0
Depreciation adjustments	0	0.0
Rebasing of Income	(800)	0.0
Technical adjustments	605	0.0
Transfers between departments	(178)	0.0
Grants	9,946	0.0
Other	(3,251)	(5.0)
TOTAL	2,260	(5.0)

COMMUNITY AND HOUSING DEPARTMENT PUBLIC HEALTH

This area includes the Public Health responsibilities transferred to local authorities.
Responsibilities to improve significantly the health and wellbeing of the local population,
Carry out health protection functions delegated from the Secretary of State, Reduce health inequalities across the life course, ensure the provision of population healthcare advice

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE PCT TUPE staff

2012/13	2013/14
0.00	0.00
0.00	7.00

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	0	0	463	463
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	0	0	0	0
Third Party Payments	0	0	8,425	8,425
Transfer Payments	0	0	0	0
Support Services	0	0	97	97
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	0	0	8,985	8,985
Income				
Government Grants	0	0	(8,985)	(8,985)
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	(8,985)	(8,985)
NET EXPENDITURE	0	0	0	0

Other Variations are analysed as follows:

Major Items

Current Year savings
Previous years savings
Growth
Overheads adjustments
Depreciation adjustments
Rebasing of Income
Technical adjustments
Transfers between departments
Grants
Other
TOTAL

£000	fte
0	0.0
0	0.0
0	0.0
0	0.0
0	0.0
0	0.0
0	0.0
0	0.0
0	0.0
0	0.0
0	0.0

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**Corporate Services
Department
Estimates
2013-14**

SUMMARY: CORPORATE SERVICES DEPARTMENT

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE Sutton TUPE staff

2012/13	2013/14
414.9	414.0
42.6	41.6
457.5	455.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	21,285	33	446	21,764
Premises	3,467	35	(48)	3,454
Transport	154	2	(0)	156
Supplies and Services	13,946	139	(1,243)	12,842
Third Party Payments	839	11	84	934
Transfer Payments	99,636	0	(14,071)	85,566
Support Services	9,989	0	52	10,041
Depreciation and Impairment Losses	1,525	0	163	1,688
GROSS EXPENDITURE	150,843	220	(14,618)	136,445
Income				
Government Grants	(101,394)	0	14,066	(87,328)
Other Reimbursements and Contributions	(2,902)	0	600	(2,302)
Customer and Client Receipts	(9,720)	(41)	365	(9,396)
Interest	0	0	0	0
Recharges	(25,115)	0	(1,775)	(26,890)
Reserves	(1,178)	0	1,178	0
GROSS INCOME	(140,309)	(41)	14,434	(125,916)
NET EXPENDITURE	10,534	180	(184)	10,529

SUMMARY: CORPORATE SERVICES DEPARTMENT

FULL TIME EQUIVALENTS

Number of FTE Staff
Number of FTE Sutton TUPE staff

2012/13	2013/14
414.9	414.0
42.6	41.6
457.5	455.6

SERVICE AREA ANALYSIS

	CHANGE BETWEEN YEARS			2013/14 Estimate £000
	2012/13	Inflation £000	Other	
	Current Estimate £000		Variations £000	
Customer Services	1,022	12	206	1,240
Infrastructure & Transactions	1,327	93	(678)	741
Business Improvement	439	0	(462)	(22)
Corporate Governance	1,529	16	159	1,704
Resources	696	38	754	1,487
HR	(28)	8	115	95
Corporate Items	5,548	13	(278)	5,284
TOTAL EXPENDITURE	10,534	180	(184)	10,529
Contingency/ Other	0	0	0	0
Capital Financing Adjustment	0	0	0	0
Levies	0	0	0	0
NET EXPENDITURE	10,534	180	(184)	10,529

CORPORATE SERVICES 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, Bailiff Team and Recovery Team), Benefits Administration, Registrars, Debt Recovery, Corporate Communications, Web Team, Consultation & Community Engagement, and CHAS.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
153.0	156.2

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	5,372	5	189	5,566
Premises	54	1	(16)	39
Transport	74	1	0	74
Supplies and Services	3,359	21	(62)	3,318
Third Party Payments	322	3	0	325
Transfer Payments	0	0	0	0
Support Services	2,642		111	2,753
Depreciation and Impairment Losses	3	0	0	3
GROSS EXPENDITURE	11,826	30	222	12,078
Income				
Government Grants	(1,835)	0	9	(1,826)
Other Reimbursements and Contributions	(1,030)	0	100	(930)
Customer and Client Receipts	(5,926)	(19)	137	(5,807)
Interest				0
Recharges	(2,013)		(262)	(2,275)
Reserves	0		0	0
GROSS INCOME	(10,803)	(19)	(16)	(10,838)
NET EXPENDITURE	1,022	12	206	1,240

Other Variations are analysed as follows:

Major Items

	£000	fte
Current year savings		
Previous years savings	(150)	
Current year growth		
Transfer between departments		
Technical adjustments	507	3.2
Depreciation adjustments		
Overhead adjustments	(151)	
TOTAL	206	3.2

CORPORATE SERVICES INFRASTRUCTURE & TRANSACTIONS

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

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
84.1	81.6

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	3,202	16	85	3,304
Premises	3,286	32	(32)	3,287
Transport	39	1	0	40
Supplies and Services	3,112	45	(59)	3,097
Third Party Payments	201	3	70	274
Transfer Payments	0	0	0	0
Support Services	866		64	930
Depreciation and Impairment Losses	1,522		163	1,685
GROSS EXPENDITURE	12,228	97	291	12,616
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(2,099)	(4)	35	(2,068)
Interest	0	0	0	0
Recharges	(8,523)		(1,284)	(9,807)
Reserves	(280)	0	280	0
GROSS INCOME	(10,901)	(4)	(970)	(11,875)
NET EXPENDITURE	1,327	93	(678)	741

Other Variations are analysed as follows:

Major Items

Current year savings
Previous years savings
Previous years growth
Technical adjustments
Depreciation adjustments
Overheads adjustments

	£000	fte
	(50)	(2.0)
	430	(0.5)
	163	
	(1,220)	
TOTAL	(678)	(2.5)

CORPORATE SERVICES 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 FTE Staff

2012/13	2013/14
30.5	29.9

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	1,683	(0)	(206)	1,477
Premises	0	0	0	0
Transport	3	0	0	3
Supplies and Services	374	0	(340)	34
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	301	0	38	339
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	2,361	0	(508)	1,853
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	(1,682)	0	(193)	(1,875)
Reserves	(239)	0	239	0
GROSS INCOME	(1,921)	0	46	(1,875)
NET EXPENDITURE	439	0	(462)	(22)

Other Variations are analysed as follows:

Major Items

Current year savings
Previous years savings
Current years growth
Transfer between departments
Technical adjustments
Overheads adjustments
TOTAL

£000	fte
(307)	(0.6)
(155)	
(462)	(0.6)

CORPORATE SERVICES CORPORATE GOVERNANCE

The Corporate Governance Division consists of Shared Legal Services, Internal Audit, Investigations, Democracy Services, Electoral Services, Information Governance and Safety Services.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
70.4	69.4

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	4,396	11	28	4,435
Premises	9	0	0	9
Transport	28	0	0	28
Supplies and Services	2,049	5	(500)	1,555
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	591		114	705
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	7,073	17	(358)	6,732
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	(1,872)	0	500	(1,372)
Customer and Client Receipts	(203)	(1)	7	(197)
Interest	0	0	0	0
Recharges	(3,469)		9	(3,460)
Reserves	0	0	0	0
GROSS INCOME	(5,544)	(1)	516	(5,029)
NET EXPENDITURE	1,529	16	159	1,704

Other Variations are analysed as follows:

Major Items

Current year savings
Previous years savings
Previous years growth
Transfer between departments
Technical adjustments
Depreciation adjustments
Overhead adjustments
TOTAL

£000	fte
(39)	(1.0)
75	
123	
159	(1.0)

CORPORATE SERVICES RESOURCES

The Resources Division consists of Policy & Strategy, Commercial Services, Business Planning, Accountancy and Business Partners

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
72.1	72.2

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	3,944	(2)	87	4,030
Premises	101	2	(1)	102
Transport	4	0	0	4
Supplies and Services	4,551	54	(406)	4,199
Third Party Payments	14	0	0	14
Transfer Payments	9	0	0	9
Support Services	743		80	823
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	9,366	54	(239)	9,181
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(890)	(16)	118	(789)
Interest	0	0	0	0
Recharges	(7,121)		216	(6,905)
Reserves	(659)	0	659	0
GROSS INCOME	(8,670)	(16)	993	(7,694)
NET EXPENDITURE	696	38	754	1,487

Other Variations are analysed as follows:

Major Items

Current year savings
Previous years savings
Technical adjustments
Net variation in grants
Overheads adjustments

	£000	fte
	458	0.1
	296	
TOTAL	754	0.1

CORPORATE SERVICES HR

The HR division consists of: Strategic HR, Business Partnerships, Corporate Learning & Development, Diversity, Payroll, Recruitment & Resourcing, Central Operations Team. The function also interfaces with Staff Side. The HR service is shared with the LB of Sutton. The payroll system is shared with LB of Sutton and LB of Kingston

FULL TIME EQUIVALENTS

Number of FTE Staff

Number of FTE Sutton TUPE staff

2012/13	2013/14
4.8	4.8
42.6	41.6
47.4	46.4

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees	2,030	3	262	2,296
Premises	17	0	0	17
Transport	7	0	0	7
Supplies and Services	238	4	(6)	236
Third Party Payments	108	2	0	109
Transfer Payments	0	0	0	0
Support Services	482		51	533
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	2,882	8	308	3,198
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(602)	0	68	(534)
Interest	0	0	0	0
Recharges	(2,307)		(261)	(2,568)
Reserves	0	0	0	0
GROSS INCOME	(2,909)	0	(193)	(3,102)
NET EXPENDITURE	(28)	8	115	95

Other Variations are analysed as follows:

Major Items

Current year savings

Previous years savings

Technical adjustments

Overheads adjustments

Transfer from departments

TOTAL

£000	fte
(285)	(1.0)
161	
(210)	
449	
115	(1.0)

CORPORATE SERVICES CORPORATE ITEMS

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

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
0	0

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/13 Current Estimate £000	Inflation £000	Other Variations £000	2013/14 Estimate £000
Expenditure				
Employees*	657	0	0	657
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	264	10	128	403
Third Party Payments	195	3	14	212
Transfer Payments	99,627	0	(14,071)	85,556
Support Services	4,364		(406)	3,958
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	105,108	13	(14,335)	90,786
Income				
Government Grants	(99,559)	0	14,057	(85,502)
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Interest	0	0	0	0
Recharges				0
Reserves	0	0	0	0
GROSS INCOME	(99,559)	0	14,057	(85,502)
NET EXPENDITURE	5,548	13	(278)	5,284

Other Variations are analysed as follows:

Major Items

Current year savings
Current year growth
Previous years growth
Technical adjustments
Overheads adjustments
Shared legal services devolved budgets

TOTAL

£000	fte
128	
(406)	
(278)	0.0

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

**Environment and
Regeneration
Department
Estimates
2013-14**

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ENVIRONMENT AND REGENERATION DEPARTMENT

Departmental Summary

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
643	655

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/2013 Current Estimate £000	Inflation £000	Other Variations £000	2013/2014 Estimate £000
Expenditure				
Employees	22,640	92	(418)	22,314
Premises	3,502	39	(213)	3,329
Transport	6,153	42	(313)	5,882
Supplies and Services	5,599	50	(1,838)	3,811
Third Party Payments	13,844	187	(646)	13,384
Transfer Payments	21	0	0	21
Support Services	10,351	0	(55)	10,296
Depreciation and Impairment Losses	6,588	0	0	6,588
GROSS EXPENDITURE	68,698	411	(3,484)	65,625
Income				
Government Grants	(930)	0	506	(424)
Other Reimbursements and Contributions	(4,069)	0	1,482	(2,587)
Customer and Client Receipts	(29,043)	0	(1,716)	(30,758)
Interest	0	0	0	0
Recharges	(5,432)	0	417	(5,015)
Reserves	(1,516)	0	453	(1,063)
GROSS INCOME	(40,989)	0	1,141	(39,848)
NET EXPENDITURE	27,708	411	(2,343)	25,777

Other variations are analysed as follows:

Major Items

Current year savings
 Reprofiled Savings
 Previous years savings
 Depreciation adjustments
 Overhead adjustments
 Technical adjustments
TOTAL

£000	fte
(1,423)	12
(215)	
(15)	
(615)	
362	
(436)	
(2,342)	12

SUMMARY: ENVIRONMENT & REGENERATION

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
643	655

SERVICE AREA ANALYSIS

CHANGE BETWEEN YEARS

	2012/2013		Other	2013/2014
	Current Estimate £000	Inflation £000	Variations £000	Estimate £000
Street Scene and Waste	28,229	318	(1,237)	27,310
Public Protection and Development	(4,692)	23	(125)	(4,794)
Sustainable Communities	3,035	45	(1,135)	1,945
Safer Merton	1,321	20	(25)	1,316
Senior Management and Support	(185)	4	181	(0)
TOTAL EXPENDITURE	27,708	411	(2,343)	25,777

ENVIRONMENT AND REGENERATION DEPARTMENT

Street Scene and Waste:

Traffic and Highway Services, Transport Services, Waste Management and Operations.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
353	361

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/2013 Current Estimate	Inflation	Other Variations	2013/2014 Estimate
	£000	£000	£000	£000
Expenditure				
Employees	10,854	92	(29)	10,917
Premises	1,587	20	(75)	1,532
Transport	5,657	35	(306)	5,386
Supplies and Services	1,150	12	21	1,183
Third Party Payments	10,965	159	(633)	10,491
Transfer Payments	2	0	0	2
Support Services	5,709	0	(239)	5,470
Depreciation and Impairment Losses	5,818	0	0	5,818
GROSS EXPENDITURE	41,742	318	(1,261)	40,799
Income				
Government Grants	(189)	0	189	0
Other Reimbursements and Contributions	(820)	0	195	(625)
Customer and Client Receipts	(9,837)	0	(716)	(10,553)
Recharges	(2,417)	0	106	(2,311)
Reserves	(250)	0	250	0
GROSS INCOME	(13,513)	0	23	(13,489)
NET EXPENDITURE	28,229	318	(1,237)	27,310

Other variations are analysed as follows:

Major Items

Current year savings

Reprofiled Savings

Previous years growth

Overhead adjustments

Depreciation adjustments

Technical adjustments

TOTAL

£000	fte
(996)	8
(81)	
0	
(133)	
7	
(34)	
(1,237)	8

ENVIRONMENT AND REGENERATION DEPARTMENT

Public Protection & Development:

Consumer and Business Protection, Environmental Health, Development Control, Building Control, Parking Control.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
137	146

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/2013 Current Estimate £000	Inflation £000	Other Variations £000	2013/2014 Estimate £000
Expenditure				
Employees	5,515	0	44	5,559
Premises	651	7	18	676
Transport	229	3	(3)	229
Supplies and Services	995	9	(414)	589
Third Party Payments	383	4	(64)	323
Transfer Payments	2	0	0	2
Support Services	1,589	0	154	1,743
Depreciation and Impairment Losses	56	0	0	56
GROSS EXPENDITURE	9,420	23	(267)	9,177
Income				
Government Grants	(360)	0	312	(48)
Other Reimbursements and Contributions	(208)	0	9	(199)
Customer and Client Receipts	(13,321)	0	(299)	(13,619)
Recharges	0	0	0	0
Reserves	(223)	0	119	(104)
GROSS INCOME	(14,112)	0	141	(13,970)
NET EXPENDITURE	(4,692)	23	(125)	(4,794)

Other variations are analysed as follows:

Major Items

	£000	fte
Current year savings	(180)	9.0
Reprofiled Savings	(24)	
Overhead adjustments	154	
Depreciation adjustments	3	
Technical adjustments	(78)	
TOTAL	(125)	9.0

ENVIRONMENT AND REGENERATION DEPARTMENT

Sustainable Communities:

Physical Regeneration, Spatial Planning and Policy, Regeneration Partnerships, Property Management, Greenspaces, Leisure and Culture Development, Transport Planning & Safety Education, Business Performance.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
116	113

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/2013 Current Estimate £000	Inflation £000	Other Variations £000	2013/2014 Estimate £000
Expenditure				
Employees	4,443	0	(315)	4,128
Premises	1,259	13	(157)	1,116
Transport	259	4	(4)	259
Supplies and Services	3,004	23	(1,393)	1,634
Third Party Payments	1,029	6	(32)	1,003
Transfer Payments	17	0	0	17
Support Services	2,594	0	43	2,637
Depreciation and Impairment Losses	611	0	0	611
GROSS EXPENDITURE	13,217	45	(1,858)	11,404
Income				
Government Grants	(59)	0	0	(59)
Other Reimbursements and Contributions	(1,554)	0	1,331	(223)
Customer and Client Receipts	(5,876)	0	(704)	(6,580)
Recharges	(1,650)	0	(13)	(1,663)
Reserves	(1,043)	0	110	(933)
GROSS INCOME	(10,182)	0	723	(9,459)
NET EXPENDITURE	3,035	45	(1,135)	1,945

Other variations are analysed as follows:

Major Items

	£000	fte
Current year savings	(247)	(3.0)
Reprofiled Savings	(26)	
Previous years savings	(15)	
Overhead adjustments	30	
Depreciation adjustments	(625)	
Technical adjustments	(252)	
TOTAL	(1,135)	(3.0)

ENVIRONMENT AND REGENERATION DEPARTMENT

Safer Merton:

Management of the Community Safety Partnership and related legislation.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
27	25

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/2013 Current Estimate £000	Inflation £000	Other Variations £000	2013/2014 Estimate £000
Expenditure				
Employees	1,032	0	(20)	1,012
Premises	5	0	0	5
Transport	7	0	0	7
Supplies and Services	167	2	9	179
Third Party Payments	1,467	18	83	1,568
Transfer Payments	0	0	0	0
Support Services	358	0	(27)	331
Depreciation and Impairment Losses	104	0	0	104
GROSS EXPENDITURE	3,139	20	45	3,204
Income				
Government Grants	(322)	0	5	(317)
Other Reimbursements and Contributions	(1,487)	0	(53)	(1,539)
Customer and Client Receipts	(10)	0	4	(6)
Recharges	0	0	0	0
Reserves	0	0	(26)	(26)
GROSS INCOME	(1,818)	0	(70)	(1,888)
NET EXPENDITURE	1,321	20	(25)	1,316

Other variations are analysed as follows:

Major Items

Overhead adjustments

Technical adjustments

TOTAL

	£000	fte
	(27)	(2.5)
	2	
TOTAL	(25)	(2.5)

ENVIRONMENT AND REGENERATION DEPARTMENT

Senior Management and Support:

The Department's senior management and secretarial support.

FULL TIME EQUIVALENTS

Number of FTE Staff

2012/13	2013/14
10	10

SUBJECTIVE ANALYSIS OF ESTIMATES

	2012/2013 Current Estimate £000	Inflation £000	Other Variations £000	2013/2014 Estimate £000
Expenditure				
Employees	796	0	(98)	698
Premises	0	0	0	0
Transport	0	0	0	0
Supplies and Services	282	4	(60)	226
Third Party Payments	0	0	0	0
Transfer Payments	0	0	0	0
Support Services	102	0	15	116
Depreciation and Impairment Losses	0	0	0	0
GROSS EXPENDITURE	1,180	4	(143)	1,041
Income				
Government Grants	0	0	0	0
Other Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	0	0	0	0
Recharges	(1,365)	0	324	(1,041)
Reserves	0	0	0	0
GROSS INCOME	(1,365)	0	324	(1,041)
NET EXPENDITURE	(185)	4	181	0

Other variations are analysed as follows:

Major Items

Technical adjustments
Reprofiled Savings
Overhead adjustments

TOTAL

£000	fte
(74)	0
(84)	
339	
181	0

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Glossary of Terms & List of Acronyms

BUSINESS PLAN - GLOSSARY OF TERMS
<p>ANNUAL MINIMUM REVENUE PROVISION</p> <p>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.</p>
<p>ASSET MANAGEMENT PLAN / REVIEW</p> <p>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.</p>
<p>BALANCES</p> <p>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.</p>
<p>BORROWING STRATEGY</p> <p>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.</p>
<p>BUDGET</p> <p>Statement of the spending plans for the year.</p>
<p>CAPITAL EXPENDITURE</p> <p>Expenditure on the acquisition of a fixed asset or expenditure, which adds to, and not merely maintains, the value of an existing fixed asset.</p>
<p>CAPITAL FINANCING REQUIREMENT (CFR)</p> <p>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.</p>
<p>CAPITAL PROGRAMME</p> <p>Is documentation which summarises the outcome of priority allocations contained in the capital strategy and details individual schemes for approval by Council / Cabinet.</p>
<p>CAPITAL PROGRAMME BOARD</p> <p>The Capital Programme Board ensures:</p> <ul style="list-style-type: none"> • 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 • oversees the Council's Accommodation and disposals strategy.
<p>CAPITAL PROJECTS / SCHEMES</p> <p>Capital Projects / Schemes is the level at which Member approval is obtained.</p>
<p>CAPITAL RECEIPTS</p> <p>Proceeds from the sale of fixed assets and repayments of capital grants and loans. These are divided into reserved and usable parts.</p>

BUSINESS PLAN - GLOSSARY OF TERMS Continued...**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.

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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...**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.

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

This is the main source of local taxation to local authorities. It is levied on households within the authority's area and the proceeds are paid into the Collection Fund for distribution to precepting authorities and to the authority's own General Fund.

COUNTRY LIMITS

The current economic climate has not only affected companies and financial institutions; it has affected sovereigns as well. This will be incorporated into counterparty selection.

CREDIT APPROVAL

The permission to borrow given to each local authority annually by the Secretary of State. Local authorities can obtain supplementary credit approvals during the year for particular projects.

CREDITORS

The individual or organisation to whom the Authority owes money. Accordingly, it does not include money on taxation to the Council.

COUNCIL'S BORROWING REQUIREMENT

Based on projected spend, this is the amount of money a local authority will need to borrow to finance this projected spend.

COUNTERPARTIES

The organisation in respect of which the Authority borrows from or invests money with.

COUNTERPARTIES DOWNGRADES

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 corporation 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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...**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.

COUNTERPARTY DOWNGRADES

This is a reduction in the credit rating of an organisation during a periodic review.

 earmarked CAPITAL REOURCES / GRANTS

Money received by the Authority which has certain conditions / restrictions over its use limiting the type of expenditure that it may be applied against.

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.

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...**HOUSING REVENUE ACCOUNT (HRA)**

This is a statutory account that shows all income and expenditure relating to the provision, management and maintenance of the Council's housing stock. The government defines the items of income and expenditure that must be included in the account. This account is ring-fenced under the Local Government and Housing Act 1989.

INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS)

International Financial Reporting Standards are the standards that both the SORP and the UK GAAP are converging towards and local authorities have had to fully comply with since 2010/11 financial year

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

An amount levied by a local authority or other statutory body which is paid by the Council.

LIABILITIES

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

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

MERTON 2015 BOARD

Merton 2015 Board oversees the management and monitoring of the Merton 2015 programme and the promotion of best practices within the Council. Its work falls into four main areas:

- manage and monitor the Merton 2015 programme including giving the go ahead for new projects and project closure;
- steer the implementation and future development of the Merton 2015 programme;
- lead on developing and maintaining cross-cutting initiatives; and
- manage, co-ordinate and monitor business improvement activity across the council.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...**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.

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.

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.

PRECEPTS

An amount collected by the Council as part of the Council Tax on behalf of another statutory body.

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.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...**PROFILE**

Refers to budget management, where 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.

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.

RESCHEDULING OF DEBT

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

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

RISK MANAGEMENT

A risk is a threat, obstacle, barrier, etc. that will stop the Authority from achieving its ambitions, aims and objectives. Risk management is the process of managing the risks that may prevent delivery of desired outcomes so that the organisation can anticipate and respond positively to change. Merton's approach to risk management is to raise awareness, integrate it into day to day operations and establish a robust framework and procedures to identify, analyse, assess and manage risk.

SECTION 151 OFFICER

Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and requires one officer to be nominated to take responsibility for the administration of those affairs. The Section 151 officer is usually the local authority's treasurer and must be a qualified accountant belonging to one of the recognised chartered accountancy bodies. The Section 151 officer has a number of statutory duties, including the duty to report any unlawful financial activity involving the authority (past, present or proposed) or failure to set or keep to a balanced budget.

SECURITISATION

'Securitisation' as used in this context means the disposal of future revenues. For example, someone receiving rents from properties might transfer the entitlement to that income to a bank for (e.g.) 20 years, in exchange for an immediate lump-sum payment.

BUSINESS PLAN - GLOSSARY OF TERMS Continued...**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.

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.

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 - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME

Aggregate start-up funding assessment

This is the total amount of funding that has been allocated to the local government sector in 2013-14. It is the adjusted local government spending control total for 2013-14.

Baseline funding level

The amount of a local authority's *start up funding assessment* which is provided through the *local share* of the estimated business rates aggregate at the outset of the scheme. It will form the baseline against which *tariffs* and *top-ups* will be calculated.

Billing authority

A local authority which bills and collects business rates, for example a district council or unitary council.

Billing authority business rates baseline

Determined by dividing the *local share* of the estimated business rates aggregate between billing authorities on the basis of their *proportionate shares*.

Central share

The percentage share of locally collected business rates that will be paid to central government by billing authorities. This will be set at 50 per cent. The *central share* will be re-distributed to local government through grants including the *Revenue Support Grant*.

Efficiency Support Grant

A grant awarded to local authorities who, in 2013-14 and 2014-15, would otherwise see a reduction of more than 8.8 per cent of their revenue spending power.

Estimated Business Rates Aggregate

The total business rates forecast to be collected by all billing authorities in England. This will include two adjustments, one to address volatility in outturn compared to forecast and the other to cover future appeals losses.

Floor damping

A method by which stability in funding is maintained through limiting the effect of reductions in grant. A floor guarantees a lower limit to year-on-year reductions in grant for each authority. The grant changes of authorities whose grants are above the floor are scaled back by a fixed proportion to help pay for the floor.

Formula funding

This refers to the element of the aggregate start-up funding assessment that used to be funded through formula grant and which is distributed according to a mathematical formula to individual local authorities.

BUSINESS PLAN - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME Continued ...

Individual authority business rates baseline

Derived by apportioning the *billing authority business rates baseline* between billing and major precepting authorities on the basis of *major precepting authority shares*.

Individual authority start-up funding assessment

Referred to as start-up funding allocation in the technical consultation paper. A local authority's share of the *local government spending control total* which will comprise its *Revenue Support Grant* for the year in question and its *baseline funding level*.

Levy

A mechanism to limit disproportionate benefit from increase in business rates. The levy is applied proportionally on a 1:1 basis. Thus a 1 per cent increase in business rates income produces a corresponding 1 per cent increase in revenue from the rates retention scheme. There is a limit on the maximum levy rate of 50p in the pound. Levy payments will be used to fund the safety net.

Local government spending control total

The total amount of expenditure in the Department for Communities and Local Government's Local Government Departmental Expenditure Limit allocated to the local government sector by HM Treasury for each year of a Spending Review. For 2013-14, this is equal to the start-up funding assessment.

Local share

The percentage share of locally collected business rates that will be retained by local government. This will be set at 50 per cent. At the outset, the *local share* of the estimated business rates aggregate will be divided between billing authorities on the basis of their *proportionate shares*.

Major precepting authority

A local authority that does not collect business rates but is part of the business rates retention scheme. They are county councils in two tier areas, single purpose fire and rescue authorities and the Greater London Authority.

Major precepting authority shares

Used to establish the proportion of the *local share* that is paid by a billing authority to its major precepting authorities. Also applied to *billing authority business rates baselines* to establish *individual authority business rates baselines* for both billing and major precepting authorities.

Multiplier

The business rates multiplier 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 uprated annually by the retail prices index (although exceptionally a lesser increase may be imposed) and the other multiplier adjusted accordingly. There will be no change to the way in which multipliers are set as a result of the introduction of the business rates retention scheme.

BUSINESS PLAN - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME Continued ...

New Burdens

The Government uses the New Burdens Assessment to keep pressure on council tax bills to a minimum. It requires all government departments to justify why new duties, powers, targets and other bureaucratic burdens should be placed on local authorities, as well as how much these policies and initiatives will cost and where the money will come from to pay for them.

National Non-Domestic Rates 1 Form (NNDR1)

The form submitted by 31 January by a billing authority to its major precepting authority and central government to provide an estimate of its business rate income for the upcoming financial year.

Proportionate Share

This is the percentage of the national business rates yield which a billing authority has collected - on the basis of the average rates collected by authorities over the two years 2010-11 and 2011-12. This percentage will be applied to the *local share* of the estimated business rates aggregate to determine the *billing authority business rates baseline*.

Rate reliefs

The rating system currently provides mandatory relief to charities and other categories of ratepayer (e.g. certain rural ratepayers) and permits authorities to grant discretionary relief to other rate payers. There will be no changes to the terms of existing mandatory and discretionary reliefs for businesses as a result of the introduction of the business rates retention scheme.

Relative Needs Formulae

These are the first stage in the calculation the Government uses to distribute formula funding.

Reset

New *baseline funding levels*, new *individual authority business rates baselines* (and therefore new *tariffs* or *top-ups*) are set for each authority to take account of changes in relative need and resource.

Reset period

The years between *resets* in which local authorities are able to retain (after taking into account the *levy* and payments owing to relevant shares) the growth in business rates income. It is the Government's intention that the initial *reset period* will run from 2013 to 2020, and thereafter for ten years.

Revenue Support Grant

All authorities will receive *Revenue Support Grant* from central government in addition to its *baseline funding level*. An authority's *Revenue Support Grant* amount plus its *baseline funding level* will together comprise its *start-up funding assessment*.

Ring-fenced grant

A grant paid to local authorities which has conditions attached to it, which restrict the purposes for which it may be spent.

BUSINESS PLAN - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME Continued...

Safety net

Mechanism to protect any authority which sees its business rates income drop, in any year, by more than 7.5 per cent below their *baseline funding level*. The baseline funding levels are updated each year by the September Retail Prices Index for the purposes of assessing eligibility for the safety net.

Safety net payment

A payment made by central government to local authorities who are eligible for safety net support. These are payable after the end of the financial year

Safety net payment on account

A safety net payment made to a local authority on the basis of forecast non domestic rating income. This means it will be made in year – in advance of the calculation of actual *safety net payments* - which will be calculated on the basis of audited accounts data following the end of that financial year. Any difference between the two amounts will be reconciled and corrected.

Safety net threshold

This is 92.5 per cent of a local authority's baseline funding level.

Service tiers

There are three service tiers corresponding to the services supplied by the three types of authorities. These are upper-tier services – those services, other than fire, supplied by county councils in two-tier areas; fire and rescue services; and lower-tier services – those services supplied by district councils in two-tier areas. Some authorities may provide more than one tier of service.

Spending Power

The definition of revenue spending power is spending power from council tax, Government revenue grants and National Health Service Funding for social care. The calculation of each local authority's spending power is used to calculate eligibility for Efficiency Support Grant.

Tariffs and top-ups

Calculated by comparing an *individual authority business rates baseline* against its *baseline funding level*. *Tariffs* and *top-ups* will be self-funding, fixed at the start of the scheme and index linked to the Retail Prices Index in future years.

Tariff authority

An authority with a higher *individual authority business rates baseline* than its *baseline funding level*, and which therefore pays a *tariff*.

Tariff payment

The payment made from tariff authorities to central government over the course of the financial year.

Top-up authority

An authority with a lower *individual authority business rates baseline* than its *baseline funding level*, and which therefore receives a *top-up*.

BUSINESS PLAN - GLOSSARY OF TECHNICAL TERMS ARISING FROM BUSINESS RATE RETENTION SCHEME Continued ...

Top-up payment

The payment made from central government to top-up authorities over the course of the financial year.

Transitional protection payment

An adjustment to ensure that authorities do not experience gains or losses in rates income as a consequence of the transitional arrangements

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
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

<u>Acronym</u>	<u>Definition</u>
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
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

<u>Acronym</u>	<u>Definition</u>
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
PM&R	Pavement Maintenance and Repair
PPD	Public Protection and Development
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
SLA	Service Level Agreements
SLWP	South West London Partnership
SME	Subject Matter Expert
SMT	Senior Management team
SOAs	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

Request for document translation

Business Plan 2013 / 2017

If you need any part of this document explained in your language, please tick box and contact us either by writing or by phone using our contact details below.

- Albanian** Nëse ju nevojitet ndonjë pjesë e këtij dokumenti e shpjeguar në gjuhën amtare ju lutemi shenojeni kutinë dhe na kontaktoni duke na shkruar ose telefononi duke përdorur detajet e mëposhtme.
- Bengali** এই তথ্যের কোনো অংশ আপনার নিজ ভাষায় বুঝতে চাইলে, দয়া করে বাক্সটিতে (বক্সে) টিক চিহ্ন দিন এবং চিঠি লিখে বা ফোন করে আমাদের সাথে যোগাযোগ করুন। নিচে যোগাযোগের বিবরণ দেওয়া হয়েছে।
- French** Si vous avez besoin que l'on vous explique une partie de ce document dans votre langue, cochez la case et contactez-nous par courrier ou par téléphone à nos coordonnées figurant ci-dessous.
- Korean** 만일 본 서류의 어떤 부분이라도 귀하의 모국어로 설명된 것이 필요하다면, 상자속에 표시를 하고 우리에게 전화나 서신으로 연락하십시오.
- Polish** Aby otrzymać część tego dokumentu w polskiej wersji językowej proszę zaznaczyć kwadrat i skontaktować się z nami drogą pisemną lub telefoniczną pod poniżej podanym adresem lub numerem telefonu.
- Portuguese** Caso você necessite qualquer parte deste documento explicada em seu idioma, favor assinalar a quadrícula respectiva e contatar-nos por escrito ou por telefone usando as informações para contato aqui fornecidas.
- Somali** Haddii aad u baahan tahay in qayb dukumeentigan ka mid ah laguugu sharxo luqaddaada, fadlan sax ku calaamadee sanduuqa oo nagula soo xiriir warqad ama telefoon adigoo isticmaalaya macluumaadka halka hoose ku yaalla.
- Spanish** Si desea que alguna parte de este documento se traduzca en su idioma, le rogamos marque la casilla correspondiente y que nos contacte bien por escrito o telefónicamente utilizando nuestra información de contacto que encontrará más abajo.
- Tamil** இந்தப் பத்திரத்தின் எந்தப் பகுதியும் உங்களின் மொழியில் விளக்கப்படுவது உங்களுக்கு வேண்டுமானால், தயவுசெய்து பெட்டியில் அடையாளமிட்டு, கீழுள்ள எங்களின் விபரங்களைப் பயன்படுத்தி எழுத்துமூலமாக அல்லது தொலைபேசி மூலமாக எங்களைத் தொடர்புகொள்ளவும்.
- Urdu** اگر آپ اس دستاویز کے کسی حصے کا ترجمہ اپنی زبان میں حاصل کرنا چاہتے ہیں تو دئیے گئے باکس میں صحیح کا نشان لگائیے اور ہمارے درج ذیل رابطے پر یا تو ٹیلیفون کے ذریعے یا پھر تحریری طور پر رابطہ کریں۔

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