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Merton Council

Cabinet Agenda

Membership

Councillors:

Mark Allison (Chair)
Agatha Mary Akyigyina OBE
Tobin Byers
Caroline Cooper-Marbiah
Natasha Irons
Rebecca Lanning
Owen Pritchard
Marsie Skeete
Eleanor Stringer
Martin Whelton

Date: **Monday 7 December 2020**

Time: **7.15 pm**

Venue: **This will be a virtual meeting and therefore not held in a physical location, in accordance with s78 of the Coronavirus Act 2020**

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Cabinet Agenda
7 December 2020

Note on declarations of interest

Members are advised to declare any Disclosable Pecuniary Interest in any matter to be considered at the meeting. If a pecuniary interest is declared they should withdraw from the meeting room during the whole of the consideration of that mater and must not participate in any vote on that matter. For further advice please speak with the Managing Director, South London Legal Partnership.

CABINET
9 NOVEMBER 2020

(7.15 pm - 8.15 pm)

PRESENT: Councillors Stephen Alambritis (in the Chair), Mark Allison, Laxmi Attawar, Caroline Cooper-Marbiah, Edith Macauley MBE, Eleanor Stringer and Martin Whelton

ALSO PRESENT: Councillor Natasha Irons, Nick McLean (Leader of the Conservative Group) and Peter Southgate (Leader of the Merton Park Ward Independent Residents Group)

Ged Curran (Chief Executive), Hannah Doody (Director of Community and Housing), Caroline Holland (Director of Corporate Services), Chris Lee (Director of Environment and Regeneration), Matt Burrows (Head of Communications and Customer Experience), Fabiola Hickson (Manager business improvement law), David Keppler (Head of Revenues and Benefits), Jane McSherry (Assistant Director of Education), Octavia Lamb (Policy and Research Officer (Labour Group)) and Louise Fleming (Democracy Services Manager)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

No apologies were received.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of interest.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

RESOLVED: That the minutes of the meeting held on 12 October 2020 are agreed as an accurate record.

4 REFERENCE TO CABINET FROM THE SUSTAINABLE COMMUNITIES PANEL ON THE GROUNDS MAINTENANCE PERFORMANCE (Agenda Item 4)

At the invitation of the Chair, Councillor Natasha Irons, Chair of the Sustainable Communities Overview and Scrutiny Panel presented the report which set out recommendations following a performance update on the idverde grounds maintenance service received at the meeting of the Panel on 1 September. Councillor Irons gave an overview of the discussion and outlined the recommendations of the Panel for Cabinet to take into consideration when making decisions relating to the service.

The Cabinet Member for Commerce, Leisure and Culture thanked Councillor Irons and the Scrutiny Panel for their contributions and advised that she had met with officers to discuss the recommendations and they were currently working up a timeline for delivery and would update the Panel in due course. The Cabinet Member welcomed the efforts of the parks maintenance staff during the pandemic.

The Director of Environment and Regeneration welcomed the report and recommendations, which were currently being worked on an a further report would be brought to Cabinet for consideration in due course.

The Chair thanked all for their contributions.

RESOLVED:

That the recommendations of the Sustainable Communities Overview and Scrutiny Panel, as set out in paragraphs 2.8 to 2.18 of the Cabinet report, be taken into account when making decisions on the Idverde grounds maintenance service.

5 ALLOCATION OF NEIGHBOURHOOD CIL FUNDING (Agenda Item 5)

The Cabinet Member for Regeneration, Housing and Transport presented the report which set out recommendations for allocation of CIL funding to three urgent projects, two of which were to support community organisations with the impact of Covid-19 and the third to fund improvements to Morden Town Centre which would contribute to the regeneration and recovery of the area. Delegated authority was also sought to allocate up to £20,000 Neighbourhood CIL funding to the purchase of IT equipment including devices and other items to support school pupils across the Borough in accessing internet-based learning from home required due to Covid-19, in line with Cabinet’s agreed Neighbourhood Fund criteria.

The Deputy Leader and Cabinet Member for Finance welcomed the report and the local campaign to highlight the lack of access to electronic learning equipment for some children in more deprived parts of the borough. He welcomed the use of the money for this purpose which supported the Council’s objective to bridge the gap and ensure fair access to education. He thanked the Cabinet Member and the officers for their work.

The Chair thanked all for their contributions and welcomed the report.

RESOLVED:

1. That the allocation of Neighbourhood CIL funding towards two urgent projects to support impacts of Covid-19 upon community facilities namely £49,650 to Carers Support Merton for promoting digital equality for carers and £45,000 to the Citizens Advice Merton and Lambeth to cover an additional Debt Advisor or General Advisor dedicated to Merton to address capacity challenges be approved.
2. That the allocation of £300,000 Neighbourhood CIL funding towards Morden Town Centre improvements be approved.

2

3. That delegated authority be granted to the Director of Environment and Regeneration in consultation with the Cabinet Member for Regeneration, Environment and Housing to allocate up to £20,000 Neighbourhood CIL funding to the purchasing of IT equipment including devices and other items to support school pupils across the borough in accessing internet based learning from home required due to Covid, in line with Cabinet's agreed Neighbourhood Fund criteria.

6 MELROSE SCHOOL EXPANSION - APPOINTMENT OF CONSTRUCTOR (Agenda Item 6)

The Cabinet Member for Children's Services, Schools and Adult Education presented the report which proposed the appointment of a constructor for the expansion of Melrose School which would increase capacity for the provision of education to children with social, emotional and mental health needs. The Cabinet noted the information contained in the exempt appendix.

The Chair welcomed the report and thanked all for their work.

RESOLVED:

That the Council award the contract for the school expansion construction works for Melrose School as outlined in the confidential appendix 1.

7 COUNCIL TAX SUPPORT SCHEME 2021/22 (Agenda Item 7)

The Deputy Leader and Cabinet Member for Finance presented the report which set out a scheme for council tax support for 2021/22 and thanked the officers involved in administering the scheme. He restated the Council's intention to continue the scheme to support low income households, despite it no longer being funded by the Government.

The Director of Corporate Services advised that paragraph 6.4 of the report set out the increase in cost of the scheme due to the impact of Covid-19.

The Cabinet Member for Children's Services, Schools and Adult Education welcomed the report and thanked the Leader and officers involved in addressing food poverty during the school holidays and thanked the schools and charities for their support, with particular thanks to O'Halloran & O'Brien, a Morden based construction company, who had made a generous donation towards the cost of providing food vouchers for vulnerable families.

The Chair echoed the comments made by the Cabinet Member for Children's Services, Schools and Adult Education and thanked all for their contributions and welcomed the report.

RESOLVED:

A. That the uprating revisions for the 2021/22 council tax support scheme detailed in the report be agreed, in order to maintain low council tax charges for those on lower incomes and other vulnerable residents.
B. That Cabinet recommends to Council that it adopts the proposed revisions to the 2021/22 scheme.

8 BUSINESS PLAN 2021-25 (Agenda Item 8)

The Deputy Leader and Cabinet Member for Finance presented items 8 and 9 together. He thanked all the officers involved in the reports and in his time as Cabinet Member for Finance.

He gave an overview of the impact of Covid-19 on the Council's finances and highlighted as a result the deficit of £10.7m, which represented more than 10% variance. If Covid-19 had not happened, the Council would have seen a £3.5m surplus this year. The financial monitoring report also showed a deficit of £27m in the Dedicated Schools Grant, due to the lack of financial support from the Government. He advised the Cabinet that if the Government did not fund local services in the way that they had promised to do at the start of the pandemic, the Council would face difficult choices as it would be facing a budget gap of £14m. The package of savings presented at this stage for consideration by scrutiny were the non-Covid related savings, those which would have been required anyway. If further cuts to services were required in addition to these, it would be due to the Government not properly funding the pandemic response provided by the Council.

The Chair thanked the Deputy Leader for his work as Cabinet Member for Finance and the officers involved in the reports.

The Director of Corporate Services advised that there had been some improvements in income just prior to the second national lockdown and that there could be changes in the figures in the next financial monitoring report. The local authority financial settlement announcements from the Government were likely to be late in December, which would leave little time for officers to work through what the gaps might be going forward. The savings would be presented to scrutiny and the equality assessments would be reported to Cabinet in December along with any further adjustments for consideration by scrutiny in the new year.

The Chair thanked the Director for her contribution.

RESOLVED:

A. That the proposed new savings to meet the non-Covid gap be agreed, and referred to the Overview and Scrutiny Commission; and that these savings be ratified at a future Cabinet meeting, with the draft Equality Assessments (EAs) subject to scrutiny comments.
B. That it be noted that any proposed amendments to previously approved savings previously agreed (replacements and deferrals) will be reported to the Cabinet meeting in December.

C. That the decision in principle to continue with the Business Rate Pool for 2021/22 be noted.
D. That the summary of the COVID-19 Impact, along with details of funding received to date, at Appendix 2 be noted.

9 FINANCIAL MONITORING REPORT 2020/21 - SEPTEMBER 2020 (Agenda Item 9)

The detailed minute for this item is set out under item 8 above.

RESOLVED:

A. That the financial reporting data for month 6, September 2020, relating to revenue budgetary control, showing a forecast net adverse variance at year-end of £10.7m be noted.

B. That the contents of section 4 of the report be noted and the adjustments to the Capital Programme in Appendix 5b be approved.
That the contents of Section 4 and Appendix 5b of the report be noted and the amendments to the Programme contained in the Table below be approved:

	Budget 2020-21	**Budget 2021-22**	**Budget 2023-24**	**Narrative**
Corporate Services	**£**	**£**	**£**	
Invest to Save	(140,000)			Budget relinquished as struggling to spend
Community and Housing				
Disabled Facilities Grant	(187,000)		187,000	Re-profiled Budget
Children, Schools and Families				
Melrose Primary SEMH annexe 16	35,950	89,050		Virement from Harris Wimb & Fur. SEN Prov
Melrose S'dary SEMH 14 Places		125,000		Virement from Harris Wimb
Harris Academy Wimbledon		(150,000)		Virement to Prim & Sec SEMH
Further SEN Provision	(35,950)	(64,050)		Virement to Secondary SEMH
Environment and Regeneration				
Culverts	(258,120)	258,120		Budget re-profile to match projected spend
Merton Lost Rivers	(100,000)		100,000	Budget re-profile to match projected spend
Beddington Lane Cycle Scheme	104,000			Additional TfL Grant added to Section 106 Funding
ANPR	486,000			SCIL Funded Scheme

Cameras Supporting Enforcement of School Streets				
Street Lighting Wimbledon	150,000	670,000		SCIL Funded Scheme
Haydons Road Public Realm Improvements	50,000	350,000		SCIL Funded Scheme
Rowan Park Community Facility Match Funding	150,000			SCIL Funded Scheme
Bishopsford Bridge	802,800	512,000		SCIL Funded Scheme
Cycle Lane&Roadway Bishopsford Bridge	20,000	130,000		SCIL Funded Scheme
Morden Town Centre Improvements	100,000	200,000		NCIL Funded Scheme
Crown Creative Knowlwdge Rxchange	150,000			SCIL Funded Scheme
Total	**1,327,680**	**2,120,120**	**287,000**	

C. That finance officers will continue to work with budget managers to identify further re-profiling and savings throughout the approved capital programme 2020-24.

10 EXCLUSION OF THE PUBLIC (Agenda Item 10)

The Cabinet agreed not to refer to the exempt information contained in item 11 and therefore the meeting remained in public.

11 MELROSE SCHOOL EXPANSION - APPOINTMENT OF CONSTRUCTOR EXEMPT APPENDIX (Agenda Item 11)

The Cabinet noted the information contained in the exempt appendix. The decision is set out under item 6 above.

The Chief Executive and Deputy Leader and Cabinet Member for Finance paid tribute to the Leader of the Council on his last Cabinet meeting before stepping down as Leader on 18 November 2020.

Committee: Cabinet

Date: 7 December 2020

Wards: All

Subject: Reference from the Overview and Scrutiny Commission – Business Plan 2021-25

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Cllr Peter Southgate, Chair of the Overview and Scrutiny Commission

Contact officer: Rosie Mckeever, Scrutiny Officer, 0208 545 4035

Recommendations:

1. The Overview and Scrutiny Commission recommends that Cabinet take into account its reference set out in paragraphs 2.8 to 2.13 below when making decisions on the Business Plan 2021-25.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. At its meeting on 11 November 2020 the Overview and Scrutiny Commission received a draft Business Plan report which they discussed and commented on.

1.2. The Panel agreed to make a reference to Cabinet, as set out in paragraphs 2.8 to 2.13 below.

2 DETAILS

2.1. **Scrutiny process**

2.2. The Panel received a report setting out the proposed savings and the latest available information on the Business Plan and Budget 2021/22.

2.3. The Director of Corporate Services provided a verbal update on the latest budget position and provided background information to form the basis of discussion.

2.4. Panel Members received additional information in response to their questions from both the Director of Corporate Services and the Cabinet Member for Finance.

2.5. Full details of points made in the discussion will be published in the minutes of the meeting.

2.6. **Scrutiny response**

2.7. Panel RESOLVED (eight votes for, none against) to make the following reference to Cabinet:

2.8. Commission Members welcome the opportunity to scrutinise the draft budget, and appreciate the difficulties officers have faced in compiling it under the exceptional stress of the pandemic.

2.9. Members endorse the split between Covid and non-Covid elements of the budget deficit, with savings limited to the non-Covid elements.

2.10. Because of the delay to the Spending Review, Cabinet is asked to defer decisions on the non-Covid savings until the funding position is clearer.

2.11. In the absence of equalities impact assessments, members ask Cabinet to defer decisions on the following savings:

- CYP Rationalisation of children's centres
- CH100 Review of in-house day-care provision
- CH101 Review of in-house LD residential provision
- CH102 Dementia Hub re-commissioning

2.12. The size of the Covid gap potentially overwhelms the council's General Fund, and members endorse the LGA's position below:

2.13. "It is vital that the government addresses in full the financial challenges facing councils as a result of Covid-19, including all lost income and local tax losses".

3 ALTERNATIVE OPTIONS

3.1. None – Cabinet is required under the council's constitution to receive, consider and respond to references from overview and scrutiny.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. Invitations to provide submissions to the Panel were sent to a wide range of residents' associations and local community organisations.

5 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

5.1. None for the purpose of this report.

6 LEGAL AND STATUTORY IMPLICATIONS

6.1. Cabinet is required under the council's constitution to receive, consider and respond to references from overview and scrutiny. The Local Government and Public Involvement in Health Act 2007 requires Cabinet to respond to reports and recommendations made by scrutiny committees within two months of written notice being given.

7 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

7.1. There are no human rights, equalities and community cohesion implications as a result of this report.

8 CRIME AND DISORDER IMPLICATIONS

8.1. These are no crime and disorder implications as a result of this report.

9 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

9.1. There are no risk management and health and safety implications as a result of this report.

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

- None

11 BACKGROUND PAPERS

None

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Agenda Item 6

CABINET

Date: 7 December 2020

Subject: Financial Report 2020/21 – Period 7, October 2020

Lead officer: Roger Kershaw

Lead member: Councillor Tobin Byers

Recommendations:

~~A.~~ That Cabinet note the financial reporting data for month 7, October 2020, relating to revenue budgetary control, showing a forecast net adverse variance at year-end of £8.2m.

B. That Cabinet note the contents of section 4 of the report and approve the adjustments to the Capital Programme in Appendix 5b

That Cabinet note the contents of Section 4 and Appendix 5b of the report and approve the amendments to the Programme contained in the Table below:

	Budget 2020-21	Budget 2021-22	Budget 2022-23	Narrative
Corporate Services	£	£	£	
Customer Contact	(217,800)	217,800		Reprofiled in line with projected spend
Planning and Public Protection	(340,710)	340,710		Reprofiled in line with projected spend
Invest to Save General	(198,140)	198,140		Reprofiled in line with projected spend
Housing Company	(6,000,000)		6,000,000	Reprofiled in line with projected spend
Children, Schools and Families				
Links Capital Maintenance	(137,000)	137,000		Reprofiled in line with projected spend
Unallocated Capital Maintenance	(694,250)	605,360		Three virements and Reprofiled in line with projected spend
Perseid Capital Maintenance	(106,840)	106,840		Reprofiled in line with projected spend
Melrose SEMH	77,440	997,560		Primary/Secondary SEMH Merged and reprofiled on this Scheme
Melrose Primary SEMH (Merging Schemes)	(200,000)	(875,000)		Primary/Secondary SEMH Merged with Scheme above
Environment and Regeneration				
Haydons Road Shop Front Improvements	(481,580)	481,580		Reprofiled in line with projected spend
Wimbledon Park Lake Safety	(150,000)	150,000		Reprofiled in line with projected spend
Leisure Centres Plant and Machinery	(240,000)	160,000		Reprofiled in line with projected spend & £80k Relinquished
Total	**(8,688,880)**	**2,519,990**	**6,000,000**	

C. That finance officers will continue to work with budget managers to identify further re-profiling and savings throughout the approved capital programme 2020-24.

D. That Cabinet approves £129,000 from the Outstanding Council Programme Board (OCPB) Reserve as part of the Recovery and Modernisation Programme - for an interim CSF Change Programme Manager (£79,000) and MVSC transformational resource (£50,000). This is in addition to £40,000 already drawn down from the same reserve to fund an external IT review.

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the period 7 monitoring report for 2020/21 presented in line with the financial reporting timetable.
This financial monitoring report provides -

- The income and expenditure at period 7 and a full year forecast projection.
- An update on the financial impact of Covid-19
- An update on the capital programme and detailed monitoring information;
- An update on Corporate Items in the budget 2020/21;
- Progress on the delivery of the 2020/21 revenue savings,

2. THE FINANCIAL REPORTING PROCESS

2.1 The budget monitoring process for 2020/21 focuses on the financial impact of Covid-19. The Council's services remain under pressure due to the need to support businesses and residents, particularly vulnerable groups in need of social care and there has been a major reduction in the Council's income which is expected to continue. The detrimental impact of Covid-19 exceeds the support that the Government has currently pledged to provide.

2.2 There are also significant pressures on the Dedicated Schools Grant (DSG) which are being monitored. The cumulative deficit at the end of 2019/20 was £12.7m and the deficit is forecast to continue to increase in 2020/21, the cumulative deficit is now estimated to be £27.6m.

2.3 Chief Officers, together with budget managers and Service Financial Advisers are responsible for keeping budgets under close scrutiny and ensuring that expenditure within areas which are above budget is being actively and vigorously controlled and where budgets have favourable variances, these are retained until year end. Any final overall adverse variance on the General Fund will result in a call on balances; With the projected scale of the impact of the Covid-19 pandemic and the growing DSG deficit, in the absence of further funding, the call on reserves will use some of the general fund reserve.

3. 2019/20 FORECAST OUTTURN BASED UPON LATEST AVAILABLE DATA

Executive summary – At period 7 to 31st October 2020, the year-end forecast is a net adverse variance of £8.2m when all incremental Covid costs are included, after applying the remaining government emergency Covid-19 grant. If the Covid pressures hadn't arisen, the numbers suggest that we would be reporting a favourable variance, however, there may be other impacts on services arising from Covid that are not apparent at this stage. This will be kept under review.

Summary Position as at 31st October 2020

	Current Budget 2020/21 £000s	Forecast Variance at year end (Oct) £000s	Forecast Variance at year end (Sept) £000s	Covid-19 Forecast £000s	Outturn variance 2019/20 £000s
Department					
Corporate Services	10,795	4,153	4,495	3,229	(490)
Children, Schools and Families	62,912	(1,264)	(1,229)	923	(241)
Community and Housing	68,967	185	(144)	2,733	(319)
Public Health	-157	0	0	0	0
Environment & Regeneration	16,482	9,272	7,719	9,259	783
Overheads	0	0	0	0	120
NET SERVICE EXPENDITURE	**159,000**	**12,347**	**10,841**	**16,144**	**(147)**
Corporate Items					
Impact of Capital on revenue budget	11,190	(19)	(19)	0	(161)
Other Central budgets	(12,279)	(400)	604	0	(1,405)
Levies	962	0	0	0	(1)
TOTAL CORPORATE PROVISIONS	**(128)**	**(419)**	**585**	**0**	**(1,567)**
Covid-19		10,151	9,497	**10,151**	**176**
TOTAL GENERAL FUND	**158,872**	**22,078**	**20,924**	**26,295**	**(1,714)**
FUNDING					
Revenue Support Grant	(5,159)	0	0	0	0
Business Rates*	(35,586)	1,792	2,077	1,792	(50)
Other Grants*	(18,245)	0	0	0	0
Council Tax and Collection Fund*	(97,713)	2,404	2,194	2,404	50
COVID-19 emergency funding**	0	(14,467)	(14,467)	(14,467)	0
Income compensation for SFC – 1st Tranche		(3,605)		(3,605)	
FUNDING	**(156,703)**	**(13,876)**	**(10,196)**	**(13,876)**	**0**
NET	**2,169**	**8,202**	**10,728**	**12,419**	**(1,714)**

*** The deficits on the Collection Fund relating to Business rates and Council Tax arising as a result of Covid-19 can be carried forward to the collection fund for accounting purposes over the next three year**

**** Total emergency funding received in four tranches of £14,643k. £176k utilised in 2019/20**

The current level of GF balances is £13.778m and the minimum level reported to Council for this is £13.8M.

Covid-19 Financial Impact

The ongoing Covid-19 pandemic has had a profound impact on council finances. The Government announced emergency grant funding of £4.7 billion nationally to fund costs associated with the response to the COVID-19 pandemic. The Council's allocation is £14.6m in four tranches.

The government announced a scheme to reimburse Councils for lost income from sales, fees and charges. This will involve a 5% deductible rate, whereby the Council will absorb up to 5% and the government compensation will cover 75p in every pound of relevant loss thereafter. The first round has been submitted and we received confirmation that the claim for £3.6m which covers the first quarter will be paid at the end of November. This is included in the period 7 forecast in the table above.
Merton, together with all London boroughs, moved from Tier 1 to Tier 2 (Covid high alert) on 17th October 2020 as infection rates continued to rise and then to the second national lockdown in England on 5th November 2020. The high level of uncertainty makes forecasting difficult but additional costs and loss of income from Tier 2 restrictions, the second national lockdown and second wave are included where known or best estimate provided. It is too early to forecast the full impact and the financial position will continue to be monitored closely and reported monthly.

Merton will be eligible for funding from the Contain Outbreak Management Fund(COMF) based on the population. Both the funding of approx. £1.6m and associated total expenditure are not included in this forecast.

Some of the government grant funding received in the current year will cover more than one year. This will result in a temporary increase in the level of reserves pending application of the grants to fund the expenditure for which they are intended.

At this time, the full financial impact of COVID-19 therefore continues to be uncertain, as does the extent to which the Government will mitigate the cost pressures on local government in this and many other areas. The effects will continue to be closely monitored and reported.

Covid Expenditure
Covid expenditure which is incremental is reported centrally on Corporate items – Covid costs. These are the incremental costs such as PPE, food banks and the community hub.

Income shortfall
Income budgets are included within departments and so the impact of Covid-19 is reflected in department forecasts.

Savings unachieved
Departmental budgets are adjusted for the agreed savings targets for 2020/21 as part of the budget setting process. The savings which are now under pressure due to Covid-19 are included in the forecast of the department.

COVID-19 COST SUMMARY	October 2020/21	September 2020/21

	£000s	£000s
Department	-	-
Corporate Services	3,229	3,332
Children, Schools and Families	923	734
Community and Housing	2,733	2,632
Environment & Regeneration	9,259	8,267
TOTAL INCOME LOSS & SAVINGS UNACHIEVED	**16,144**	**14,965**
Corporate Items - Covid costs	-	
Corporate Services	753	705
Children, Schools and Families	1,136	1,086
Community and Housing	6,575	6,050
Environment & Regeneration	1,687	1,656
ADDITIONAL COVID EXPENDITURE	**10,151**	**9,497**
FUNDING	-	-
Business Rates***	1792	2,077
Council Tax ***	2404	2,194
TOTAL FUNDING LOSS	**4,196**	**4,271**
GROSS COST OF COVID-19	**30,491**	**28,733**
Covid-19 Emergency funding received	**-10,383**	**-10,383**
Covid-19 Emergency funding - July 2020	**-1,590**	**-1,590**
Covid-19 Emergency funding - October2020	**-2,494**	**-2,494**
Income compensation for sales, fees & charges	**-3,605**	
NET COST OF COVID-19	**12,419**	**14,266**

*** Covid-19 impact on the Collection Fund

Due to COVID-19 the amount of Council Tax and Business Rates collected will be less than budgeted for 2020/21 when the budget was approved by Council in March 2020. There is usually a small surplus or deficit which arises because the amount collected during the year will vary for different reasons such as new properties coming on stream during the year, or people and businesses arriving and leaving during the year.

Due to Covid-19 the level of collection is less than expected and will result in deficits in both Council Tax and Business Rates for the financial year 2020/21. However, as required by legislation any surplus/deficit on the Collection Fund would normally be funded in the following year of account so the expected deficit for 2020/21 would form part of the budget for 2021/22.

On 2 July 2020, the Secretary of State for Local Government announced a funding package for councils to help address the range of COVID-19 pressures they face. This package included changes so that local authorities can spread their tax deficits over three years rather than the usual one. In guidance supplied with the announcement it stated: -

- The Government's intention is for the deficit phasing to apply to all authorities, set at a fixed period of three years
- The phased amount will be the entire collection fund deficit for 2020-21 as estimated on the 15 January 2021 for council tax and in the 2021-22 NNDR1 for business rates
- The scheme will be prescribed in secondary legislation. Subject to parliamentary time, MHCLG would expect the necessary regulations to be laid in the early autumn.
- MHCLG is minded to put in place a scheme where the deficit will be phased across the financial years 2021-22, 2022-23 and 2023-24.
- MHCLG will continue to work with CIPFA and local government on the detailed operation of the scheme – including the accounting, audit and reporting implications – with a view to providing guidance to councils later in the year. We are still waiting for the legislation to be laid in the

House of Commons.

- On 22 October 2020, the Government published two documents in relation to the support it has provided to local authorities. Those documents set out the allocations of the funding to meet spending pressures; a technical note with more details about the income scheme, collection fund deficit phasing and a further technical note on the distribution of the funding announced in October.

As at 31st October 2020, Merton's share of estimated Council Tax and Business Rates deficits 2020/21 are:-

Council Tax	£2,404k
Business Rates	£1,792k

The estimated deficit will be incorporated into the MTFS in 2021/22 to 2023/24.

Cashflow

The Covid-19 outbreak created pressure on the council's cash flow which is likely to remain for the rest of the year. Through prudent treasury cash flow procedures, the Council has been able to meet its additional expenditure from its cash in balances in the bank and primarily from liquid cash balances held in Money Market Funds (MMF's).
In light of Government relief announcements, the Council will see a reduction in income going forward. Therefore, in order to meet its commitments going forward the decision was made to keep the bulk of the Council's available funds in cash/MMF's to maintain liquidly. This meant that as fixed short and medium term deposits matured they were placed in MMF's which is immediately callable. The Council has now increased its MMFs investment limits and the number of MMFs. This enable us to earn maximum interest income possible while maintaining liquidity.
Cash flow is monitored on a daily basis and the current forecast shows the Council has sufficient funds to meet its payment needs going forward over the medium term. However, if a cash short fall occurs, the Council has the option to borrow from the market in order to meet its needs.

4. DEPARTMENTAL SUMMARY OF CURRENT POSITION

Corporate Services

Division	2020/21 Current Budget £000	2020/21 Full year Forecast (Oct) £000	2020/21 Full Year Forecast Variance (Oct) £000	2020/21 Full Year Forecast Variance (Sept) £000	2020/21 Covid-19 Forecast Impact (Oct) £000	2019/20 Outturn Variance £000
Customers, Policy & Improvement	3,881	4,815	934	957	372	(169)
Infrastructure & Technology	12,233	12,512	279	317	265	(678)
Corporate Governance	2,206	2,131	(75)	(52)	86	(180)
Resources	5,731	7,720	1,989	2,191	1,916	95

Human Resources	2,133	2,289	156	167	0	187
Corporate Other	173	1,043	870	915	590	255
Total (Controllable)	**26,357**	**30,510**	**4,153**	**4,495**	**3,229**	**(490)**

Overview

At the end of period 7 (October) the Corporate Services (CS) department is forecasting an adverse variance of £4.153m at year end, of which £3.229m is due to the external impact of covid-19. The adverse forecast within CS has reduced by £342k compared with period 6.

Customers, Policy and Improvement - £934k adverse variance

The adverse variance in the division is mainly due to spend on the Customer Contact budget which is forecasting a £920k variance. This is made up of £172k for the cost of delays in light of the covid-19 pandemic and the remainder from the cost of contracts novated from the previous supplier which fall into the first months of 2020/21 and the estimated annual costs of the new systems.

The Registrars service is forecasting a £129k adverse variance and currently anticipating a 37% reduction in income compared to 2019/20, though this could be impacted further should the period of increased restrictions relating to covid-19 be extended beyond the beginning of December 2020. This reflects a significant impact on income for the first quarter of 2020/21, followed by a strong recovery with monthly income on a par with 2019/20 for quarter 2. Other adverse variances within the division due to covid-19 include the Translations service (£42k) due to a reduced number of face to face interpretations being fulfilled. The Press and PR budget is also forecasting an adverse variance (£193k) mainly due to the use of agency staff covering the Head of Communications post pending the completion of a restructure within the division. There is a further adverse variance of £13k on Blue Badges, mainly as the saving (2019-20 CS02) of £15k to introduce charging has not yet been implemented.

Partly offsetting the above are various favourable variances including £92k in the AD budget and £49k in Continuous Improvement due to vacancies expected for part of the year and £11k in Community Engagement due to uncovered maternity leave. Other forecast variances from less than budgeted running costs are in Merton Link (£50k favourable), Cash Collections (£84k favourable) and Marketing and Communications (£60k favourable).

The forecast adverse variance overall for the division has reduced by £23k compared to period 6. This is due to various relatively small revisions to forecasts across multiple teams in the division, predominately around staffing to reflect planned recruitment and maternity leave.

Infrastructure & Technology - £379k adverse variance

Many of the adverse variances within the division are due to reduced recharges as a result of the change in working arrangements surrounding the covid-19 pandemic. These adverse variances include £191k on the Corporate Print Strategy, £69k on the Print and Post room and £137k on the PDC (Chaucer Centre). Where these are internal recharges they have not been included in calculating the impact of covid-19 on the Council as they will positively impact other departments and are therefore not a net cost to LBM.

The FM External account is also forecasting a £136k adverse variance due to the lack of commissions being confirmed since lock-down began in March. There is a variance on Corporate Contracts (£23k adverse) due to savings for reducing cleaning in corporate buildings being unachievable within the current circumstances. £21k adverse variance is also forecast in the Business Systems Team mainly due to budget pressure on IT licenses, support and maintenance. The pandemic has added to this as some system licences have been extended due to the delay on IT projects.

Favourable variances within the division include £35k in Client Financial Affairs and £56k in Safety Services both from less than budgeted staffing costs, £22k on the Civic Centre from rental income over-achievement and £67k on Garth Road also from rental income. IT Service delivery also has a favourable variance of £29k mainly from IT licences, whilst the Transactional Services team have a £61k favourable variance from vacancies forecast for part of the year as well as the recovery of overpayments to suppliers in prior years. There is a further £44k favourable variance on the Microsoft EA licences following a review by the supplier.

The forecast adverse variance in Infrastructure and Technology has reduced by £38k compared to period 6. This is mainly due to the recovery of overpayments in prior years by the Transactional Services team and increased rental income forecast for Garth Road. These are partly offset by a reduced forecast of internal recharges to departments for use of the PDC building (Chaucer Centre).

Corporate Governance – £75k favourable variance

A £32k shortfall on the saving to merge Democracy and Electoral Services is expected due to the restructuring coming in to effect mid-year following the retirement of the Head of Democracy Services. This is, however, offset by various vacant hours and running cost budgets within both teams and the receipt of IER grant, resulting in a total £93k favourable variance across both services.

The Corporate Governance AD budget is forecasting a £9k favourable variance due to various running costs whilst the Information Governance team also have a favourable £7k variance due to various vacant hours held during the year.

The South London Legal Partnership (SLLp) is currently forecasting a £419k surplus, with £88k to be retained by LBM. The surplus relates mainly to additional chargeable hours being fulfilled. LBM position is a £25k adverse variance forecast for the shared legal service.

Outside of SLLp, there is £115k of legal savings not forecast to be achieved in year.

The Corporate Governance favourable forecast has increased by £23k since period 6. This is mainly due to an increased surplus forecast in SLLp and no longer planning to recruit to a vacancy in Electoral Services by the end of the financial year.

Resources - £1,989k adverse variance

Within Resources there are multiple budgets forecasting adverse variances due to covid-19. The Chief Executive's budget has a £127k adverse variance mainly due to an interim Head of Recovery being appointed as a result of the pandemic. The Bailiff Service ceased operations for the first 6 months of the year and is forecasting an adverse variance of £968k (including the shared service element). The Local Taxation Service is also showing an adverse variance of £787k mainly as a result of covid-19's impact on court cost income, with the first hearing date of the financial year now set for December 2020.

Other adverse variances within the division that are not covid-19 related include £127k in the Financial Information Systems (FIS) team due to salary budget pressure as well as system consultancy and support costs for the year. A £91k adverse variance in Insurance is due to property valuation fees incurred in preparation for the re-tendering of insurance contracts and the new contracts not commencing until mid-2020/21 resulting in a saving being unachieved in year. This is, however, partly offset by an overachievement anticipated on income. The Budget Management team also have an adverse variance (£67k) as a result of the use of agency staff covering vacancies in the team due to difficulties in recruiting. Corporate Accountancy are forecasting a £45k adverse variance due to proposed increases in audit fees and the use of agency staff.

Favourable variances in the department include £47k and £14k on the Director of Corporate Services and AD budgets respectively due to consultants and subscription budgets not forecast to be required in year. Within Revenues and Benefits the Benefits Administration and Support Teams are forecasting favourable variances of £134k and £34k respectively due to various running costs, vacancies and DWP receipts for additional works.

The forecast adverse variance in the division has reduced by £202k compared to period 6. This is largely due to an improved position for the Bailiff Service as the forecast now includes a contribution from Sutton for the loss expected on the service.

Human Resources – £156k adverse variance

The adverse variance in HR is mainly from the AD budget (£111k variance) as a result of the use of agency staff. Additionally, there is an adverse variance of £26k relating to the HR Transactions budget for the shared payroll system and iTrent client team charges from Kingston. HR Business Partnerships are also forecasting an adverse variance (£20k) mainly as a result of sickness cover required in the team.

The adverse forecast variance in HR has decreased by £11k since period 6 due to various small adjustments across the HR teams.

Corporate Items - £870k adverse variance

The Housing Benefit Rent Allowances budget is forecasting a net adverse variance of £935k. This is due to a shortfall on the subsidy attracted by overpayments compared to the budgeted amount for 2020/21 and is inclusive of the £500k saving built in to the budget this year for improvement of overpayment recovery and therefore reducing the bad debt provision budget which is now not expected to be achievable in light of covid-19.

There is also a one-off saving in 2020/21 for the recovery of old housing benefit debts which had previously been written off, due to new access to information from HMRC. There is a £90k adverse variance and shortfall on the saving as recovery has been significantly impacted by covid-19. On the Coroner's Court budget there is an adverse variance of £43k, of which £25k relates to an adjustment for 2019/20 quarter 4 costs.

Partly offsetting the above are favourable variances on the corporately funded items budget of £136k due to budget not expected to be required in year and £72k on the added years pension budget.

Compared to period 6, the Corporate Items adverse variance has reduced by £45k. This is mainly due to an increased forecast for subsidy on HB overpayments and reduced spend forecast on corporate funded items.

Environment & Regeneration

Environment & Regeneration	2020/21 Current Budget	Full year Forecast (Oct)	Forecast Variance at year end (Oct)	Forecast Variance at year end (Sept)	2020/21 Covid-19 Forecast Impact (Oct)	2019/20 Outturn Variance

	£000	£000	£000	£000	£000	£000
Public Protection	(15,322)	(8,123)	7,199	5,731	7,105	1,286
Public Space	15,586	17,258	1,672	1,661	1,368	(364)
Senior Management	1,037	930	(107)	(109)	0	81
Sustainable Communities	7,966	8,473	507	436	786	(220)
Total (Controllable)	**9,267**	**18,538**	**9,271**	**7,719**	**9,259**	**783**

Description	2020/21 Current Budget £000	Forecast Variance at year end (Oct) £000	Forecast Variance at year end (Sept) £000	2019/20 Variance at year end £000
Regulatory Services	655	295	288	87
Parking Services	(17,013)	6,894	5,435	1,171
Safer Merton & CCTV	1,036	10	8	28
Total for Public Protection	**(15,322)**	**7,199**	**5,731**	**1,286**
Waste Services	14,321	405	340	72
Leisure & Culture	479	684	783	(334)
Greenspaces	1,453	712	689	(111)
Transport Services	(667)	(129)	(151)	9
Total for Public Space	**15,586**	**1,672**	**1,661**	**(364)**
Senior Management & Support	1,037	(107)	(109)	81
Total for Senior Management	**1,037**	**(107)**	**(109)**	**81**
Property Management	(2,981)	(35)	(154)	(251)
Building & Development Control	87	202	226	34
Future Merton	10,860	340	364	(3)
Total for Sustainable Communities	**7,966**	**507**	**436**	**(220)**
Total Excluding Overheads	**9,267**	**9,271**	**7,719**	**783**

Overview

The department is currently forecasting an adverse variance of £9,271k at year end. The main areas of variance are Regulatory Services, Parking Services, Waste Services, Leisure & Culture, Greenspaces, Building & Development Control, and Future Merton.

Public Protection

Regulatory Services adverse variance of £295k

The section has implemented agreed income savings of £210k over the last few financial years relating to potential commercial opportunities. However, the focus for the financial year 2019/20 needed to refocus from income generation to service improvement including a major IT project and restructure of the service. Key projects and staff vacancies has meant it has not yet been possible to achieve these savings targets. The IT transition Project is scheduled for completion by the end of the financial year at which point the section will be able to refocus their efforts on generating additional income, for example, through the provision of business advice.

In addition, Covid-19 has impacted on licensing income levels due to factors including street markets being closed and new Government guidelines being relaxed in areas such as pavement licences.

Current forecasts estimate the financial impact to be in the region of £118k, leading to an adverse variance against budget of £103k.

Parking Services adverse variance of £6,894k
Covid-19 has affected parking revenue across the board including ANPR, PCNs as well as on and off street charges income. Further work is underway to fully understand the short and longer term impact of this but current forecasts show an adverse variance on PCN, P&D, and permit income of £3,591k, £2,139k, and £997k respectively.

Contributing to the PCN adverse variance is a 2020/21 saving (ENV1920-01) of £340k relating to an application to change Merton's PCN charge band from band B to band A, which is now not expected to be implemented until April 2021 at the earliest.

Covid-19 has also had an impact of other areas of income, namely skip licences and parking bay suspensions, contributing to adverse variances of £190k and £115k being forecast respectively.

It should be noted that the section has a £3,800k budget expectation relating to the review of parking charges, which commenced on the 14th January 2020. The new charges were designed to influence motorists' behaviour and reduce the use of the motor car. It is too early to tell exactly how behaviour has been affected, which is being compounded by the impact of Covid-19, but work continues to try and better understand this.

The section is also forecasting an adverse variance on Supplies & Services (£179k), mainly in relation to the planned placement of statutory notices around the borough on emissions based charging.

The adverse variance is being partially offset by favourable variances on employees (£193k) and RingGo convenience fees (£159k).

Public Space

Waste Services adverse variance of £340k
The section is forecasting an adverse variance on disposal costs of £98k. As a result of changes to our residents working arrangements we have seen a greater increase in the number of households now working from home following the current Government advice in relation to Covid-19. This has resulted in an increase in overall domestic waste across all kerbside collection services.

Covid-19 has had a significant impact on the Council's Environmental Enforcement services in respect of enforcing and issuing Fix Penalty Notices for littering which was temporarily suspended and the resource redeployed to support engagement and education in our Parks and Green spaces advising residents and visitors on Government guidelines on social distancing, resulting in a net adverse variance against budget of £87k.

An adverse variance of £155k is also being forecast in relation to the Household, Reuse, Recycling Centre (HRRC), mainly as a result of extending the current contract, via a contract variation, in order to both minimise future costs and to align the contract period with the other SLWP boroughs. The section is currently working with both the SLWP and our service provider to mitigate these increased costs, and an associated report will be presented in due course for Cabinet consideration.

An adverse variance of £146k is being forecast in relation to its waste collection and street cleansing contract, due to recharges for additional services being undertaken by the service provider. The service continues to work with Veolia in finalising the annual review process and the additional impact of the unresolved commercial waste claim. As yet no agreement has been reached in regards to the commercial waste portfolio and impact this may have on the level of guaranteed income.

A favourable variance on employee related spend of £72k is partially mitigating the adverse variance.

Leisure & Culture adverse variance of £684k
Due to the Covid 19 pandemic, on the 21st March 2020 the Authority's Leisure Centres closed following central Government instruction. Since this request, officers have been working with our service provider, GLL, to consider how best to support them, whilst still working to return their previous customer base to being fully paid members and bringing in new members to the Merton leisure centres.

However, it is clear from the continuous dialogue between the two parties that GLL needs further financial support from the council if they are going to survive. This is consistent with the picture across London. Following conversations with the industry, it is estimated that leisure centres might not be able to return to normal working practices until, at the earliest, Spring 2021. The contract requires that we forego the income under a 'Relief Event' clause. This equates to about £622k from the start of the year to the end of December 2020.

The centres have now been closed again due to the 2nd lockdown and this is expected to set their recovery back once they are allowed to re-open. The impact of this lockdown and the trading position on re-opening will have a further impact on their need for increased financial support and relief from paying the management fee for a longer period. (This may change again depending on how the centres perform, when they are able to open, what leisure offer is allowed and the ability for them to remain open and/or operational without further lockdowns). Discussions are ongoing and any financial requests for further relief and financial support and the impacts will be brought forward as soon as possible.

During closure of the leisure centres, the Authority incurs lower utility costs at these premises, leading to a forecast favourable variance of £122k.

Covid-19 also led to the temporary closure of the Wimbledon Sailing base from 20th March 2020. The site re-opened on the 15th June with much smaller programmes available, but due to the closure and social distancing measures a net adverse variance of £229k is being forecast, mainly as a result of reduced income.

Greenspaces adverse variance of £712k
The adverse variance is mainly as a result of most of this year's events in our parks and openspaces being cancelled due to Covid-19, which has led to a net variance of £366k.

In addition, an adverse variance of £183k is being forecasted in relation to the maintenance of the Authority's trees located on highways and in parks. This is due to the high number of trees requiring pollarding and maintenance and compliance with our management of public liability risk. We are now much clearer about the detailed maintenance regime and the costs, which should also help with our insurance claims going forward.

Further adverse variances are being forecast in relation to rental income (£48k), and P&D within certain parks (£55k), whereby the original saving proposal to include charging on Saturdays was removed following consultation alongside a significant reduction in commuter (paid for) parking.

An adverse variance of £29k is being forecast in relation to the grounds maintenance contract, which assumes an expected contractual cemetery revenue share for 2018/19 and 2019/20 of £157k will be received. However, in tandem with the Phase C Waste Services (lot1) Annual Review process, a similar process is ongoing regarding the Grounds Maintenance contract (lot 2), which requires further discussion as the proposed solution was predicated on assumptions with the revenue income, barring Merton & Sutton Joint Cemetery activity. With the position so radically changed due to Covid-19, further discussions with our service provider will need to commence again to determine the final outcome. To note, there has been no requirement or indication by the service provider for any relief event under the PPN provision.

Sustainable Communities

Building and Development Control adverse variance of £226k

Covid-19 has also had a significant impact reducing various types of building and development control applications being submitted, leading to the section forecasting an associated income shortfall of £294k.

This adverse variance is being partially reduced by a favourable variance on employee related spend (£127k).

Future Merton adverse variance of £340k

The section continues to incur staff and consultancy costs in relation to Bishopsford Bridge, for which there is no budget, leading to a forecast adverse variance of £259k. Increased costs include legal fees dealing with contractual issues, fees to divert utilities and the need to pay for access to third party land for the demolition and construction of the new bridge.

The section is also forecasting a net adverse variance of £177k in relation to the footways & highways reactive maintenance costs. Merton has a statutory duty to maintain its highway network in accordance with Section 41 of the Highways Act 1980. The safety inspections that are undertaken are designed to identify defects that meets the Council strict intervention criteria. Defects that require intervention legally need to be addressed.

Merton's policy (with regards to safety inspections) was updated in May 2019, to comply with the changes to the Well Managed Highway Infrastructure Code of Practice – Risk Based Approach, and Merton's intervention levels to repair are predominately the same throughout all London authorities. Unfortunately it is very difficult to forecast reactive spend on the highway network and this is due to nature of the street, the streets inspection regime, type of defect, and repair required.

A contributing factor for this adverse variance is the removal of investment/funding Merton has received via TfL on our Principal Road Network since 2018/19 where we would have received (£424k per annum), meaning we have had to use our own capital funding for resurfacing to repair 'A' roads (Principal Roads). The net impact is that Merton funding for non-principal road and unclassified roads have been stretched further (and unfortunately capital investment was reduced by £300k for 2020/21) and, together, this inevitably has resulted in an increase in reactive repairs over the past two financial years (2019/20 and 2020 to date). In short, TFL's withdrawal of funding for their network, coupled with a planned reduction in capital (planned maintenance) is leading to a faster deterioration of the network, requiring more (revenue) reactive repairs.

Covid-19 has also significantly affected the section's ability to generate income. Firstly, an adverse variance of £243k is being forecast in relation to the income received from the contract for the provision of bus shelters and free standing units advertising within Merton, partly due to the fact that JC Decaux have invoked the force majeure clause in the contract due to lack of demand for advertising due to C-19. This has been agreed by SLLP with a loss of the guaranteed minimum income for at least 4 months. In addition, it was previously hoped that increased guaranteed income from digital upgrades could be achieved towards the end of the financial year but, it is now clear, that these upgrades will not be installed until at least spring 2021, so this increase will not occur until next financial year.

Secondly, Vestry Hall was closed between 26th March 2020 and August resulting in a forecast adverse variance of £190k in relation to room lettings and hall hiring's, and a total variance against budget of £132k. Vestry Hall can only re-open to the wider users on agreement from both Facilities Management and Public Health that the wider users Risk Assessment is acceptable, and approval for this is unlikely to happen before mid-November. In addition, Vestry Hall will be required to constantly monitor the number of people in the building at any one time to maintain the recommended social distancing required. Pre-Covid there could be 200+ people in the building, many are vulnerable residents who may not appreciate their responsibility to maintain a safe distance or follow the Health & Safety requirements.

These adverse variances are being partially mitigated by favourable variances on temporary traffic orders income (£110k), street work & permits activity (£79k), and costs associated with CPZ consultation and implementation (£190k).

Children Schools and Families

Children, Schools and Families	2020/21 Current Budget £000	Full year Forecast Oct £000	Forecast Variance at year end (Oct) £000	Forecast Variance at year end (Sept) £000	2020/21 Covid-19 Forecast Impact £'000	2019/20 Variance at year end £000
Education	24,802	24,161	(641)	(637)	363	63
Social Care and Youth Inclusion	21,564	21,515	(49)	(30)	560	416
Cross Department budgets	898	863	(35)	(24)		(47)
PFI	8,730	8,241	(489)	(489)		(251)
Redundancy costs	1,927	1,878	(49)	(49)		(422)
Total (controllable)	**57,921**	**56,658**	**(1264)**	**(1,229)**	**923**	**(241)**

Overview

At the end of October 2020, the Children Schools and Families directorate is forecasting a favourable £1.264m variance on local authority funded services, a favourable movement of £35k from last month.

£734k of the Covid-19 cost pressure has been identified relating to savings shortfalls. These have been included in the forecast position. There remains considerable uncertainty about the likely level of increased costs due to Covid-19. The impact of the lockdown on children and families is starting to emerge in increased safeguarding referrals and hold ups in the family courts mean that some casework cannot be progressed. This has significantly increased the number of child protection cases open to the service, which is now beginning to put pressure on caseloads. An additional £189k covid related loss of income have also been identified.

It remains difficult to forecast the overall likely increase in families who will need the support of our family wellbeing service, children in need, children on a child protection plan or children who become looked after as a result. We continue to monitor the situation closely.

The period 7 forecast favourable position is attributable to a number of factors including:

- the Schools PFI forecast of £489k favourable variance. This is caused by an overachievement of Schools Contribution Income, due to higher pupil numbers than budgeted for;
- an ongoing review of the Unaccompanied Asylum Seeker costs and other CSC budgets in the light of the growth funding received this year and impact of Covid on those cost centres;
- underspend on the SEN transport budget of £426k arising from lower than expected costs when schools were closed;
- Other Education underspends across a number of areas including £67k in Departmental Business Support, £205k in Education Inclusion and £84k in Procurement and School Organisation.

Despite an increasing population, Merton has managed to hold steady our number of children in care through a combination of actions, which are detailed in the management action section below. EHCP numbers have increased from 2,011 in March, to 2,214 by October, an increase of 203 finalised EHCPs as at the end of October 2020. If this growth in EHCP numbers plays out in a similar way for the remaining months of the year, this will further increase the cost pressure in the High Needs Block of the DSG.

The CSF department has received £3.847m growth for 2020/21. £1.756m has been allocated across Children's Social Care and £2,091m across Education.

Local Authority Funded Services

The table below details the significant budget variances identified to date:

Local Authority Funded Services

Description	Budget £000	Oct Var £000	Sept (restated) Var £000	Sept (as published) Var £000s	August Var £000	2019/20 £000
Procurement & School Organisation	902	(84)	(100)	(100)	(97)	(306)
SEN transport	6,198	(426)	(426)	(426)	(357)	1,289
Early Years services	4,229	(25)	(27)	(27)	(98)	(314)
Education Inclusion	1,736	(205)	(175)	(175)	(154)	(350)
Internal legal hard charge	493	0	0	0	0	(105)
LSCB	80	(35)	30	30	30	(65)
Other over and underspends	11,164	134	61	61	5	(86)
Subtotal Education	**24,802**	**(641)**	**(637)**	**(637)**	**(671)**	**63**

Fostering and residential placements (Access)	8,408	420	300*	(369)*	(290)*	(98)
Un-accompanied asylum seeking children (UASC)	275	(26)	(18)	(18)	(6)	33
No Recourse to Public Funds (NRPF)	172	(51)	(14)	(14)	(14)	132
MASH & First Response staffing	1,713	549	530	530	530	257
CWD team staffing	577	(23)	(12)	(12)	(16)	(67)
CWD Placements	634	106	125	125	99	(58)
Legal Counsel	129	(38)	129	129	129	72
Other over and underspends	9,656	(986)	(1070)*	(401)*	(407)	145
Subtotal Children's Social Care and Youth Inclusion	**21,564**	**(49)**	**(30)**	**(30)**	**25**	**416**

*The table above has been modified this month to reflect some adjustments within the "Fostering & Residential Placements" and "Other" columns for figures presented in September. In July, Fostering reported an under spend of £290k, this was carried over into August whilst a new forecasting method was reviewed. Previously, Fostering was forecast using last year's costs, this was modified to use current year data for forecast months. In August this produced a significant adverse swing which required further investigation, hence August was a repeat of July. Between July and August this methodology was reviewed and improved and used for September reporting. Unfortunately, costs were aligned to the wrong sub sections of the table and published incorrectly in September. The position in September was an over spend of £300k (as per restated column above). In October the adverse position has increased to an over spend of £420k. Overall the forecast was and is correct and robust but was assigned to the wrong lines. The above table now represents the accurate position.

Education Division

£2.091m growth is attributed to; £1.496m SEN Transport, £400k SEN Team Staffing and £195k Education Psychology.

The procurement and school organisation budget is showing a favourable variance of £100k, £80k of which relates to lower revenue spend on capital projects. Capital programmes contain some expenditure which is not eligible for capitalisation and is affected by slippage of capital schemes. The majority of this is used for temporary classrooms usually required due to rising pupil demand when it is not viable to provide permanent buildings.

The SEN transport budget is forecasting £426k underspend, this budget has become increasingly difficult to forecast given COVID-19, the variability of schools' wider opening (and pupil attendance), the impact of social distancing requirements on transport commissioning and delays in invoicing. This is our current best estimate based on the information available at the end of October.

The Early Years' service is reporting an under spend of £25k which is a small reduction from period 6 (£27k). This movement relates primarily to a decline in forecast income from Lavender Nursery.

Education Inclusion is reporting a £205k favourable variance primarily due to staffing underspends within the Youth Service, Education, Employment & Training and Children's Activities teams. This is a c. £40k increase in underspend on period 6 with a reduced number of expeditions under the Duke of Edinburgh scheme.

LSCP has reported a favourable variance of £35k due to a salary underspend. A restructure is now under way.

Children's Social Care and Youth Inclusion Division

Additional spending in this area is on activities such as fostering allowances and special guardianship orders which decrease the need for significantly more expensive care placements and also provide more stable futures for young people.

At the end of October, Merton had 157 looked after children and 190 care leavers. The numbers of looked after children in Merton remain relatively stable and we continue to maintain relatively low levels of children in care as detailed in the table below.

Overview	2015/16	2016/17	2017/18	2018/19	2019/20
Number of children in care as at 31st March	163	152	154	160	154
Of which UASC	22	20	28	34	28
Rate per 10,000	35	33	33	34	33
London Rate	51	50	49	Tbc	Tbc
England Rate	60	62	64	Tbc	Tbc

£1.61m growth across Children's Social Care has been attributed to ART Placements (£604k), ART Supported Housing (£92k), Community Placement (£200k), and UASC placements and previous USAC that are now Care Leavers (£710k).

The table below provides an analysis of some key elements of this budget:

Service	Budget £000	Oct Forecast spend £000	Variance		Placements	
			Oct £000	Sept £000	Oct No	Sept No
Residential Placements	1,822	1129	(328)	(380)	5	3
Residential-SEN Placements	-	63	-	-	4	4
Residential-Respite Placements	-	302	-	-	3	3
Independent Agency Fostering-LAC	1,974	2121	147	118	42	41
Independent Agency Fostering-Care leavers	-			-	1	1
In-house Fostering-LAC	1,421	1707	286	264	61	63
In-house Fostering-Care leavers	-			-	8	9
Secure accommodation	245	315	70	104	1	2
Parent and Baby	105	528	423	276	8	6
Supported Housing/Lodging -LAC	1,850	1674	(176)	(84)	17	17

Supported Housing/Lodging –Care leavers	-			-	41	43
Total	**7,417**	**7839**	**422**	**298**	**191**	**192**

The ART service seeks to make placements with in-house foster carers wherever possible and in line with presenting needs, however, the capacity within our in-house provision and the needs of some looked after children mean that placements with residential care providers or independent fostering agencies are sometimes required. Some specific provision is mandated by the courts.

Placement costs have been forecast based on known placements as well as an estimated cost (Average no of placements for 2019/20) for movement in placements, including new cases, expected during the year. The demand-led nature of placements makes forecasting difficult but the assumptions will be reviewed and updated each month and estimates adjusted accordingly to provide our best estimate of full year costs.

- Residential placements reported a favourable variance of £328k at the end of October. This has been offset by pressures within agency and in-house fostering. We currently have 12 placements in total. 5 placements in Residential Homes, 3 in Respite and 4 placed by SEN in Residential Schools.
- Independent Agency Fostering reported an adverse variance of £147k. We currently have 43 placements.
- In-house Foster carer reported a £286k adverse variance. We currently have 69 placements. However, as our strategy is to have as many children as possible placed with in-house provision, rather than independent, the movement in the adverse variance should be seen as positive.
- Youth Justice secure accommodation expenditure reported to the budget. We currently have 1 placement.
- Parent and Baby Fostering placements reported a £528k adverse variance. We currently have 6 Fostering and 2 residential parent and baby placements.
- Semi-Independent expenditure reported a favourable variance of £176k. We currently have 58 placements in October. This is inclusive of 11 non term-time placements.
- At the end of October, UASC placements and previous UASC that are now Care Leavers have reported a favourable variance of £706k.

The table below provides an analysis of some key elements of the budget for this service:

Service	**Budget £000**	**Forecast-spend £000**	**Oct £000**	**Sept £000**	**Oct No**	**Sept No**
Independent Agency Fostering-LAC	383	327	(56)	(33)	7	7
Independent Agency Fostering-Care Leavers	710	61	(649)	(616)	1	3
In-house Fostering-LAC	208	379	171	191	14	14
In-house Fostering-Care leavers	169	310	141	196	15	15

Supported lodgings/housing –LAC	229	220	(9)	(76)	8	7
Supported lodgings/housing-Care leavers	464	634	170	145	31	30
UASC grant	(1,200)	(1674)	(474)	(474)		
Total	**963**	**257**	**(706)**	**(667)**	**76**	**76**

At the end of October, we have 76 USAC placements, 29 under 18 and 47 over 18. Of the 29 under 18 clients, 21 were placed in foster care and 8 in semi-independent accommodation. The administration's commitment (in line with other London Labour Councils) for Merton is to have the capacity to accommodate 38 unaccompanied asylum-seeking children (equivalent of 0.08% of the child population), this has been achieved, but we do not currently have this many UASC in our care. We receive UASC grant towards these placements although it is not sufficient to cover the full cost of placement, subsistence and social work intervention.

Merton had 47 young people aged 18+ who were formerly UASC in our care at the end of October, 16 in foster care, 31 in semi-independent accommodation. Once UASC young people reach age 18, we retain financial responsibility for them as Care Leavers until their immigration status is resolved.

A review of the UASC growth £710k and the above favourable variance forecast of £706k will take place shortly to ensure the budgets are aligned correctly to reflect the true expenditure for Unaccompanied minors across the service, including the increased rates, rather than just the placements budgets.

Placements

We continue to use the Panel processes to ensure that spending on IFAs instead of in-house placements can be justified, as well as continuing our scrutiny on residential children's home placements.

Our ART Fostering Recruitment and Assessment team is continuing to recruit new foster carers who will offer locally based placements with a campaign targeted at attracting foster carers for teenagers and UASC young people. Changes in the fostering recruitment budget from the corporate communications team has reduced the range of recruitment activity.

We have recruited 11 new carers (3 of these are connected persons & 7 are mainstream carers and 1 supported lodgings carers) this year so far. The target for this financial year is to recruit 20 new mainstream foster carers.

Our aim is to slow down the increase in more expensive agency foster placements. In addition, we are implementing actions to retain our experienced existing foster carers such as increasing the support offer to them through the trauma-based training and support to enable them to accept and retain children with more challenging behaviours in placement and by implementing the Mockingbird Model. We are also targeting our recruitment to increase our number of in-house parent and child foster placements.

Our ART Placement service is working with providers to establish more local provision and offer better value placements to the Council. We continue to convene the Semi-Independent Accommodation (SIA) Panel which will record costs incurred. We are working to identify our Housing Benefit payments and what we should be getting and what are the actuals received. This work is continuing with the aim to further reduce under-achievement of housing benefits during this year.

We continue to review all options to secure better value independent accommodation for our care leavers and expect to be able to procure further placements in 2020/21 which will help us reduce costs in this area.

We have updated our Staying Put policy for young people aged 18+ to enable them to remain with their foster carers in line with statutory requirements and as recommended by Ofsted in our 2017 inspection. However, the increased use of Staying-Put for young people aged 18+ impacts on available placements for younger teenagers, therefore highlighting again the need for targeted recruitment for foster carers for teenager and UASC young people. We continue to focus our foster carer recruitment on carers for teenagers to mitigate these potential additional costs.

Schools PFI

Schools PFI is forecasting a £490k favourable variance. This is due to an overachievement of Schools Contribution Income compared with the sums budgeted for.

Dedicated Schools Grant (DSG)

DSG funded services are forecasting an adverse £14.889m variance. The DSG had a cumulative overspend of £12.750m at the end of 2019/20. The over spend in the current financial year will be adding to this balance, currently estimated at £27.649m. There was a separate report on the DSG Deficit Recovery Plan to Cabinet in January 2020. The DfE met with us on 11 February 2020 to discuss this recovery plan, and they are expected to return for a further discussion, but a date has not yet been set.

The main reason for the variance relates to a £8.139m adverse variance on Independent Day School provision. The reason for the significant overspend is due to the high number of placements. The forecast this month has increased by £454k, £419k of which relates to additional placement funding for increased capacity at Merton schools. Over time this is expected to reduce the need for more expensive independent OOB placements.

Based on past years' experience, we are expecting the number of placements within Independent day school provision to increase in the year. At this stage it is difficult to predict how many EHCPs' will be issued, or the type of education provision they will require Requests for EHCPs go through assessment and a decision about issuing a plan and the type of provision is made once all the professional advice is received and reviewed by the SEND Panel.

We are seeking to increase the number of local maintained special school places in the borough, which have been built into the future forecasts on the deficit, in order to reduce these costs, but it will take time to bring these additional places on stream. At present the annual increase in the number of EHCPs significantly exceeds the number of additional special school places we are able to create in the borough. Based on the number of new EHCPs still being awarded following assessment, we would expect this cost to still increase towards year-end and the £27.649m cumulative deficit to increase further.

Other adverse variances include £2.304m on EHCP allocations to Merton primary and secondary schools, £2.038m on EHCP allocations to out of borough maintained primary, secondary and special schools, and £0.976m on one-to-one support, OT/SLT and other therapies as well as alternative education.

Since period 1 we have seen an increase from 2032 finalised EHCPs to 2214 EHCPs in period 7 which is an increase this financial year of 182 finalised EHCPs. As at period 7 we have 197 EHC Needs assessments being undertaken at various weeks within the 20 week statutory timescale. It should be noted that since COVID we have seen a significant increase in referrals for an EHC Needs assessments.

The table below shows the increase in number of EHCPs over the past 4 years since the entitlement changed following the implementation of the Children and Families Act.

Type of Provision	**Jan 2016 Total Statements and EHCPs**		**Jan 2017 Total Statements and EHCPs**		**Jan 2018 Total Statements and EHCPs**		**Jan 2019 Total Statements and EHCPs**		**Jan 2020 Total Statements and EHCPs**	
	No	%	No	%	No	%	No	%	No	%
Early Years (incl. Private & Voluntary Settings)	0	0%	1	0%	7	0%	7	0%	7	0%
Mainstream Schools (incl. Academies, Free and Independent)	422	39%	461	37%	526	35%	584	34%	707	37%
Additional Resourced Provision	110	10%	111	9%	116	8%	125	7%	125	6%
State Funded Special Schools	358	33%	388	31%	416	27%	440	26%	474	25%
Independent Special Schools	132	12%	153	12%	176	12%	228	13%	280	15%
Post 16 College and traineeships	25	2%	93	7%	183	12%	212	12%	199	10%
Post 16 Specialist	10	1%	25	2%	44	3%	37	2%	35	2%
Alternative Education (incl. EOTAS, Hospital Schools and EHE)	15	1%	10	1%	22	1%	28	2%	61	3%
No placement (including NEET)	3	0%	0	0%	28	2%	51	3%	40	2%
Total	**1075**	**100%**	**1242**	**100%**	**1518**	**100%**	**1712**	**100%**	**1928**	**100%**
Change over previous year				16%		22%		13%		11%

We continue to keep abreast of proposed changes to the National Funding Formula, especially in relation to risks associated with services currently funded by de-delegated elements of the DSG. We are also working with other authorities on the DSG deficit issue.

Merton was required to return to the DfE a Deficit Recovery Plan for the DSG, which is a 5-year plan, taking us up to 2023/24. A full update was included in a separate report on the DSG which went to Cabinet in January 2020. A revised 5 year forecast is being prepared.

In addition to the pressures on the high needs block, which are clear from the budget monitoring figures highlighted above and which continue into 2020/21 and beyond, some schools are also having trouble in setting balanced budgets with the funding provided to them through the funding formula. The Finance Service monitors this closely, and before any deficit budget is agreed, work is undertaken with the school to ensure they are maximising every opportunity to reduce costs and spend wisely. The number of schools setting deficit budgets has reduced from 13 in 2019/20 to 10 in 2020/21. There are various reasons for schools requiring to set deficit budgets, increased costs relating to children that require additional support but do not meet statutory thresholds for additional funding, reduction in pupil numbers, reduced levels of reserves that schools would previously have used to balance their budgets and loss of income due to Covid-19. Total school balances, including capital balances, did slightly increase last year.

Merton has been working in conjunction with Association of Directors for Children's Services (ADCS), Society for London Treasurers (SLT), London Councils and the Children's Commissioner to lobby Central Government for additional funding. All commissioned analysis shows that the funding shortfall is a national issue that requires additional grant funding.

Management action

Staffing report

We continue to reduce the use of agency by imposing a three-month recruitment drag, where appropriate, for non-social work posts. We continue to prioritise meeting our statutory duties when determining whether recruitment drag may be applied to any vacant post. Children's Social Care and Youth Inclusion are currently reviewing the distribution of social work staffing to ensure workloads in the MASH and First Response Service are at a level that supports recruitment and retention of permanent staff.

Placements

We continue to use the Panel processes to ensure that spending on IFAs instead of in-house placements can be justified, as well as continuing our scrutiny on residential children's home placements.

Our aim is to slow down the increase in more expensive agency foster placements. In addition, we are implementing actions to retain our experienced existing foster carers such as increasing the support offer to them through the trauma based training and support to enable them to take and retain children with more challenging behaviours in placement and implementing the Mockingbird Model. We are also targeting our recruitment to increase our number of in-house mother and child foster placements.

Children with additional needs

We are working with colleagues in CCGs through the tripartite process in order to secure appropriate health contributions to funding for children with complex needs, particularly through continuing healthcare (CHC) funding. This is an area we need to improve with closer working with the CCG a focus going forward. This will mainly affect the CWD budget as many of the children discussed are living at home with shared packages of care. Details of any arrangements made will be recorded and reflected in budget returns.

We have tried to reduce costs associated with SEND transport through a number of strategies but this is a continuing challenge with the increasing numbers of children eligible for this service. Strategies introduced include: the introduction of a dynamic taxi purchasing system; the re-provisioning of taxi routes to ensure best value for money; the introduction of bus pick up points where appropriate; promotion of independent travel training and personal travel assistance budgets where this option is cheaper. Some cost-saving measures linked to consolidation of routes or shared travel arrangements may not be possible in the light of Covid-19 restrictions

We have a multi-agency SEND panel providing strategic oversight of the statutory assessment process to ensure that at both request-for-assessment stage and the agreement of a final EHCP, criteria and thresholds are met and the best use of resources is agreed.

To limit the increased costs to the DSG High Needs block of the increased number of children with EHCPs we have expanded existing specialist provision including the expansion of Cricket Green special school completed in early 2020, and the opening of an Additionally Resourced Provision (ARP) at Stanford Primary School. There is further expansion of provision in the capital programme, including the expansion of Melrose School (for children with Social, Emotional and Mental Health), which is currently at the statutory consultation and planning application stage. Additional local provision should also assist with minimising increases to transport costs.

New burdens

Following changes introduced through the Children & Social Work Act, local authorities took on new responsibilities in relation to children in care and care leavers. Local authorities are required to offer support from a Personal Adviser to all care leavers to age 25. There has been no on-going funding for the additional work required.

Other unfunded burdens include:

- The increase in the age range of EHCPs, particularly for those young people aged 18-25, due to legislation changes, which is causing cost pressures in both the general fund (in education psychology and SEN transport) and the DSG (High Needs Block costs relating to most EHCP services);
- New statutory duties in relation to children missing from education, which have increased the cases dealt with by the Education Welfare Service by 79% (from 290 in the 6 months from September to March 2016 to 519 in the same 6 months the following year and the level of referrals has remained at this level ever since).
- SEND tribunals will cover all elements of children’s care packages, not solely education.
- New requirement of social work visits to children in residential schools and other provision.

Community and Housing

Overview

Community and Housing is forecasting an unfavourable variance of £185k as at October 2020. This is a movement of £329k since September. This is made up of forecasted favourable variances in Adult Social Care of £718k, and unfavourable variances in Housing of £687k, and Libraries of £216k. Public Health and Merton Adult Learning continue to forecast a breakeven position.

The main movements in the month are increased spend on placements and a one-off write-back of client income in Adult Social Care. The department also achieved transport savings for the

Woodlands Day Centre.

As we are now in the second wave, Community and Housing is working with partners implement the winter plan, which includes expected surges in both COVID and non-COVID demand. Non-COVID demand is likely to include the impact of the backlog of healthcare, other winter outbreaks and the consequences of high rent arrears on demand for homelessness support.

During the first wave the service experienced a significant level of one-off costs which were largely met by the main COVID grant and NHS funding. The forecast includes additional spend for winter insofar as we are currently able to identify it. However, there is a high level of uncertainty about COVID and other winter outbreaks, their impact on our community and consequently the impact on the year end position. Therefore current forecast includes the best estimate based on current information available.

Community and Housing Summary Position

Community and Housing	2020/21 Current Budget £'000	2020/21 Full Year Forecast Oct'20 £'000	2020/21 Full Year Forecast Variance Oct'20 £'000	2020/21 Full Year Variance Sept'20 £'000	2020/21 Covid-19 Forecast Oct'20 £'000	2019/20 Outturn Variance £'000
Adult Social Care	**59,944**	**59,226**	**(718)**	**(1,046)**	**2,492**	**(717)**
Libraries and Heritage	**2,396**	**2,612**	**216**	**239**	**161**	**70**
Merton Adult Learning	**(1)**	**(1)**	**0**	**0**	**0**	**0**
Housing General Fund	**2,142**	**2,829**	**687**	**663**	**80**	**328**
Public Health	**(157)**	**(157)**	**0**	**0**	**0**	**0**
Total Favourable/Adverse	**64,324**	**64,509**	**185**	**(144)**	**2,733**	**319**

The forecast above is prepared on the basis of our current understanding of activity and income and placement data as at October 2020. The covid-19 impact is in the fifth column in the above table.

In addition, the department is estimating gross expenditure of £11.7m (this includes £3.2m grants received for infection control, test and track homelessness accommodation and additional cost due to the second wave).

The department's savings forecast as at October 2020 has improved and is now showing total amount achieved of £1.56m of the £2.46m savings target for 2020/21. The Department continues to work towards achieving the outstanding savings and to maintain a balanced budget in the current financial year. The service is reviewing outstanding savings against current activity levels to identify offsetting reductions in spend but this is proving difficult due to budget pressures as a result of Covid-19.

Adult Social Care

The cost of placements to October is showing an increase which is due to variation in packages of care and the write back of client contribution where they were previously assessed to pay 100% of care costs. There is also some uncertainty surrounding what the CCG will fund and for what length of time under the second wave plus the likelihood that customers will present with more complex needs which may require high packages of care which will result in future budget pressures.

The forecast allows for the likely transfer of costs of those currently paid for by health who will be eligible for social care funding. Work is ongoing to ensure that the packages of support are appropriate and good value.

From the 1st September, whilst health will continue to manage all COVID discharges, whether short or long term, they will only meet up to the first six weeks of care costs and will be at nil cost to the customer. Anyone placed in this way will need to be assessed for continuing healthcare, adult social care or identified as self-funders.

The department has reconvened its weekly ‘Sit Rep’ meetings to monitor activity, staff, provider markets and PPE levels.

The service has not had to make use of the Care Act easements enabled by emergency legislation and continues to act in accordance with the Care Act 2014. The focus has naturally been on supporting borough residents and the NHS, as well as contributing to the cross-council work on shielding, the community hub and the food hub.

The national shielding programme has been suspended, but we continue to work with the voluntary sector to support those who had been shielding who need ongoing support. The Community Hub continues to operate to support people and we are working with those identified as Clinically Extremely Vulnerable to ensure that they can continue to access food and other essential services.

Direct Provision remains in a position of an overall favourable position. There was some movement in salaries which reflected two staff at Meadowsweet starting maternity leave and a spike in sickness in September/October particularly in Mascot which resulted in staff self - isolating and bank staff used to cover. Sickness levels have now reduced. Glebelands has also required more care hours due to a growing complexity of cases and some tenants self-isolating. Some savings were achieved with transport for All Saints and discussions are continuing with E&R to realise further savings in year.

Library & Heritage Service

This service is currently forecasting an unfavourable variance of £216k, which is a reduction of £23k since September and is a cumulative reduction of £37k since August.

The current years unfavourable forecast is mainly due to library closures during lockdown whilst switching to click and collect and the impact of Covid-19 on visitor numbers from April 2020 to date. The overspend also includes a one-off old business rates recharge of £66k and additional costs incurred on the current security contract which is inclusive of the Living Wage and inflation increases.

Adult Learning

Adult Learning is currently forecasting a breakeven position. During lockdown and over the summer providers worked hard to move their course content online and deliver things in new ways due to restrictions in place regarding physical courses. As of September all providers are providing some classroom based activities with a high proportion of online and blended learning provision also available. This position is largely unchanged in the second lockdown as adult learning provision falls under the wider government guidance on education provision.

As all of the courses planned could not go ahead the GLA and ESFA, who fund the adult learning provision for the borough, have confirmed that they will provide the borough with the full funding allocation for the 2019/20 academic year and this has been paid proportionately across agreed spend levels to providers.

Adult Learning has successfully bid for £540k of additional funding over two years from the GLA to expand the skills offer and to respond to changes in the job market to assist with reskilling residents. Part of the funding is aimed at improving access to IT for those without it so that they can both benefit from online learning and improve their IT skills.

Housing General Fund

This service is currently forecasting an unfavourable variance of £687k which is an increase of £24k since September. This is due to an increase in forecasted agency cost, and an increase in subsidy shortfall.

During the pandemic the supply of housing association homes to which the council has nomination rights reduced dramatically, although nominations are slowly returning to pre covid-19 levels. However the lack of housing supply continues to prevent early re-housing from expensive temporary accommodation. There have been fewer moves out of temporary accommodation, including evictions from temporary accommodation for reasons such as rent arrears, anti-social behaviour and refusal of offers of accommodation, in accordance with guidance and instructions from MHCLG.

As a result, as at the end of October 2020 there were 214 households in temporary accommodation which represents an increase of 15 since March.

The moratorium on evictions was initially extended to the 30th September but it seems that a ban on evictions is likely to be in place until March 2021. This will create a rise in expenditure to support and to prevent homelessness in line with our duties under the Homelessness Reduction Act 2017. Due the delays in the courts, a rise in evictions is expected to take several months or years and therefore the increase in numbers in TA are likely to remain.

The service is working with former rough sleepers to move them on from temporary to move-on accommodation. This includes input from mental health and drug & alcohol services. The current status is as follows: -

- 19 placed in temporary accommodation 13 by the Greater London of Authority in temporary accommodation and 6 placed via the substance misuse and mental health services to meet support needs.
- 14 still sleeping rough of 5 was offered accommodation but turned it down.
- 4 were placed in temporary accommodation of which 2 abandoned and 2 were evicted.

The department’s revenue bid £174k to MHCLG (Next Steps Programme was successful). The Capital bid was rejected. The revenue bid will be utilised to offset the costs of the move-on accommodation that exceeds existing grants and provides for further support with mental health and substance misuse issues, and to try to ensure that these former rough sleepers remain accommodated.

Analysis of Housing and Temporary Accommodation Expenditure

The table below shows the analysis of housing expenditure to October 2020

Housing	Budget 2020-21 £000	Forecast (Oct'20) £'000	Forecast Variances (Oct'20) £'000	Forecast Variances (Sept'20) £000	Outturn Variances (March'20) £000
Temporary Accommodation-Expenditure	2,403	3,829	1,426	1,427	1,002
Temporary Accommodation-Client Contribution	(140)	(379)	(239)	(219)	(321)
Temporary Accommodation-Housing Benefit Income	(2,005)	(2,846)	(841)	(813)	(535)
Temporary Accommodation-Subsidy Shortfall	322	1,324	1,002	988	793
Temporary Accommodation-Grant	0	(869)	(869)	(929)	(766)
Subtotal Temporary Accommodation	**580**	**1,059**	**479**	**454**	**173**
Housing Other Budgets	**1,562**	**1,770**	**208**	**209**	155
Total Controllable (Favourable)/Adverse Variance	**2,142**	**2,829**	**687**	**663**	**328**

Table below shows number of households in Temporary Accommodation to October 2020.

Temporary Accommodation	Numbers IN	Numbers OUT	Total for the Month	
Mar'17	**-**	**-**	**186**	
Mar'18	**16**	**16**	**165**	
Mar'19	**15**	**11**	**174**	
Mar'20	**12**	**6**	**199**	
			2020/21	**2019/20**
Apr'20	**5**	**8**	**196**	**178**
May'20	**18**	**10**	**204**	**177**
June'20	**21**	**12**	**213**	**170**
July'20	**13**	**14**	**212**	**175**
Aug'20	**13**	**15**	**210**	**168**

Sept'20	**15**	**14**	**211**	**169**
Oct'20	**18**	**15**	**214**	**174**

The number of customers in temporary accommodation is increasing and anticipated that with the on-set of the second wave of the pandemic and winter that numbers will increase and Local Authorities will be instructed to house everyone. It also important to note that October 2019 there were 174 families in temporary accommodation and as at October 2020 there were 214 thus gained a net increase of 40 tenants.

Public Health

Public Health continues to report a breakeven position.

Potential Cost pressures :-

- CLCH has indicated the children's contract is underfunded by c £800k – that is a risk. Community and Housing departmental managers recently held a meeting with colleagues from NHS South West London CCG and it was decided that additional information is required before the open book exercise could proceed.
- CLCH is also requesting an inflationary increase to cover agenda for change uplifts (NHS pay) cumulative for 3 years from 2018/19 to 2020/21 which is £144k higher than the additional grant allocation received by the borough.
- An increase is also requested for the Sexual Health contract which is shared between Merton, Richmond and Wandsworth. Commissioners of the above mentioned boroughs met and agreed a way forward and a meeting with CLCH is pending.
- The division is involved in a number of covid-19 government initiatives to contain the pandemic.

The team, together with public protection, is leading on LBM's outbreak control plan. An additional £8 per head of population allocation has been announced with the onset of second national lock-down for further covid-19 outbreak control measures which is expected shortly.

<u>Corporate Items</u>

The details comparing actual expenditure up to 31 October 2020 against budget are contained in Appendix 2. COVID-19 corporate expenditure is again shown on a separate line:-

Corporate Items	Current Budget 2020/21 £000s	Full Year Forecast (Oct.) £000s	Forecast Variance at year end (Oct.) £000s	Forecast Variance at year end (Sep.) £000s	Outturn Variance 2019/20 £000s
Impact of Capital on revenue budget	11,190	11,171	(19)	(19)	(161)
Investment Income	(707)	(753)	(46)	(46)	(704)
Pension Fund	340	86	(254)	0	(104)
Pay and Price Inflation	2,535	2,335	(200)	550	(100)
Contingencies and provisions	18,768	18,868	100	100	(154)
Income Items	(1,963)	(1,963)	0	0	(343)
Appropriations/Transfers	(7,901)	(7,901)	0	0	0
Central Items	**11,072**	**10,672**	**(400)**	**604**	**(1,405)**

Levies	962	962	0	0	(1)
Depreciation and Impairment	(23,351)	(23,351)	0	0	0
TOTAL CORPORATE PROVISIONS	**(128)**	**(547)**	**(419)**	**585**	**(1,567)**
COVID-19 Emergency expenditure	0	10,151	10,151	9,036	176

Based on expenditure to 31 October 2020, a favourable variance of £0.419m is forecast for corporate items. This is an improved position of £0.839m since September. The improvement is due to :-

- The budget of £0.254m for pensions auto-enrolment costs will not be required as these costs have been absorbed within departmental employees budgets

- The provision for increased costs due to the National Living Wage will produce a favourable variance of £0.750m at year end

In addition to the change to the forecast favourable variance of £0.419m at year end, the figures in the table above have also been adjusted to reflect the transfer of £0.500m from the Contingencies and Provisions budget for redundancy/pensions strain to the Corporate Services Reserve. This will provide cover for potential corporate redundancy/pensions strain costs that are budgeted for within Corporate Services and may be delayed due to the complexities of the pay cap.

4 Capital Programme 2020-24

4.1 The Table below shows the movement in the 2020/24 corporate capital programme since the last monitoring report:

Depts	Current Budget 20/21	Variance	**Revised Budget 20/21**	Current Budget 21/22	Variance	**Revised Budget 21/22**	Original Budget 2022-23	Variance	**Revised Budget 22/23**	Original Budget 2023-24	Variance	**Revised Budget 23/24**
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Corporate Services	22,068	(6,812)	**15,257**	18,413	812	**19,225**	3,220	6,000	**9,220**	14,674	0	**14,674**
Community & Housing	1,364	(40)	**1,324**	1,828		**1,828**	1,429	0	**1,429**	612	40	**652**
Children Schools & Families	4,950	(1,670)	**3,280**	6,850	1,670	**8,520**	1,900	0	**1,900**	1,900	0	**1,900**
Environment and Regeneration	17,266	(819)	**16,447**	14,997	792	**15,789**	8,382	0	**8,382**	7,516	0	**7,516**
TOTAL	**45,649**	**(9,340)**	**36,308**	**42,089**	**3,273**	**45,362**	**14,931**	**6,000**	**20,931**	**24,702**	**40**	**24,742**

4.2 The table below summarises the position in respect of the 2020/21 Capital Programme as at October 2020. The detail is shown in Appendix 5.

Capital Budget Monitoring - October 2020

Department	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2020/21	Full Year Variance
Corporate Services	844,554	3,350,567	(2,506,013)	15,256,540	15,256,533	(7)
Community and Housing	213,056	507,080	(294,024)	1,324,000	1,324,000	0
Children Schools & Families	1,060,477	1,685,720	(625,243)	3,280,400	3,280,107	(293)
Environment and Regeneration	4,758,593	5,567,073	(808,479)	16,447,250	16,223,301	(223,949)
Total	**6,876,681**	**11,110,440**	**(4,233,759)**	**36,308,190**	**36,083,941**	**(224,249)**

a) Corporate Services – After the adjustments to the programme detailed in the Table below budget managers are projecting full spend against budget. The following adjustments to budgets have been made this month:

Corporate Services		Budget 2020-21	Budget 2021-22	Budget 2022-23	Narrative
-		£	£	£	
Customer Contact	(1)	(217,800)	217,800		Reprofiled in line with projected spend
Planning and Public Protection	(1)	(340,710)	340,710		Reprofiled in line with projected spend
Invest to Save General	(1)	(198,140)	198,140		Reprofiled in line with projected spend
Photovoltaics & Energy Conserv		(55,000)	55,000		Reprofiled in line with projected spend
Housing Company	(1)	(6,000,000)		6,000,000	Reprofiled in line with projected spend
Total		**(6,811,650)**	**811,650**	**6,000,000**	

(1) Requires Cabinet approval

b) Community and Housing – Budget managers are projecting a full year spend on all budgets after the re-profiling of £40k of the Disabled Facilities Grant Budget to 2023-24.

c) Children, Schools and Families – After the adjustments to the programme detailed in the Table below budget managers are projecting full spend against budget. Due to issues programming priority school condition projects, partly due to Covid-19 related factors, a significant sum is being re-profiled into 2021-22 so that work can be undertaken in the summer holidays 2021. The follow adjustments have therefore been made to the departmental budgets:

Children, Schools and Families		**Budget 2020-21**	**Budget 2021-22**	**Budget 2022-23**	**Budget 2023-24**	**Narrative**
-						
West Wimbledon Capital Maintenance		650				Virement from Capital Maintenance unallocated
Hatfeild Capital Maintenance		12,200				Virement from Capital Maintenance unallocated
Hillcross Capital Maintenance		(52,630)	52,630			Reprofiled in line with projected spend
Dundonald Capital Maintenance		(49,500)	49,500			Reprofiled in line with projected spend
Garfield Capital Maintenance		(5,620)	5,620			Reprofiled in line with projected spend
Poplar Capital Maintenance		(5,010)	5,010			Reprofiled in line with projected spend
Wimbledon Park Capital Maintenance		(40,000)	40,000			Reprofiled in line with projected spend
Abbotsbury Capital Maintenance		(7,200)	7,200			Reprofiled in line with projected spend
Malmesbury Capital Maintenance		(35,000)	35,000			Reprofiled in line with projected spend
Cranmer Capital Maintenance		30,000				Reprofiled in line with projected spend
Gorringe Park Capital Maintenance		(49,650)	49,650			Reprofiled in line with projected spend
Liberty Capital Maintenance		(33,640)	33,640			Reprofiled in line with projected spend
Links Capital Maintenance	(1)	(137,000)	137,000			Reprofiled in line with projected spend
St Marks Capital Maintenance		(85,000)	85,000			Reprofiled in line with projected spend
Lonesome Capital Maintenance		(6,740)	6,740			Reprofiled in line with projected spend
Sherwood Capital Maintenance		(24,200)	24,200			Reprofiled in line with projected spend
William Morris Capital Maintenance		(28,200)	28,200			Reprofiled in line with projected spend
Unallocated Capital Maintenance	(1)	(724,250)	605,360			Three virements and Reprofiled in line with projected spend
Rutlish Capital Maintenance		(11,580)	11,580			Reprofiled in line with projected spend
Harris Wimbledon Expansion		(70,670)	70,670			Reprofiled in line with projected spend
Perseid Capital Maintenance	(1)	(106,840)	106,840			Reprofiled in line with projected spend
Perseid Expansion		(22,020)	22,020			Reprofiled in line with projected spend
Cricket Green Expansion		76,040				Virement from Capital Maintenance unallocated
Melrose SEMH	(1)	77,440	997,560			Primary/Secondary SEMH Merged and reprofiled on this Scheme
Melrose Primary SEMH (Merging Schemes)	(1)	(200,000)	(875,000)			Primary/Secondary SEMH Merged with Scheme above
Harris Morden Autism Unit		(50,000)	50,000			Reprofiled in line with projected spend
Primary ASD base 1-20 places		(18,260)	18,260			Reprofiled in line with projected spend
Secondary SEMH/medical PRU		(40,000)	40,000			Reprofiled in line with projected spend
New ASD Provision		(50,000)	50,000			Reprofiled in line with projected spend
Melbury College Smart Ctre Capital Maintenance		(13,340)	13,340			Reprofiled in line with projected spend
Total		**(1,670,020)**	**1,670,020**	**0**	**0**	

(1) Requires Cabinet approval

d) Environment and Regeneration – After the adjustments to the programme detailed in the Table below Officers are projecting full spend on their budgets apart from favourable variances on three schemes:

- Car Park Upgrades are currently showing a favourable variance of £67k. This projection includes essential Fire Safety Works at St Georges Car Park, electric charging points and cycle storage/parking
- Paddling Pools Option 2 are currently showing a favourable variance of £113k. The programme currently contains both options for Paddling Pools only one option will be progressed following a consultation process.
- SLWP Waste Bins is showing a favourable variance of £30k
- Alley Gating is currently showing a favourable variance of £14k

The following adjustments have been made to the approved budgets this month:

Environment and Regeneration		**Budget 2020-21**	**Budget 2021-22**	**Narrative**
Haydons Road Shop Front Improvements	(1)	(481,580)	481,580	Reprofiled in line with projected spend
Wimbledon Park Lake Safety	(1)	(150,000)	150,000	Reprofiled in line with projected spend
Leisure Centres Plant and Machinery	(1)	(240,000)	160,000	Reprofiled in line with projected spend & £80k Relinquished
Cycle Imps Residential Streets		12,380		S106 Scheme Havelock Road
Surface Water Drainage - Wimb Rain Gdn		7,000		S106 Scheme Wimb Water Garden
Metrobank Public Realm		33,420		New Section 106 Scheme
Total		**(818,780)**	**791,580**	

(1) Requires Cabinet approval

4.3 The table below summarises the movement in the Capital Programme for 2020/21 since its approval in March 2020 (£000s):

Depts.	**Original Budget 20/21**	**Net Slippage 2020/21**	**Adjustments**	**New External Funding**	**New Internal Funding**	**Re-profiling**	**Revised Budget 20/21**
Corporate Services	22,100	2,000	(1,044)	4,079		(11,878)	**15,257**
Community & Housing	2,004	189				(869)	**1,324**
Children Schools & Families	4,566	480		1,034		(2,800)	**3,280**
Environment and Regeneration	18,530	1,061	(2,076)	3,573	47	(4,687)	**16,448**
Total	**47,199**	**3,730**	**(3,121)**	**8,686**	**47**	**(20,234)**	**36,309**

4.4 The table below compares capital expenditure (£000s) to October 2020 to that in previous years':

Depts.	Spend To October 2017	Spend To October 2018	Spend to October 2019	Spend to October 2020	Variance 2017 to 2020	Variance 2018 to 2020	Variance 2019 to 2020
CS	1,386	2,991	1,659	845	(541)	(2,147)	(814)
C&H	392	492	502	213	(179)	(279)	(289)
CSF	2,746	3,565	5,583	1,060	(1,686)	(2,504)	(4,522)
E&R	6,332	6,581	3,242	4,759	(1,573)	(1,823)	1,516
Total Capital	**10,856**	**13,630**	**10,986**	**6,877**	**(3,980)**	**(6,753)**	**(4,109)**

Outturn £000s	32,230	31,424	26,960	
Budget £000s				36,308
Projected Spend October 2020 £000s				36,084
Percentage Spend to Budget				18.94%
% Spend to Outturn/Projection	33.68%	43.37%	40.75%	19.06%
Monthly Spend to Achieve Projected Outturn £000s				5,441

4.5 October is seven months into the financial year and departments have spent just under 16.2% of the budget. Spend to date lower than all three previous financial years shown and is in part due to the impact of Covid 19

Department	Spend To September 2020 £000s	Spend To October 2020 £000s	Increase £000s
CS	769	845	76
C&H	171	213	42
CSF	868	1,060	192
E&R	2,787	4,759	1,971
Total Capital	**4,595**	**6,877**	**2,281**

4.6 During October 2020 officers spent just under a £2.3 million, to achieve year end spend officer would need to spend approximately £5.4 million each month to year end. Finance officers will continue to review in detail the projected outturn with budget managers as part of November 2020 Monitoring.

4.7 Appendix 5C summarises the impact of the changes to the Capital Programme on funding. Appendix 5C for 2020-21 shows that although £1,270k of School Condition unconditional grant funded schemes have been re-profiled to 2021-22 the flexibility in grant conditions allow the funding to still be applied to 2020-21 and the internal borrowing required for un-funded schemes it offsets to be delayed by one financial year.

5. DELIVERY OF SAVINGS FOR 2020/21

Department	Target Savings 2020/21	Projected Savings 2020/21	Period 7 Forecast Shortfall	Period Forecast Shortfall (P7)	Period 6 Forecast Shortfall	2021/22 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	2,718	1,721	997	36.7%	972	595
Children Schools and Families	2,969	2,235	734	24.7%	734	400
Community and Housing	2,460	1,560	900	36.6%	1,000	500
Environment and Regeneration	3,927	887	3,040	77.4%	3,115	0
Total	**12,074**	**6,403**	**5,671**	47.0%	**5,821**	**1,495**

Appendix 6 details the progress on unachieved savings from 2020/21 by department and the impact on the current year and next year.

<u>Progress on savings 2019/20</u>

Department	Savings Target 2019/20	Shortfall 2019/20	Projected Shortfall 2020/21	Projected Shortfall 2021/22
	£000	£000	£000	£000
Corporate Services	1,484	100	70	0
Children Schools and Families	572	0	0	0
Community and Housing	1,534	118	0	0
Environment and Regeneration	2,449	837	2,065	0
Total	**6,039**	**1,055**	**2,135**	**0**

Appendix 7 details the progress on unachieved savings from 2019/20 by department and the impact on the current year and next year.

6. CONSULTATION UNDERTAKEN OR PROPOSED

6.1 All relevant bodies have been consulted.

7. TIMETABLE

7.1 In accordance with current financial reporting timetables.

8. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

8.1 All relevant implications have been addressed in the report.

9. LEGAL AND STATUTORY IMPLICATIONS

9.1 All relevant implications have been addressed in the report.

10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1 Not applicable

11. CRIME AND DISORDER IMPLICATIONS

11.1 Not applicable

12. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

12.1 The emphasis placed on the delivery of revenue savings within the financial monitoring report will be enhanced during 2019/20; the risk of part non-delivery of savings is already contained on the key strategic risk register and will be kept under review.

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

Appendix 1-	Detailed Corporate Items table
Appendix 2 –	Pay and Price Inflation
Appendix 3 –	Treasury Management: Outlook
Appendix 5A –	Current Capital Programme
Appendix 5B -	Detail of Virements
Appendix 5C -	Summary of Capital Programme Funding
Appendix 6 –	Progress on savings 2020/21
Appendix 7 –	Progress on savings 2019/20

14. BACKGROUND PAPERS

14.1 Budgetary Control files held in the Corporate Services department.

15. REPORT AUTHOR

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APPENDIX 1

3E.Corporate Items	Original Budget 2020/21 £000s	Current Budget 2020/21 £000s	Year to Date Budget (Oct.) £000s	Year to Date Actual (Oct.) £000s	Full Year Forecast (Oct.) £000s	Forecast Variance at year end (Oct.) £000s	Forecast Variance at year end (Sep.) £000s	Outturn Variance 2019/20 £000s
Cost of Borrowing	11,190	11,190	3,684	3,408	11,171	(19)	(19)	(161)
Capital impact on revenue budget	**11,190**	**11,190**	**3,684**	**3,408**	**11,171**	**(19)**	**(19)**	**(161)**
Investment Income	**(707)**	**(707)**	**(412)**	**(546)**	**(753)**	**(46)**	**(46)**	**(704)**
Pension Fund	**340**	**340**	**199**	**0**	**86**	**(254)**	**0**	**(104)**
Corporate Provision for Pay Award	2,231	585	341	0	485	(100)	650	0
Corporate Provision for National Minimum Wage	1,500	1,500	875	0	1,500	0	0	0
Provision for excess inflation	450	450	263	0	350	(100)	(100)	(100)
Pay and Price Inflation	**4,181**	**2,535**	**1,479**	**0**	**2,335**	**(200)**	**550**	**(100)**
Contingency	1,500	487	284	0	487	0	0	(500)
Single Status/Equal Pay	100	100	59	0	100	0	0	0
Bad Debt Provision	500	500	292	432	600	100	100	1,304
Loss of income arising from P3/P4	400	0	0	0	0	0	0	(100)
Loss of HB Admin grant	34	23	13	0	23	0	0	(34)
Apprenticeship Levy	450	450	263	4	450	0	0	(22)
Revenuisation and miscellaneous	3,384	1,198	991	158	1,198	0	0	(802)
Growth - Provision against DSG	16,009	16,009	9,339	0	16,009	0	0	0
Contingencies and provisions	**22,378**	**18,768**	**11,240**	**594**	**18,868**	**100**	**100**	**(154)**
Other income	0	0	0	18	0	0	0	(186)
CHAS IP/Dividend	(1,963)	(1,963)	(1,145)	(922)	(1,963)	0	0	(157)
Income items	**(1,963)**	**(1,963)**	**(1,145)**	**(904)**	**(1,963)**	**0**	**0**	**(343)**
Appropriations: CS Reserves	(908)	(836)	(488)	(40)	(836)	0	0	0
Appropriations: E&R Reserves	(317)	(513)	(299)	0	(513)	0	0	0
Appropriations: CSF Reserves	(360)	(448)	(261)	(88)	(448)	0	0	0
Appropriations: C&H Reserves	(104)	(104)	(61)	0	(104)	0	0	0
Appropriations:Public Health Reserves	(1,200)	(1,200)	(700)	0	(1,200)	0	0	0
Appropriations:Corporate Reserves	(8,386)	(4,800)	(3,092)	(5,300)	(4,800)	0	0	0
Appropriations/Transfers	**(11,275)**	**(7,901)**	**(4,901)**	**(5,428)**	**(7,901)**	**0**	**0**	**0**
Depreciation and Impairment	**(23,351)**	**(23,351)**	**0**	**0**	**(23,351)**	**0**	**0**	**0**
Sub-total: Central Items	**793**	**(1,089)**	**10,143**	**(2,876)**	**(1,509)**	**(419)**	**585**	**(1,566)**
Levies	**962**	**962**	**561**	**635**	**962**	**0**	**0**	**(1)**
TOTAL CORPORATE PROVISIONS	**1,754**	**(128)**	**10,703**	**(2,240)**	**(547)**	**(419)**	**585**	**(1,567)**
COVID-19 Emergency expenditure	0	0	0	4,975	10,151	**10,151**	**9,036**	**176**

Appendix 2

Pay and Price Inflation as at November 2020
In 2020/21, the budget includes 2.0% for increases in pay and 1.5% for increases in general prices, with an additional amount, currently £0.450m, which is held to assist services that may experience price increases greatly in excess of the inflation allowance provided when setting the budget. With CPI inflation currently at 0.7% and RPI at 1.3% and the Council's overall revenue budget under extreme pressure, this budget will be retained as cover and only released in exceptional circumstances.

Pay:
As previously reported the final pay award has now been agreed at 2.75% but provision of 2% was included in the MTFS agreed in March.

The impact of a 2.75% pay increase on the Council's budget will increase employee costs in 2020/21 by c.£0.650m for and these will be ongoing and subject to increase for future pay awards.

Prices:
The latest statistics have been affected by COVID-19. Eight CPIH items were unavailable to UK consumers in October, unchanged from September and accounting for 1.1% of the CPIH basket by weight; for October, the ONS collected a weighted total of 90.0% of comparable coverage collected previously (excluding unavailable items).

The Consumer Prices Index (CPI) 12-month rate was 0.7% in October 2020, up from 0.5% in September.

The largest contribution to the 12-month inflation rate in October 2020 was from recreation and culture (0.26 percentage points). Clothing, food, furniture, furnishings and carpets made the largest upward contributions (with the contribution from these three groups totalling 0.16 percentage points) to the change in the 12-month inflation rate between September and October 2020. These were partially offset by downward contributions of 0.06 and 0.04 percentage points, respectively, from the recreation and culture, and transport groups.

The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 0.9% in October 2020, up from 0.7% in September 2020.

The RPI rate for October 2020 was 1.3%, which is up from 1.1% in September 2020.

Outlook for inflation:
The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target and in a way that helps to sustain growth and employment. Previously at a special meeting on 19 March 20020, the Monetary Policy Committee (MPC) unanimously voted to cut interest rates from 0.25% to 0.1% and to increase holdings of UK government and corporate bonds by £200bn in response to the COVID-19 crisis.

At its meeting ending on 4 November 2020, the MPC voted unanimously to maintain Bank Rate at 0.1%. The Committee voted unanimously for the Bank of England to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £20 billion. The Committee voted unanimously for the Bank of England to continue with the existing programme of £100 billion of UK government bond purchases, financed by the issuance of central bank reserves, and also for the Bank of England to increase the target stock of purchased UK government bonds by an additional £150 billion, financed by the issuance of central bank reserves, to take the total stock of government bond purchases to £875 billion.

In the minutes to the MPC meeting ending on 4 November the MPC state that

“Since the Committee’s previous meeting, there has been a rapid rise in rates of Covid infection. The UK Government and devolved administrations have responded by increasing the severity of Covid restrictions. All restrictions announced up to and including 31 October have been reflected in the Committee’s judgements. There are signs that consumer spending has softened across a range of high-frequency indicators, while investment intentions have remained weak.”

In terms of current inflation projections the MPC note that “twelve-month CPI inflation increased to 0.5% in September, but remained well below the MPC’s 2% target, largely reflecting the direct and indirect effects of Covid on the economy. These include the temporary impact of lower energy prices and the reduction in VAT, as well as some downward pressure from spare capacity. CPI inflation is expected to remain at, or just above, ½% during most of the winter, before rising quite sharply towards the target as the effects of lower energy prices and VAT dissipate. In the central projection, conditioned on prevailing asset prices, inflation is projected to be 2% in two years’ time.”

At this meeting the MPC decided that an easing of monetary policy was warranted and agreed to increase the target stock of purchased UK government bonds by an additional £150 billion in order to meet the inflation target in the medium term. In conclusion they stated that they “will continue to monitor the situation closely. If the outlook for inflation weakens, the Committee stands ready to take whatever additional action is necessary to achieve its remit. The Committee does not intend to tighten monetary policy at least until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% inflation target sustainably.”

The next MPC decision on the Bank Base Rate will be on 17 December 2020.

The Monetary Policy Report for November 2020 was published at the same time as the Bank Rate decision. It concluded that “Inflation has been below the MPC’s 2% target, reflecting the influence of temporary factors, as well as the impact of spare capacity. Spare capacity in the labour market has weighed on wage growth, with recent pay settlements weak. That is likely to have exerted some downward pressure on inflation. Inflation has also been materially affected by previous falls in energy prices and the impact of the Government’s cut to VAT for certain services.”

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

Table: Forecasts for the UK Economy

Source: HM Treasury - Forecasts for the UK Economy (November2020)

2020 (Quarter 4)	Lowest %	Highest %	Average %
CPI	0.1	1.2	0.6
RPI	0.7	1,7	1.2
LFS Unemployment Rate	4.5	9.1	6.4
2021 (Quarter 4)	Lowest %	Highest %	Average %
CPI	0.4	3.9	1.9
RPI	0.9	5.2	2.6
LFS Unemployment Rate	5.0	9.6	7.2

Note the wide range between highest and lowest forecasts which reflects the volatility and uncertainty arising from COVID-19 and the difficulty of forecasting how the situation will evolve. Clearly where the level of inflation during the year exceeds the amount provided for in the budget, this will put pressure on services to stay within budget and will require effective monitoring and control.

Independent medium-term projections for the calendar years 2020 to 2024 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (November 2020)					
	2020	2021	2022	2023	2024
	%	%	%	%	%
CPI	0.9	1.7	2.2	2.1	2.1
RPI	1.5	2.3	3.1	3.3	3.2
LFS Unemployment Rate	4.8	7.2	6.1	5.1	4.7

Appendix 3

Treasury Management: Outlook

The Bank's Monetary Policy Committee (MPC) sets monetary policy to keep inflation low and stable, which supports growth and jobs. Subject to maintaining price stability, the MPC is also required to support the Government's economic policy. The Government has set the MPC a target for the 12-month increase in the Consumer Prices Index of 2%.

The MPC currently uses two main monetary policy tools.

1. setting the interest rate that banks and building societies earn on deposits, or 'reserves', placed with the Bank of England — this is Bank Rate.
2. buying government and corporate bonds, financed by the issuance of central bank reserves — this is asset purchases or quantitative easing.

At its meeting ending on 4 November 2020, the MPC voted unanimously to maintain Bank Rate at 0.1%. The Committee voted unanimously for the Bank of England to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £20 billion. The Committee voted unanimously for the Bank of England to continue with the existing programme of £100 billion of UK government bond purchases, financed by the issuance of central bank reserves, and also for the Bank of England to increase the target stock of purchased UK government bonds by an additional £150 billion, financed by the issuance of central bank reserves, to take the total stock of government bond purchases to £875 billion.

The outlook for the economy remains unusually uncertain. It depends on the evolution of the pandemic and measures taken to protect public health, as well as the nature of, and transition to, the new trading arrangements between the European Union and the United Kingdom. It also depends on the responses of households, businesses and financial markets to these developments.

The next MPC decision on the Bank Base Rate will be on 17 December 2020.

In its November 2020 Monetary Policy report the MPC has used the following projections implied by current data trends:-

	Projections (November 2020)			
	2020 Q.4	2021 Q.3	2022 Q.3	2023 Q3.
GDP	-11	11	3.1	1.6
CPI Inflation	0.6	2.1	2.0	2.1
LFS Unemployment Rate	6.3	6.7	4.9	4.3
Excess Supply/Excess Demand	-2.25	-0.25	+0.25	+0.25
Bank Rate	0.1	-0.1	-0.1	0.0

In the MPC's projections conditioned on the alternative assumption of constant interest rates at 0.1%, activity is projected to be slightly weaker and CPI inflation is projected to be a little lower.

The conclusions that the MPC reach in the November Monetary Policy Report are supported by the following Key Judgements and Risks:--

Uncertainty around the MPC’s central projections is unusually high and the risks to activity are judged to be skewed to the downside

Key judgement 1: in the near term, activity is dampened by Covid developments and temporarily lower trade as businesses adjust to new arrangements with the EU.

Key judgement 2: over time, uncertainty dissipates gradually and spending recovers.

Key judgement 3: there is some long-lasting scarring of the economy’s supply capacity.

Key judgement 4: spare capacity in the economy is currently weighing on inflation, but it is eroded over time and inflation returns to the target.

The MPC also indicate that UK-specific factors, such as Brexit, have affected UK asset prices. The MPC state that “news reports about the terms on which the UK and EU will trade from 1 January 2021 has been an important factor driving moves in sterling since August. Sterling fell by 4% in early September, but it has subsequently recovered to a little above its level in the run-up to the August Report. Market pricing suggests that the outlook for sterling is uncertain: market-implied sterling volatilities have increased since August and risk reversals suggest that market participants place more weight on a large depreciation than a large appreciation.”

The possibility of negative interest rates also seems to persist. The MPC note that
“ the market-implied path for Bank Rate has changed little since the August Report. The path moves below zero during 2021, as was the case in August. This suggests that market participants attach some weight to the possibility of a negative Bank Rate.”

Capital Budget Monitoring- October 2020

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2020/21	Full Year Variance
Capital	**6,876,681**	**11,110,440**	**(4,233,759)**	**36,308,190**	**36,083,941**	**(224,249)**
Corporate Services	**844,554**	**3,350,567**	**(2,506,013)**	**21,256,540**	**21,256,533**	**(7)**
Customer, Policy and Improvement	**118,260**	**0**	**118,260**	**282,200**	**282,200**	**0**
Customer Contact Programme	118,260	0	118,260	282,200	282,200	0
Facilities Management Total	**128,436**	**568,890**	**(440,454)**	**1,052,230**	**1,052,223**	**(7)**
Works to other buildings	130,634	376,690	(246,056)	701,690	701,690	0
Civic Centre	0	87,200	(87,200)	268,680	268,680	0
Invest to Save schemes	(2,198)	105,000	(107,198)	81,860	81,853	(7)
Infrastructure & Transactions	**597,858**	**1,289,410**	**(691,552)**	**2,295,900**	**2,295,900**	**0**
Business Systems	127,536	328,470	(200,934)	532,790	532,790	0
Social Care IT System	40,050	123,100	(83,050)	246,190	246,190	0
Planned Replacement Programme	430,272	837,840	(407,568)	1,516,920	1,516,920	0
Corporate Items	**0**	**1,492,267**	**(1,492,267)**	**17,626,210**	**17,626,210**	**0**
Multi Functioning Device (MFD)	0	0	0	270,000	270,000	0
Westminster Ccl Coroners Court	0	0	0	460,000	460,000	0
Housing Company	0	1,492,267	(1,492,267)	6,816,750	6,816,750	0
Compulsory Purchase Order	0	0	0	4,079,460	4,079,460	0
Community and Housing	**213,056**	**507,080**	**(294,024)**	**1,324,000**	**1,324,000**	**0**
Housing	**213,907**	**349,080**	**(135,173)**	**950,000**	**950,000**	**0**
Disabled Facilities Grant	213,907	349,080	(135,173)	600,000	600,000	0
Major Projects - Social Care H	0	0	0	350,000	350,000	0
Libraries	**(851)**	**158,000**	**(158,851)**	**374,000**	**374,000**	**0**
Library Enhancement Works	(851)	0	(851)	0	0	0
Major Library Projects	0	150,000	(150,000)	350,000	350,000	0
Libraries IT	0	8,000	(8,000)	24,000	24,000	0

Capital Budget monitoring- October 2020

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2020/21	Full Year Variance
Children Schools & Families	**1,060,477**	**1,685,720**	**(625,243)**	**3,280,400**	**3,280,107**	**(293)**
Primary Schools	**580,659**	**565,030**	**15,629**	**1,094,790**	**1,094,785**	**(5)**
Hollymount	(356)	0	(356)	0	0	0
West Wimbledon	0	39,350	(39,350)	40,000	40,000	0
Hatfeild	34,031	8,910	25,121	67,110	67,109	(1)
Hillcross	27,295	24,790	2,505	30,660	30,656	(4)
Dundonald	45,900	23,200	22,700	75,000	75,000	0
Garfield	36,597	42,620	(6,023)	37,000	37,000	0
Merton Abbey	(530)	0	(530)	0	0	0
Poplar	10,973	8,510	2,463	19,000	19,000	0
Wimbledon Chase	77,501	18,990	58,511	99,990	99,990	0
Wimbledon Park	425	10,000	(9,575)	0	0	0
Abbotsbury	88,071	77,200	10,871	130,000	130,000	0
Malmesbury	0	10,000	(10,000)	0	0	0
Morden	(2,219)	0	(2,219)	0	0	0
Bond	6,092	6,030	62	6,030	6,030	0
Cranmer	0	8,000	(8,000)	64,000	64,000	0
Gorringe Park	24,700	32,650	(7,950)	37,000	37,000	0
Haslemere	(68)	0	(68)	0	0	0
Liberty	(487)	16,640	(17,127)	0	0	0
Links	3,110	77,000	(73,890)	33,000	33,000	0
St Marks	29,862	55,000	(25,138)	80,000	80,000	0
Lonesome	33,680	36,740	(3,060)	40,000	40,000	0
Sherwood	167,849	66,200	101,649	191,000	191,000	0
Stanford	(1,768)	0	(1,768)	0	0	0
William Morris	0	3,200	(3,200)	25,000	25,000	0
Unallocated Primary School Proj	0	0	0	120,000	120,000	0

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2020/21	Full Year Variance
Secondary School	**(41,246)**	**160,010**	**(201,256)**	**177,760**	**177,478**	**(282)**
Harris Academy Merton	0	34,170	(34,170)	34,170	34,170	0
Raynes Park	0	5,590	(5,590)	5,590	5,605	15
Ricards Lodge	0	5,580	(5,580)	5,580	5,288	(292)
Rutlish	1,996	19,000	(17,004)	7,420	7,415	(5)
Harris Academy Wimbledon	(43,243)	95,670	(138,913)	125,000	125,000	0
SEN	**318,508**	**727,630**	**(409,122)**	**1,643,280**	**1,643,274**	**(6)**
Perseid	12,389	128,250	(115,861)	157,110	157,104	(6)
Cricket Green	141,949	197,190	(55,241)	442,190	442,190	0
Melrose	153,107	340,590	(187,483)	983,980	983,980	0
Unlocated SEN	(8,937)	48,260	(57,197)	60,000	60,000	0
Melbury College - Smart Centre	20,000	13,340	6,660	0	0	0
CSF Schemes	**202,557**	**233,050**	**(30,493)**	**364,570**	**364,570**	**0**
CSF IT Schemes	(1,353)	0	(1,353)	0	0	0
Devolved Formula Capital	203,910	233,050	(29,140)	349,570	349,570	0
Children's Centres	0	0	0	5,000	5,000	0
Youth Provision	0	0	0	10,000	10,000	0

	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Year Forecast 2020/21	Full Year Variance
Environment and Regeneration	**4,758,593**	**5,567,073**	**(808,479)**	**16,447,250**	**16,223,301**	**(223,949)**
Public Protection and Development	**0**	**210,920**	**(210,920)**	**450,340**	**383,740**	**(66,600)**
On Street Parking - P&D	0	50,000	(50,000)	100,000	100,000	0
Off Street Parking - P&D	0	85,750	(85,750)	200,000	133,400	(66,600)
CCTV Investment	0	75,170	(75,170)	150,340	150,340	0
Public Protection and Development	0	0	0	0	0	0
Street Scene & Waste	**(117,973)**	**232,700**	**(350,673)**	**604,630**	**560,280**	**(44,350)**
Fleet Vehicles	0	220,700	(220,700)	542,200	542,200	0
Alley Gating Scheme	1,200	12,000	(10,800)	24,000	10,000	(14,000)
Waste SLWP	(119,173)	0	(119,173)	38,430	8,080	(30,350)
Sustainable Communities	**4,876,566**	**5,123,453**	**(246,886)**	**15,392,280**	**15,279,281**	**(112,999)**
Street Trees	20,756	33,000	(12,244)	126,000	126,000	0
Raynes Park Area Roads	1,510	13,055	(11,545)	26,110	26,110	0
Highways & Footways	2,870,178	2,185,730	684,448	7,210,570	7,210,571	1
Cycle Route Improvements	231,631	66,195	165,436	468,770	468,770	0
Mitcham Transport Improvements	53,349	48,305	5,044	96,610	96,610	0
Unallocated TfL	0	0	0	0	0	0
Colliers Wood Area Regeneration	6,838	7,500	(662)	15,000	15,000	0
Mitcham Area Regeneration	441,790	1,143,775	(701,985)	3,064,590	3,064,590	0
Wimbledon Area Regeneration	396,448	394,150	2,298	1,105,340	1,105,340	0
Morden Area Regeneration	0	0	0	300,000	300,000	0
Borough Regeneration	21,850	166,525	(144,675)	224,050	224,050	0
Morden Leisure Centre	11,293	38,550	(27,257)	55,000	55,000	0
Wimbledon Park Lake and Waters	43,647	108,500	(64,853)	179,500	179,500	0
Sports Facilities	184,671	103,840	80,831	218,840	218,840	0
Parks	592,607	814,328	(221,721)	2,301,900	2,188,900	(113,000)

Virement, Re-profiling and New Funding - October 2020

Appendix 5B

		2020/21 Budget	Virements	Funding Adjustments	Reprofiling	Revised 2020/21 Budget	2021/22 Budget	Movement	Revised 2021/22 Budget	Narrative
		£	£		£	£	£		£	
Corporate Services										
Customer Contact	(1)	500,000			(217,800)	282,200	2,000,000	217,800	2,217,800	Reprofiled in line with projected spend
Planning and Public Protection	(1)	340,710			(340,710)	0	0	340,710	340,710	Reprofiled in line with projected spend
Invest to Save General	(1)	260,000			(198,140)	61,860	300,000	198,140	498,140	Reprofiled in line with projected spend
Photovoltaics & Energy Conserv		75,000			(55,000)	20,000		55,000	55,000	Reprofiled in line with projected spend
Housing Company	(1)	12,816,750			(6,000,000)	6,816,750	10,557,690		10,557,690	Reprofiled in line with projected spend
Community and Housing										
Disabled Facilities Grant		640,000			(40,000)	600,000	827,000		827,000	Reprofiled in line with projected spend
Children, Schools and Families										
West Wimbledon Capital Maintenance		39,350	650			40,000	0		0	Virement from Capital Maintenance unallocated
Hatfeild Capital Maintenance		54,910	12,200			67,110	0		0	Virement from Capital Maintenance unallocated
Hillcross Capital Maintenance		83,290			(52,630)	30,660	0	52,630	52,630	Reprofiled in line with projected spend
Dundonald Capital Maintenance		124,500			(49,500)	75,000	0	49,500	49,500	Reprofiled in line with projected spend
Garfield Capital Maintenance		42,620			(5,620)	37,000	0	5,620	5,620	Reprofiled in line with projected spend
Poplar Capital Maintenance		24,010			(5,010)	19,000	0	5,010	5,010	Reprofiled in line with projected spend
Wimbledon Park Capital Maintenance		40,000			(40,000)	0	0	40,000	40,000	Reprofiled in line with projected spend
Abbotsbury Capital Maintenance		137,200			(7,200)	130,000	0	7,200	7,200	Reprofiled in line with projected spend
Malmesbury Capital Maintenance		35,000			(35,000)	0	0	35,000	35,000	Reprofiled in line with projected spend
Cranmer Capital Maintenance		34,000	30,000			64,000	0		0	Reprofiled in line with projected spend
Gorringe Park Capital Maintenance		86,650			(49,650)	37,000	0	49,650	49,650	Reprofiled in line with projected spend
Liberty Capital Maintenance		33,640			(33,640)	0	0	33,640	33,640	Reprofiled in line with projected spend
Links Capital Maintenance	(1)	170,000			(137,000)	33,000	0	137,000	137,000	Reprofiled in line with projected spend
St Marks Capital Maintenance		165,000			(85,000)	80,000	0	85,000	85,000	Reprofiled in line with projected spend
Lonesome Capital Maintenance		46,740			(6,740)	40,000	0	6,740	6,740	Reprofiled in line with projected spend
Sherwood Capital Maintenance		215,200			(24,200)	191,000	0	24,200	24,200	Reprofiled in line with projected spend
William Morris Capital Maintenance		53,200			(28,200)	25,000	0	28,200	28,200	Reprofiled in line with projected spend
Unallocated Capital Maintenance	(1)	844,250	(118,890)		(605,360)	120,000	1,900,000	605,360	2,505,360	Three virements and Reprofiled in line with projected spend
Rutlish Capital Maintenance		19,000			(11,580)	7,420	0	11,580	11,580	Reprofiled in line with projected spend
Harris Wimbledon Expansion		195,670			(70,670)	125,000	0	70,670	70,670	Reprofiled in line with projected spend
Perseid Capital Maintenance	(1)	256,840			(106,840)	150,000	0	106,840	106,840	Reprofiled in line with projected spend
Perseid Expansion		29,130			(22,020)	7,110	0	22,020	22,020	Reprofiled in line with projected spend
Cricket Green Expansion		83,960	76,040			160,000	0		0	Virement from Capital Maintenance unallocated
Melrose SEMH	(1)	872,560			77,440	950,000	839,050	997,560	1,836,610	Primary/Secondary SEMH Merged and reprofiled on this Scheme
Melrose Primary SEMH (Merging Schemes)	(1)	200,000			(200,000)	0	875,000	(875,000)	0	Primary/Secondary SEMH Merged with Scheme above
Harris Morden Autism Unit		50,000			(50,000)	0	1,310,000	50,000	1,360,000	Reprofiled in line with projected spend
Primary ASD base 1-20 places		68,260			(18,260)	50,000	0	18,260	0	Reprofiled in line with projected spend
Secondary SEMH/medical PRU		50,000			(40,000)	10,000	1,300,000	40,000	0	Reprofiled in line with projected spend
New ASD Provision		50,000			(50,000)	0	0	50,000	50,000	Reprofiled in line with projected spend
Melbury College Smart Ctre Capital Maintenance		13,340			(13,340)	0	0	13,340	13,340	Reprofiled in line with projected spend
Environment and Regeneration										
Haydons Road Shop Front Improvements	(1)	481,580			(481,580)	0	0	481,580	481,580	Reprofiled in line with projected spend
Wimbledon Park Lake Safety	(1)	329,500			(150,000)	179,500	1,007,450	150,000	1,157,450	Reprofiled in line with projected spend
Leisure Centres Plant and Machinery	(1)	308,840		(80,000)	(160,000)	68,840	250,000	160,000	410,000	Reprofiled in line with projected spend & £80k Relinquished
Cycle Imps Residential Streets		72,390		12,380		84,770	0		0	S106 Scheme Havelock Rd
Surface Water Drainage - Wimb Rain Gdn		60,000		7,000		67,000	0		0	S106 Scheme Wimb Water Garden
Metrobank Public Realm		0		33,420		33,420	0		0	New S106 Scheme
Total		20,003,090	0	(27,200)	(9,313,250)	10,662,640	21,166,190	3,273,250	23,081,180	
(1) Requires Cabinet approval										

Virement, Re-profiling and New Funding - October 2020

Appendix 5B

		2022/23 Budget	Movement	Revised 2022/23 Budget	2023/24 Budget	Movement	Revised 2023/24 Budget	Narrative
		£	£	£	£		£	
Corporate Services								
Housing Company		0	6,000,000	6,000,000			0	Reprofiled in line with projected spend
Community and Housing								
Disabled Facilities Grants		827,000		827,000	467,000	40,000	507,000	Reprofiled in line with projected spend
Total		827,000	6,000,000	6,827,000	467,000	40,000	507,000	
(1) Requires Cabinet approval								

Capital Programme Funding Summary 2020/21

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
September Monitoring	32,525	13,123	45,649
Corporate Services			
Customer Contact Programme	(218)	0	(218)
Planning and Public Protection	(341)	0	(341)
Invest to Save General	(198)	0	(198)
Photovoltanics	(55)	0	(55)
Housing Company	(6,000)	0	(6,000)
Community and Housing			
Disabled Facilities Grant	0	(40)	(40)
Children, Schools and Families			
Hillcross Capital Maintenance	0	(53)	(53)
Dundonald Capital Maintenance	0	(50)	(50)
Garfield Capital Maintenance	0	(6)	(6)
Poplar Capital Maintenance	0	(5)	(5)
Wimbledon Park Capital Maintenance	0	(40)	(40)
Abbotsbury Capital Maintenance	0	(7)	(7)
Malmesbury Capital Maintenance	0	(35)	(35)
Gorringe Park Capital Maintenance	0	(50)	(50)
Liberty Capital Maintenance	0	(34)	(34)
Links Capital Maintenance	0	(137)	(137)
St Marks Capital Maintenance	0	(85)	(85)
Lonesome Capital Maintenance	0	(7)	(7)
Sherwood Capital Maintenance	0	(24)	(24)
William Morris Capital Maintenance	0	(28)	(28)
Unallocated Capital Maintenance	0	(605)	(605)
Rutlish Capital Maintenance	0	(12)	(12)
Harris Wimbledon Expansion	(71)	0	(71)
Perseid Capital Maintenance	0	(107)	(107)
Perseid Expansion	(22)	0	(22)
Melrose SEMH	77	0	77
Melrose Primary SEMH (Merging Schemes)	(200)	0	(200)
Harris Morden Autism Unit	(50)	0	(50)
Primary ASD base 1-20 places	(18)	0	(18)
Secondary SEMH/medical PRU	(40)	0	(40)
New ASD Provision	(50)	0	(50)
Melbury College Smart Ctre Capital Maintenanc	0	(13)	(13)
School Condition Grant Applied	(1,270)	1,270	0
Environment and Regeneration			
Haydons Road Shop Front Improvements	(482)	0	(482)
Wimbledon Park Lake Safety	(150)	0	(150)
Leisure Centres Plant and Machinery	(240)	0	(240)
Cycle Imps Residential Streets	12	0	12
Surface Water Drainage - Wimb Rain Gdn	7	0	7
Metrobank Public Realm	33	0	33
Proposed October Monitoring	23,252	13,056	36,308

Appendix 5C

Capital Programme Funding Summary 2021/22

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Proposed September Monitoring	34,919	7,171	42,089
Corporate Services			
Customer Contact Programme	218	0	218
Planning and Public Protection	341	0	341
Invest to Save General	198	0	198
Photovoltanics	55	0	55
Children, Schools and Families			
Hillcross Capital Maintenance	53	0	53
Dundonald Capital Maintenance	50	0	50
Garfield Capital Maintenance	6	0	6
Poplar Capital Maintenance	5	0	5
Wimbledon Park Capital Maintenance	30	10	40
Abbotsbury Capital Maintenance	7	0	7
Malmesbury Capital Maintenance	25	10	35
Gorringe Park Capital Maintenance	50	0	50
Liberty Capital Maintenance	27	7	34
Links Capital Maintenance	137	0	137
St Marks Capital Maintenance	85	0	85
Lonesome Capital Maintenance	7	0	7
Sherwood Capital Maintenance	24	0	24
William Morris Capital Maintenance	28	0	28
Unallocated Capital Maintenance	605	0	605
Rutlish Capital Maintenance	12	0	12
Harris Wimbledon Expansion	71	0	71
Perseid Capital Maintenance	107	0	107
Perseid Expansion	22	0	22
Melrose SEMH	998	0	998
Melrose Primary SEMH (Merging Scheme	(875)	0	(875)
Harris Morden Autism Unit	50	0	50
Primary ASD base 1-20 places	18	0	18
Secondary SEMH/medical PRU	40	0	40
New ASD Provision	50	0	50
Melbury College Smart Ctre Capital Maint	13	0	13
Environment and Regeneration			
Haydons Road Shop Front Improvements	482	0	482
Wimbledon Park Lake Safety	150	0	150
Leisure Centres Plant and Machinery	160	0	160
Proposed October Monitoring	38,165	7,198	45,362

Appendix 5C

Capital Programme Funding Summary 2022/23

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Capital Programme 4-3-20	**10,540**	**3,480**	**14,020**
Outturn Adjustments	269	278	547
Approved May Monitoring	**10,809**	**3,758**	**14,567**
Corporate Services			
Civic Centre Lighting Upgrade	300	0	300
School Admissions System	125	0	125
IT Equipment	(100)	0	(100)
Environment and Regeneration			
Alley Gating Scheme	(6)	0	(6)
Surface Water Drainage	(9)	0	(9)
Morden Town Centre Regeneration	108	0	108
Mortuary Provision	(54)	0	(54)
Approved Programme	**11,173**	**3,758**	**14,931**
Corporate Services			
Housing Company	6,000	0	6,000
Proposed October Monitoring	**17,173**	**3,758**	**20,931**

Capital Programme Funding Summary 2023/24

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Approved Proramme	**21,502**	**3,200**	**24,702**
Community and Housing			
Disabled Facilities Grant	40	0	40
Proposed October Monitoring	**21,542**	**3,200**	**24,742**

APPENDIX 6

Department	Target Savings 2020/21	Projected Savings 2020/21	Period 7 Forecast Shortfall	Period Forecast Shortfall (P6)	Period 6 Forecast Shortfall	2021/22 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	2,718	1,721	997	36.7%	972	595
Children Schools and Families	2,969	2,235	734	24.7%	734	400
Community and Housing	2,460	1,560	900	36.6%	1,000	500
Environment and Regeneration	3,927	887	3,040	77.4%	3,115	0
Total	**12,074**	**6,403**	**5,671**	47.0%	**5,821**	**1,495**

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APPENDIX 3

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2020-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG		2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	2021/22 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	SUSTAINABLE COMMUNITIES											
ENV1920-03	Property Management: Realign rental income budgets to better reflect current levels of income being achieved from conducting rent reviews in line with tenancy agreements	300	300	0	A		300	0	G	James McGinlay	Rent reviews have been pushed back to next year because of Covid 19.	**N**
ENV1920-06	Future Merton: Highways advertising income through re-procurement of the advertising contract for the public highway.	40	0	40	R		40	0	G	James McGinlay	Covid-19 estimated to impact on saving, due to JC Decaux requesting to remove Q2 guaranteed income payment due to LBM.	**Y**
ALT1920-01	Property Management: Increased income already being achieved from conducting rent reviews in line with tenancy agreements	70	70	0	G		70	0	G	James McGinlay	Currently expecting to achieve saving, but it remains to be seen how C-19 will impact the viability of businesses.	**N**
	PUBLIC PROTECTION											
ENV1819 - 02	Parking: Operational efficiencies. Parking services manage a high level of transactional applications, for PCN, Permit and general enquiries. Through improved use of technology and a review of practices, including the development of self service transactions by customers opposed to back office staff processing, efficiency savings can be made.	57	57	0	G		57	0	G	Cathryn James		**N**
ENV1819-03	Parking: The objective of the proposal is to support the delivery of key strategic council priorities including public health, air quality and sustainable transportation, in addition to managing parking, kerbside demand and congestion. Whilst implementation of the proposals will have the incidental effect of generating additional revenue, it is difficult to assess the level of change in customer behaviour and any subsequent financial impact arising from the changes. This will be monitored after implementation and any resulting impacts will be considered during the future years' budget planning cycles. **The above will be subject to the outcome of the consultation process in 2019.**	1,900	0	1,900	R		1900	0	A	Cathryn James	The new charges were implemented on 14th January 2020. Early analysis shows a reduction in sales of Permits, including scratch cards, and a greater number of 6 month permits being sold than 12 month permits against historic trends, which is even more evident in the case of diesel cars Permits. Unfortunately Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a significant change in Permit sales, which has made projections very difficult. Permit sales in Sept and October 2020 are now on par with previous years and will continue to be monitored on a monthly basis particular in light of Lockdown 2 (Nov 2020) Following the introduction of On Street charges, data showed expected income was being achieved, but off street showed a slight under recovery on estimated. Unfortunately, Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a reduction in parking activity, which makes analysis against budget projection near on impossible. For the period June through to October data showed off street activity at 50% of pre covid and on street at 80%. Lockdown 2 (Nov 2020) may have an effect on this and will be closely monitored.	**Y**
ENV1819 - 04	Parking: Reduction in the number of pay & display machines required.	13	13	0	A		13	0	G	Cathryn James		**N**
ENV1920-01	Parking: Application to change Merton's PCN charge band from band B to band A. To effect this a full business case will need to be presented to Full Council. Following this, an application will be made to the London Councils Transport, and Environment Committee. Depending on the outcome at the Committee, the Mayor will also be required to ratify the application and the Secretary of State has final sign off. This 'saving' reflects the impact on estimated revenue until motorist compliance takes full effect .The objective is to reduce non-compliance but if the band change is implemented it is likely that there will be a short term increase in revenue. The purpose of PCN parking charges is to dissuade motorists from breaking parking restrictions and charges must be proportionate. The income from charges must only be used in accordance with the Road Traffic Regulation Act 1984. These purposes are contained within the Council's traffic management and other policy objectives.	340	0	340	R		340	0	A	Cathryn James	This saving will not be achieved in 2020/21. The consultation process had been extended to 28th June 2020 to allow further time for responses to be received due to the Covid 19 emergency. Following the consultation process and approval by Merton, the proposal was put before London Council in October 2020 and, the process is now for GLA, Mayor for London and Secretary of State to approve. It is estimated that if approval is granted the proposal could be implemented by April 2021	**Y**

G	A	R

APPENDIX 3

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2020-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG		2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	2021/22 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
ENV1920-02	Parking: Compliance rates for ANPR Moving Traffic Offences have not decreased significantly or as estimated since the implementation of the ANPR cameras and as a consequence the PCN revenue remains above original estimations. This 'saving' recognises revenue currently being received by the Council rather than any estimated increase. The purpose of PCN parking charges is to dissuade motorists from breaking parking restrictions and charges must be proportionate. The income from charges must only be used in accordance with the Road Traffic Regulation Act 1984. These purposes are contained within the Council's traffic management and other policy objectives.	300	0	300	R		300	0	A	Cathryn James	Since mid-March 2020 there has been an unprecedented reduction in traffic on our roads. This has resulted in the number of PCNs being issued by ANPR to drop to less than 10% of normal activity for April/May 2020. Although numbers are starting to increase through June to September, due to this change in activity as a result of Covid 19, this saving projection will not be met in 2020/21, and the longer term impact continues to be analysed. The November 2020 lockdown is projected to have a further effect on driver habits with a projected reduction in the number of MTC being recorded. This change in activity will also be reviewed and monitored. It is however expected that this saving will not be met.	Y
ALT1920-02	Parking: The use of ANPR to enforce moving traffic contraventions has been operational since July 2016. The number of cameras has increased and the locations varied over this period and the number of PCNs remains above initial estimates.	337	0	337	R		337	0	A	Cathryn James	Since mid-March 2020 there has been an unprecedented reduction in traffic on our roads. This has resulted in the number of PCNs being issued by ANPR to drop to less than 10% of normal activity for April/May 2020. Although numbers are starting to increase through June to September, due to this change in activity as a result of Covid 19, this saving projection will not be met in 2020/21, and the longer term impact continues to be analysed. The November 2020 lockdown is projected to have a further effect on driver habits with a projected reduction in the number of MTC being recorded. This change in activity will also be reviewed and monitored. It is however expected that this saving will not be met.	
	PUBLIC SPACE											
E3	Leisure: Polka Theatre Grant Reduction	30	30	0	G		30	0	G	John Bosley	Polka are aware of this revenue saving, however are delayed in opening their theatre which in turn increases financial pressures on their business.	N
ENV1920-04	Waste: The service change in October 2018 has had a significant impact on waste arisings and recycling levels. Residual waste volume has reduced by c12% whilst recycling levels have increased from c34% to c45% . Whilst we have already built £250k into the MTFS we believe that this can be added to.	250	250	0	A		250	0	G	John Bosley	The service has maintained a high recycling rate in 2019/20 and recycled 43% of all domestic waste and delivered significant (above target) savings in the disposal cost. This budget is now under pressure due to the sudden growth in domestic waste following the National impact of COVID 19 and residents now self isolating and working from home. The volumeof general waste has stabalised following the increase in Quarter 1 however, the service continues to see a sustained increase in both Dry Recycling and Food waste. This is being monitored closely and financial forecast will be amended accordingly if the current trend changes.	N
ENV1920-05	Waste: The Kingdom environment enforcement contract is due for reprocurement and renewal in Spring 2020. This provides an opportunity for it to be broadened and also to ensure that its operation is as effective as possible for the Council .	50	50	0	G		50	0	G	John Bosley	Between April - July 2020 the service as been redeployed to support enforcement activities in our Parks and Green spaces along with weekly support to the Mobile Testing Unit (MTU) in Morden for Covid 19. As such the level of FPNs issued has reduced. We are currently reviewing the deployment arrangements with our service provider with the aim of returning to a BAU approaches our town centres re open and the level of footfall increases at our transport hubs.	N
ALT1920-03	Leisure: Increased income from Leisure Centres Management Contract	10	0	10	R		10	0	G	John Bosley	This amount is already included in the income target for this year and going forward, but with Covid 19 changing the uses of leisure centres this will not be achieved this year	Y

G	A	R

APPENDIX 3

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2020-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG		2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	2021/22 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
ALT1920-04	Waste Services: Increase level of Environmental Enforcement activities of both internal team & service provider - ensuring the operational service is cost neutral	150	101	49	R		150	0	G	John Bosley	Between April - July 2020 the service has been redeployed to support enforcement activities in our Parks and Green spaces along with weekly support to the Mobile Testing Unit (MTU) in Morden for Covid 19. As such the level of FPNs issued has reduced. We are currently reviewing the deployment arrangements with our service provider with the aim of returning to a BAU approaches our town centres re open and the level of footfall increases at our transport hubs. The commisioning and procurement of a new enforcemnt contract along with the wider Public Space restructure scheduled for late 20/21	N
ALT1920-05	Waste Services: Reduction in external training budget.	6	6	0	G		6	0	G	John Bosley	Completed - all new training and development requirement will be assesed and managed in line with the corperate L&D team.	N
ALT1920-06	Greenspaces: Reduction in grant to Deen City farm as part of agreement involving capital investment	10	10	0	G		10	0	G	John Bosley		N
ALT1920-07	Greenspaces: Realign budgets to better reflect current levels of income from outdoor events.	64	0	64	R		64	0	G	John Bosley	Many events due for 2020/21 have been cancelled due to Covid-19.	Y
	Total Environment and Regeneration Savings 2018/19	**3,927**	**887**	**3,040**			**3,927**	**0**				

Updated for October 2020

APPENDIX 6

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2020/21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG		2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	Adult Social Care											
CH72	**Deferred Savings - Transport**	100	200	(100)	G		100	0	G	John Morgan	Although the implementation of the review has been delayed, there has been a drop in transport activity, particularly taxis, due to C19. Further work is required to ensure that these reductions are sustained into the long term.	
CH76	**OPMH Staffing**	100	0	100	R		0	100	R	John Morgan	We need to review the demand for MH services with the trust due to C19. Further work is required to establish the necessary resourcing	
CH87	**Mascot Income**	100	0	100	R		100	0	A	Andy Ottaway-Searle	MASCOT income has fallen due to cancelled services	
CH88	**Home Care Monitoring System:** -The aim of this proposal is to roll out a home care monitoring system for all home care providers to ensure that we can monitor the delivery of home care visits.	78	78	0	G		0	0	G	Phil Howell	Although the project has been delayed. This reflects period 7 budget monitoring forecasts on dom care	
CH82 / 83 / 90	**Out of Area Placements**	1,100	343	757	A		757	0	A	John Morgan	This reflects ASC placement spend as at period 7. Work continues to try to achieve the balance of the saving	
CH91	**Supported Living / Residential review**	400	400	0	G		0	400	A	John Morgan	This reflects ASC placement spend as at period 7. Work continues to try to achieve the balance of the saving	
CH92	**Mobile Working**	50	7	43	A		50	0	G	John Morgan	C19 has prompted a major move towards mobile working. Public transport costs are down £7k, other recharges awaited	
CH96	**Home Care Monitoring**	32	32	0	G		0	0	G	John Morgan	The project has been delayed by actions necessary due to C19	
CH99	**Placements**	500	500	0	G		500	0	G	John Morgan	There has been a reduction in gross costs of care forecast as at period 7. Placements are subject to continued senior management scrutiny	
	Subtotal Adult Social Care	2,460	1,560	900		0	1,507	500				

Updated for October 2020

APPENDIX 6

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2020/21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Achieved £000	Shortfall	RAG		2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	Total C & H Savings for 2020/21	2,460	1,560	900			1,507	500				

DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS 2020/21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Forecast £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
	Customers, Policy & Improvement										
CS2016 -06	Merton Link - efficiency savings	30	30	0	G	30	0	G	Sean Cunniffe		
2019-20 CS02	Charge for Blue Badges	15	0	15	R	15	0	A	Sean Cunniffe	Charges not yet in place - to be reviewed.	Y
2019-20 CS28	cash collection reduction	12	12	0	G	12	0	G	Sean Cunniffe		
2020-21 CS5	Reduction in various running costs across the division	20	20	0	G	20	0	G	CPI AD		
2020-21 CS6	Community engagement - reduction in running costs	8	8	0	G	8	0	G	Kris Witherington		
	Resources										
2018-19 CS06	Miscellaneous budgets within Resources	17	17	0	G	17	0	G	Resources Senior Management		
2018-19 CS07	Retender of insurance contract	50	0	50	R	13	37	A	Nemashe Sivayogan	New contract comes into place mid 2020/21. Insurance premiums cost will be reduced but variance remains adverse due to historic budget pressure. This will be offset in part during 2020/21 and fully during 2021/22 by an overachievement on income	Y
2018-19 CS08	Increase in income from Enforcement Service	20	0	20	R	20	0	A	David Keppler	Not achievable in light of covid-19 circumstances. Bailiff service is currently not operational.	Y
2019-20 CS06	Revs and Bens reduction in staffing	146	146	0	G	146	0	G	David Keppler		
2019-20 CS07	Treasury - increase in investment income	20	20	0	G	20	0	G	Nemashe Sivayogan		
2019-20 CS08	Insurance reduction in staffing	15	15	0	G	15	0	G	Nemashe Sivayogan		
2020-21 CS1	Right sizing charge to Pension Fund for Pension Manager time	24	24	0	G	24	0	G	Nemashe Sivayogan		
2020-21 CS2	Savings in Insurance Fund top up budget	70	70	0	G	70	0	G	Nemashe Sivayogan		
2020-21 CS3	Increase in Investment Income	100	100	0	G	100	0	G	Nemashe Sivayogan		
2020-21 CS15	Miscellaneous savings (eg. Subscriptions)	39	39	0	G	10	0	G	Resources Senior Management	Part of this is a one-off saving - there is only £10k saving built in for 2021/22	
2020-21 CS16	Saving in Consultancy costs	20	20	0	G	20	0	G	Resources Senior Management		
CSREP 2020-21 (1)	Savings in Insurance Fund top up budget	30	30	0	G	30	0	G	Nemashe Sivayogan		
	Corporate Governance										
2018-19 CS12	SLLp - reduction in legal demand	50	0	50	R	50	0	A	Louise Round	Saving to be reviewed to determine level of achievability and if replacement may be required	Y
2019-20 CS14	impose criminal litigation cap at 20k	20	0	20	R	20	0	A	Louise Round	Saving to be reviewed to determine level of achievability and if replacement may be required	Y
2019-20 CS15	reduce civil litigation legal support by 50%	45	0	45	R	45	0	A	Louise Round	Saving to be reviewed to determine level of achievability and if replacement may be required	Y
2019-20 CS27	merge democracy services and electoral services	70	38	32	A	70	0	G	Louise Round	Post holder retiring mid-year, shortfall in year offsets with other underspends within the services	Y

DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS 2020/21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Forecast £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
2020-21 CS13	Corp Gov AD - Running Costs	24	24	0	G	24	0	G	Louise Round		

DEPARTMENT: CORPORATE SERVICES SAVINGS PROGRESS 2020/21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Forecast £000	Shortfall	RAG	2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Under spend? Y/N
2020-21 CS14	Information governance - reduction in consultancy spend	10	10	0	A	10	0	G	Karin Lane	Expected to be achieved but will be dependent upon the number of complaints	N
	Human Resources										
2019-20 CS24	Realignment/redesign of HR services to provide services to the organisation and mitigate associated risks	50	47	3	A	47	3	A	Liz Hammond	Restructure of HR staffing completed to reduce staffing structure cost by £47k	Y
2019-20 CS25	Charge for voluntary sector payroll	7	7	0	G	7	0	G	Liz Hammond		
	Infrastructure & Technology										
2019-20 CS19	Reduction in the Repairs and Maintenance budgets for the corporate buildings.	100	0	100	R	100	0	G	Edwin O'Donnell	Worked carried out to buildings in light of covid-19	Y
2019-20 CS20	Reduction in the energy 'Invest to Save' budget for the corporate buildings.	100	100	0	G	100	0	G	Edwin O'Donnell		
2019-20 CS22	Reduction in the frequency of the cleaning within the corporate buildings	25	0	25	R	0	25	A	Edwin O'Donnell	Not achievable in light of covid-19 circumstances	Y
CSD7	Restructure Post & Print section and delete 2 FTE posts	47	47	0	G	47	0	G	Keith Bartlett		
CS2015-03	Review of Transactional Services team	100	100	0	G	100	0	G	Pamela Lamb		
2018-19 CS03	Adjust current Local Authority Liaison Officer (LALO) arrangements to require Assistant Directors to undertake the duties as part of their job description.	33	33	0	G	33	0	G	Adam Viccari	Nil shortfall as this has effectively been replaced by growth added to the safety services budget from 2020/21	
2020-21 CS8	A further £100k reduction of the repairs and maintenance budget for corporate buildings.	100	92	8	A	100	0	G	Edwin O'Donnell	Worked carried out to buildings in light of covid-19	Y
2020-21 CS9	Reduction in the frequency of the cleaning within the Councils corporate buildings.	30	0	30	R	0	30	A	Edwin O'Donnell	Not achievable in light of covid-19 circumstances	Y
2020-21 CS12	Cancel lease on two Council vans	5	0	5	R	5	0	R	Edwin O'Donnell/ Richard Warren	Expenditure elsewhere in the division reduced to offset this unachieved saving.	Y
	Corporate										
2019-20 CS09	CHAS dividend	460	460	0	G	460	0	G	Ian McKinnon	CHAS revenue is being maintained at a good level so far during the covid-19 pandemic which would allow for this dividend payment	
2019-20 CS10	Recharges to Merantun Developments	75	71	4	A	75	0	G		Overheads set at £71k for 2020/21	Y
2019-20 CS11	Amend discretionary rate relief policy	75	75	0	G	75	0	G	David Keppler		
2019-20 CS12	Increase in Empty Homes Premium for long term empty properties	36	36	0	G	36	0	G	David Keppler		
2019-20 CS13	Improved collection of HB overpayments and reduce Bad Debt Provision	500	0	500	R	0	500	A	David Keppler	Not achievable due to covid-19	Y
2020-21 CS4	Housing benefit written off debt recovery (one off)	120	30	90	A			N/A	David Keppler	Reduced recovery due to covid-19. One-off saving not built in for 2021/22	Y
	Total CS Savings for 2020/21	**2718**	**1721**	**997**		**1974**	**595**	**0**			

APPENDIX 6

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 20-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Expected £000	Shortfall	20/21 RAG		2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Undersp end? Y/N
	Education											
CSF2017-07	Review schools trade offer, raise charges or consider ceasing services from 2020.	**60**	**60**	**0**			**60**	**0**		**Jane McSherry**	Delivered in Full	
CSF2018-08	Review Early Years service: radically reduce some services and/or consider withdrawing the Early Years offer.	**150**	**150**	**0**			**150**	**0**		**Jane McSherry**	Delivered in Full	
CSF2019-08	Review of school premises and contracts staffing structure	**45**	**45**	**0**			**45**	**0**		**Jane McSherry**	Delivered in Full	
CSF2019-09	Repurposing of some posts in education inclusion service	**150**	**150**	**0**			**150**	**0**		**Jane McSherry**	Delivered in Full	
CSF2019-10	Reduced contribution towards the MSCB	**44**	**10**	**34**			**44**	**0**		**Jane McSherry**	Won't be able to deliver more than approx £10k if reorganisation is undertaken in 3rd quarter.	
CSF2019-21	Review and reshaping of Short Break provision across CWD	**200**	**60**	**140**			**200**	**0**		**Jane McSherry**	This is progressing, but slowly (discussion with parent reps 20/5). Need to engage with parents and providers of short breaks. Hard to do during Covid. Won't secure full year effect. Currently paying for commissioned services not being delivered in line with government advice. There may, in due course, be additional expenses as a result. Increased provision for shielded children. Maximum of £60k deliverable, and only if it's possible to initiate the consultation in 3rd quarter. (May be able to secure some savings against this line by coding some additional activity against the Covid Budget)	
CSF2019-22	SEND Travel	**50**	**0**	**50**			**50**	**0**		**Jane McSherry**	Likely to have to spend more against this budget because of Covid-related distancing requirements in our transport options. Will also need to delay the start of this review because of the consultation requirements.	
CSF2019-20	Revenue costs of capital projects	**200**	**200**	**0**			**200**	**0**		**Jane McSherry**	Delivered in Full	
CSF2019-03	Early help re-design	**100**	**100**	**0**			**100**	**0**		**Jane McSherry**	Delivered in Full	
CSF2019-21	Legal Hard Charging	**75**	**75**	**0**			**75**	**0**		**Jane McSherry**	Delivered in Full	
				0				**0**				
	Children Social Care & Youth Inclusion			**0**				**0**				
				0				**0**				
CSF2017-03 **CSF2017-05**	Delivery of preventative services through the Social Impact Bond	**45**	**45**	**0**			**45**	**0**		**El Mayhew**	This saving should be set against the placements budget. Effective MST avoids entry to care and new placement costs	

APPENDIX 6

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 20-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Expected £000	Shortfall	20/21 RAG		2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CSF2019-15	South London Family Drug and Alcohol Court commissioning	**45**	**15**	**30**			**45**	**30**		**El Mayhew**	South London Family Drug and Alcohol Court contract has been decommissioned. Plan is to deliver savings from practice changes supported by the wider CSC & YI reorganisation. The reorganisation is delayed due to coronavirus alternative operating measures. Subject to approval process, reorganisation consultation planned to start in Q3 with mobilisation in Q4 2020/21. Will deliver no more than £15k if consultation can take place in 3rd quarter of financial year. Some mitigating activity through temporary recruitment to posts likely to be impacted in the reorganisation.	
CSF2019-02	Establish more cost effective Merton independent living provision	**400**	**200**	**300**			**400**	**300**		**El Mayhew**	This savings work has been significantly impacted by Covid-19 and the need to re-direct aspects of the transformation resource (Graduate Management Trainee) to Ofsted preparation. The transformation resource leaves CSC &YI in September 2020. Unlikely to achieve savings in 2020/21. Proposed CSC reorganisation creates recourse for this savings work to be delivered in 2021/22.	
CSF2019-04	Deliver the 14+ leaving care service through personal advisors rather than social workers	**60**	**20**	**40**			**60**	**0**		**El Mayhew**	Part of wider CSC reorganisation which is delayed due to coronavirus alternative operating measures. Subject to approval process, reorganisation consultation planned to start in Q3 with mobilisation in Q4 2020/21Will deliver no more than £20k, if consultation can take place in 3rd quarter of financial year.	
CSF2019-05	Full year effect of transfer of adoption service to Adopt London South	**30**	**30**	**0**			**30**	**0**		**El Mayhew**	Delivered in full. However, additional costs have emerged in relation to both retained functions and increased costs of service delivery passed on by ALS. Future funding for ALS will be based on demand and use. Early indications are that ALS costs are rising.	
CSF2019-06	Review of safeguarding and social work training budgets	**60**	**60**	**0**			**60**	**0**		**El Mayhew**	Delivered in full	
CSF2019-07	Reduction of Central recruitment cost budget	**30**	**30**	**0**			**30**	**0**		**El Mayhew**	Delivered in full	

APPENDIX 6

DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 20-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Expected £000	Shortfall	20/21 RAG		2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CSF2019-13	Review of current Adolescent and Family service	100	30	70			100	70		El Mayhew	Part of wider CSC reorganisation which is delayed due to coronavirus alternative operating measures. Subject to approval process, reorganisation consultation planned to start in Q3 with mobilisation in Q4 2020/21. Will deliver no more than £30k, if consultation can take place in 3rd quarter of financial year. Some mitigating activity - vacancies being held and only recruited to on a fixed term basis.	
CSF2019-15	Development of Family Network Co-Ordinators Service	45	15	0			45	0		El Mayhew	DfE funding withdrawn. Part of wider CSC reorganisation which is delayed due to coronavirus alternative operating measures. Subject to approval process, reorganisation consultation planned to start in Q3 with mobilisation in Q4 2020/21. Unlikely to achieve savings in 2020/21	
CSF2019-17	Culture change and clarification of financial support entitlement for care leavers	50	0	50			50	0		El Mayhew	Financial payments to care leavers have increased due to the impact of Covid-19 restrictions and requirement to match DWP Covid-19 increase in benefit rates - some of this will be set against the Covid-19 cost centre. Timing not appropriate to shift funding culture where continued Covid-19 situation impacts on external resources and progression of other agencies decision-making i.e. Home Office asylum decisions.	
CSF2019-18	Implementation of the DfE National Minimum rate	20	0	20			20	0		El Mayhew	Covid-19 restrictions have impacted on foster carer recruitment and approval. Older age demographics of in-house carers increases risk of reduced capacity due to increased likelihood of Covid-19 health complications. This savings work would likely have resulted in short term impact on in-house fostering capacity - this risk is too high in current context. Plan to revisit this savings work when Covid-19 situation stabilises.	

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DEPARTMENT: CHILDREN, SCHOOLS AND FAMILIES - PROGRESS ON SAVINGS 20-21

Ref	Description of Saving	2020/21 Savings Required £000	2020/21 Savings Expected £000	Shortfall	20/21 RAG		2021/22 Savings Expected £000	2021/22 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
CSF2019-19	Increased use of in-house foster carers	**20**	**20**	**0**			**20**	**0**		**El Mayhew**	DfE Covid-19 guidance requires local authorities to increase placement sufficiency. Recruitment campaign building on Covid-19 'community spirit' in motion.	
CSF2019-01	Review of CSF admin structure	**200**	**200**	**0**			**200**	**0**		**El Mayhew**	Business Support restructure completed in July 2019. There are no additional savings arising from this.	
				0								
	Commissioning			**0**								
				0								
CSF2019-11	Review of centralised commissioning budgets	**90**	**90**	**0**			**90**	**0**			Delivered in full	
				0			**0**	**0**				
	CSF Other			**0**			**0**	**0**				
				0			**0**	**0**				
CSF2019-22	PFI Unitary charges	**400**	**400**	**0**			**400**	**0**				
CSF2019-23	Pension and Redundancies charges	**300**	**300**	**0**			**300**	**0**				
	Total Children, Schools and Families Department Savings for 2020/21	**2,969**	**2,305**	**734**			**2,969**	**400**				

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Department	Savings Target 2019/20	Shortfall 2019/20	Projected Shortfall 2020/21
	£000	£000	£000
Corporate Services	1,484	100	70
Children Schools and Families	572	0	0
Community and Housing	1,534	118	0
Environment and Regeneration	2,449	837	2,065
Total	**6,039**	**1,055**	**2,135**

APPENDIX 7

DEPARTMENT: CORPORATE SERVICES - PROGRESS ON SAVINGS 19-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG	2020/21 Expected Shortfall £000	20/21 RAG	2021/22 Expected Shortfall £000	21/22 RAG	Responsible Officer	Comments
	Infrastructure & Technology										
2018-19 CS14	M3 support to Richmond/Wandsworth	20	0	20	R	20	A	0	A	Clive Cooke	This is dependent on agreement with RSP, may be at risk if they don't migrate to M3 system.
	Resources										
2018-19 CS05	Reduction in permanent staffing	30	0	30	R					Roger Kershaw	Saving replaced from 2020/21.
CSREP 2019-20 (3)	Increase in income from Enforcement service	50	0	50	R	50	R	0	A	David Keppler	The service is not currently operational in light of the covid-19 circumstances.
	Total Corporate Services Department Savings for 2019/20	100	0	100		70		0			

APPENDIX 3

DEPARTMENT: ENVIRONMENT & REGENERATION SAVINGS PROGRESS: 2019-20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG		2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	2020/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
ENV1819-05	Highways advertising income through re-procurement of the advertising contract for the public highway. New contract due to be in place by last quarter of 2019/20.	55	10	45	R		0	55	R	James McGinlay	Covid-19 estimated to impact on saving, due to JC Decaux requesting to remove Q2 guaranteed income payment due to LBM.	**Y**
E1	Investigate potential commercial opportunities to generate income from provision of business advice. This follows on from the expansion of the RSP to include Wandsworth from November 2017, and increased resilience.	60	0	60	R		0	60	R	Cathryn James	This saving is conditional on income being generated from chargeable business advice/consultancy. The focus for the financial year 2019/20 needed to refocus from income generation to service improvement including a major IT project and restructure of the service. Key projects and staff vacancies has meant it has not been possible to achieve the savings targets set for this financial year.	**Y**
ENR4	Charge local business' for monitoring of their CCTV	100	0	100	R					Cathryn James	Alternative saving has been agreed for 2020/21.	**N**
ENV1819-03	The objective of the proposal is to support the delivery of key strategic council priorities including public health, air quality and sustainable transportation, in addition to managing parking, kerbside demand and congestion. Whilst implementation of the proposals will have the incidental effect of generating additional revenue, it is difficult to assess the level of change in customer behaviour and any subsequent financial impact arising from the changes. This will be monitored after implementation and any resulting impacts will be considered during the future years' budget planning cycles. The above will be subject to the outcome of the consultation process in 2019.	1,900	662	1,238	R		0	1900	R	Cathryn James	The new charges were implemented on 14th January 2020. Early analysis shows a reduction in sales of Permits, including scratch cards, and a greater number of 6 month permits being sold than 12 month permits against historic trends, which is even more evident in the case of diesel cars Permits. Unfortunately Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a significant change in Permit sales, which has made projections very difficult. Permit sales in Sept and October 2020 are now on par with previous years and will continue to be monitored on a monthly basis particular in light of Lockdown 2 (Nov 2020) Following the introduction of On Street charges, data showed expected income was being achieved, but off street showed a slight under recovery on estimated. Unfortunately, Covid 19 began only approximately 2 months after the introduction of the new charges, resulting in a reduction in parking activity, which makes analysis against budget projection near on impossible. For the period June through to October data showed off street activity at 50% of pre covid and on street at 80%. Lockdown 2 (Nov 2020) may have an effect on this and will be closely monitored	**Y**
ALT3	Reduction in the number of pay & display machines required.	14	0	14	R		14	0	A	Cathryn James		**N**
ENR9	Waste: Increase level of Enforcement activities of internal team ensuring the operational service is cost neutral	200	165	35	R					John Bosley	Alternative saving has been agreed for 2020/21.	**N**
E2	Waste: Thermal Treatment of wood waste from HRRC	30	0	30	R					John Bosley	This saving was replaced from 2020/21 by the underspend in residual waste disposal costs following the October 2018 service change.	**N**
E5	Letting of remaining vacant facilities in Greenspaces	50	0	50	R		0	50	R	John Bosley	One vacant property recently let, but saving impacted by C-19.	**Y**
E6	Increased tenancy income in Greenspaces	40	0	40	R					John Bosley	Alternative saving has been agreed for 2020/21.	**Y**
	Total Environment and Regeneration Savings 2018/19	**2,449**	**837**	**1,612**			**14**	**2,065**				

Updated to October 2020

APPENDIX 7

DEPARTMENT: COMMUNITY & HOUSING SAVINGS PROGRESS 2019/20

Ref	Description of Saving	2019/20 Savings Required £000	2019/20 Savings Achieved £000	Shortfall	RAG		2020/21 Savings Expected £000	2020/21 Expected Shortfall £000	20/21 RAG	Responsible Officer	Comments	R /A Included in Forecast Over/Underspend? Y/N
	Adult Social Care											
CH89	**Older People Day Care Activities:-**As less people are choosing to attend these formal day centre we currently having increasingly vacancies within these provisions which are not been utilised. The proposal seeks to assess and analyse the demand and supply of activity aimed at supporting older people to access community activity. This will objectively look at the supply of building based and non-building based activity, its utilisation and the limitations on providing what people expect and need within the current model. It is envisaged that this will include a rationalisation and reduction of the current level of building based 'day centre' activity. This is based on current demand statistics and will include consideration of the effect of 2018/19 reductions in contracted day centre services; which is covered in a separate EIA for that specific proposal.	236	118	118	R		236	0	G	Richard Ellis	Engagement with the new owner has established an agreed timeline that means that the majority of savings will not be achieved until the new year. The work is underway to ensure that delivery	Y
	Subtotal Adult Social Care	236	118	118			236	0				

Cabinet

7 December 2020

Agenda item:

Business Plan Update 2021-2025

Lead officer: Caroline Holland

Lead member: Councillor Tobin Byers

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

Contact officer: Roger Kershaw

Recommendations:

1. That Cabinet considers and agrees the draft deferred savings/income proposals (Appendix 4) put forward by officers and refers them to the Overview and Scrutiny panels and Commission in January 2021 for consideration and comment.
2. That Cabinet considers and agrees the savings and the associated draft equalities analyses for the savings noted in November (Appendices 3 and 5)
3. That Cabinet considers and agrees the draft Capital Programme 2021-2025 and refers it to the Overview and Scrutiny panels and Commission in January 2021 for consideration and comment.
4. That Cabinet agrees the proposed Council Tax Base for 2021/22 set out in paragraph 2.6 and Appendix 1.

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

1.1 This report provides an update to Cabinet on the Business Planning process for 2021-25 and in particular on the progress made so far towards setting a balanced revenue budget for 2021/22 and over the MTFS period as a whole.

1.2 Specifically, the report provides details of deferred revenue savings which are proposed due to changes in circumstances since the proposals were previously approved as part of previous budget setting.

1.3 The report also represents the savings previously agreed in November 2020 and provides associated draft equalities analyses where applicable together with feedback from the Overview and Scrutiny Commission in October 2020 which considered the savings proposals.

1.4 The report also provides an update on the capital programme for 2021-25 and the financial implications for the MTFS.

1.5 The first draft of the service plans for 2021-25 will be included within the information pack for consideration at Scrutiny and then reported back to Cabinet.

1.6 The report provides a general update on all of the latest information relating to the Business Planning process for 2021-25 and an assessment of the implications for the Medium Term Financial Strategy 2021-25.

1.7 This report is one of the budget updates through the financial year and will be referred to the Overview and Scrutiny Panels and Commission in February 2021 as part of the information pack.

1.8 Due to COVID19 and the delay in the Local Government Finance Settlement and lack of clarity over future funding there have been revisions to the timetable which are designed to ensure that Members receive as much opportunity as possible to give the budget setting process the attention it deserves. These changes are set out in paragraph 11.

2. DETAILS

Introduction

2.1 A review of assumptions in the MTFS was undertaken and reported to Cabinet on 7 September 2020. As a result Cabinet agreed departmental savings targets and a further report to Cabinet on 9 November 2020 set out an initial tranche of savings proposals. The report referred them to the Overview and Scrutiny Commission on 11 November 2020 for consideration.

2.2 Taking into account the information contained in the November 2020 Cabinet report, the overall position of the anticipated COVID and other government funding shortfall MTFS reported to Cabinet on 9 November 2020 was as follows:-

(Cumulative Budget Gap)	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
MTFS Gap (Cabinet October 2020)	15,061	17,266	18,934	15,774

2.3 Review of Assumptions

Since Cabinet in November, work has been continuing to review assumptions, identify new savings/income proposals and analyse information which has been received since then. This has continued to prove difficult given the continuing impact of COVID19 and the imposition of a second lockdown. The flow of information from the government about future funding has continued to be sparse.

2.3.1 Pay

For 2020/21 the final agreed pay award was 2.75%. Union's are currently consulting their members regarding the approach to the 2021/22 pay claim.

The UNISON NJC Committee met on 5 October 2020 to consider the contents of the NJC pay claim for 2021/22, as well as the process for consulting members.

The NJC Committee have formulated three options for the 'headline' claim for the 2021 pay claim.

- Option A: 5% or a £10 an hour pay rate, whichever is greater
- Option B: 8% or a £10 an hour pay rate, whichever is greater
- Option C: 10%

On 21 October 2020 when announcing that the Spending Review 2020 will cover one year only (2021/22), the Chancellor of the Exchequer stated that "As outlined in July in the interest of fairness we must exercise restraint in future public sector pay awards, ensuring that across this year and the spending review period, public sector pay levels retain parity with the private sector."

The latest estimates for pay inflation included in the MTFS are included in the table below and no changes are proposed at the current time:-

(Cumulative)	2021/22	2022/23	2023/24	2024/25
Pay inflation (%)	1.5%	1.5%	1.5%	1.5%

Further details on the pay negotiations for 2021/22 and beyond, and the impact on the MTFS will be reported when they are known.

London Living Wage
Officers have been working with contractors to understand the implications of paying the London Living Wage (LLW) when contracts come up for renewal, and the potential impact on budgets. Contracts that are likely to have the largest staffing contingent across the organisation have been reviewed and, where possible has projected the implications of London Living Wage adoption.

This work is ongoing but initial financial implications have been produced and are summarised in the following table:-

(Cumulative)	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Additional cost of LLW on major contracts based on contract renewal date	266	521	711	2,382

2.3.2 Prices

The latest estimates for price inflation included in the MTFS are included in the table below and no changes are proposed at the current time:-

(Cumulative)	2021/22	2022/23	2023/24	2024/25
Price inflation (%)	1.5%	1.5%	1.5%	1.5%

The Consumer Prices Index (CPI) 12-month rate was 0.7% in October 2020, up from 0.5% in September.

The largest contribution to the 12-month inflation rate in October 2020 was from recreation and culture (0.26 percentage points). Clothing, food, furniture, furnishings and carpets made the largest upward contributions (with the contribution from these three groups totalling 0.16 percentage points) to the change in the 12-month inflation rate between September and October 2020. These were partially offset by downward contributions of 0.06 and 0.04 percentage points, respectively, from the recreation and culture, and transport groups.

The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 0.9% in October 2020, up from 0.7% in September 2020.

The RPI rate for October 2020 was 1.3%, which is up from 1.1% in September 2020.

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

Table: Forecasts for the UK Economy

Source: HM Treasury - Forecasts for the UK Economy (November2020)			
2020 (Quarter 4)	Lowest %	Highest %	Average %
CPI	0.1	1.2	0.6
RPI	0.7	1,7	1.2
LFS Unemployment Rate	4.5	9.1	6.4
2021 (Quarter 4)	Lowest %	Highest %	Average %
CPI	0.4	3.9	1.9
RPI	0.9	5.2	2.6
LFS Unemployment Rate	5.0	9.6	7.2

Note the wide range between highest and lowest forecasts which reflects the volatility and uncertainty arising from COVID19 and the difficulty of forecasting how the situation will evolve. Clearly where the level of inflation during the year exceeds the amount provided for in the budget, this will put pressure on services to stay within budget and will require effective monitoring and control.

Independent medium-term projections for the calendar years 2020 to 2024 are summarised in the following table:-

Source: HM Treasury - Forecasts for the UK Economy (November 2020)					
	2020	2021	2022	2023	2024
	%	%	%	%	%
CPI	0.9	1.7	2.2	2.1	2.1
RPI	1.5	2.3	3.1	3.3	3.2
LFS Unemployment Rate	4.8	7.2	6.1	5.1	4.7

Outlook for inflation over the MTFS period (to be included in Cabinet report)

2.3.3 Inflation > 1.5%:
There is also a corporate provision which is held to assist services that may experience price increases greatly in excess of the 1.5% inflation allowance provided when setting the budget. This will only be released for specific demonstrable demand.

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Inflation exceeding 1.5%	250	250	250	250

The cash limiting strategy is not without risks but if the Government's 2% target levels of inflation were applied un-damped across the period then the budget gap would increase by c. £2.8m by 2024/25.

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

2.3.5 Taxicards and Freedom Passes
These schemes are administered by London Councils on behalf of London boroughs. COVID19 has significantly reduced the use of public transport in London, including among concessionary fares passengers. However, because of the methodology used for settlement of the Freedom Pass scheme with TfL, the full effect of the reduction in journeys will not be realised in savings immediately. The settlement methodology uses journey data for the previous two years to calculate the next year's cost. For example, the settlement for 2021/22 will use the average number of journeys that took place between July and June 2019-20 and 2018-19.

This means that the effects of COVID19 will work through the settlement over the next three years. London Councils has not yet concluded its annual negotiations with transport operators and therefore it is not possible to provide definite costs at this time.

The costs of Freedom Passes are driven by two key factors:-

- The likely numbers of journeys over the years
- Fare increases and the rate of inflation

London Councils have advised that based on current available information there will be a significant reduction in the concessionary fares settlement over the next three years, They conclude that it is difficult to quantify this precisely, and current estimates will be subject to change, but the baseline estimate for London is for total savings of £182 million (c. 18%), with an upper estimate of £252 million and a lower estimate of £113 million over the three-year period.

For Merton, the estimated cost estimates over the next three years are as follows:-

	2021/22 £m	2022/23 £m	2023/24 £m
Baseline	7.930	6.503	7.747
+20%	7.930	7.134	8.335
-20%	7.930	5.872	7.158
+30%	7.930	7.449	8.629
-30%	7.930	5.556	6.864

The MTFS includes the following amounts for Taxicards and Freedom Passes:-

	Current Estimate 2020/21 £000
Freedom Passes	9,060
Taxicards	113
Total	**9,173**
Uplift in MTFS	450
Provision in MTFS for 2021/22	**9,923**

Clearly there is scope for significant savings to be taken arising from the reduction in use of freedom passes due to COVID19. At this stage the most prudent option is to assume that demand for freedom pass journeys will bounce back by 30% from the baseline figure.

This will reduce the budget gap by the following amounts over the MTFS period:-

(cumulative)	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
MTFS (Cabinet November 2020) + 30% projection (inc. Taxicards)	9,623 8,045	10,073 7,567	10,523 8,749	10,973 9,752
Change in MTFS Gap	1,578	2,506	1,774	1,221

Future years savings are more likely to change as the longer term implications of the Transport for London (TfL) bailout will need to be worked through.

2.3.6 Revenuisation

In recent budgets it has been recognised that some expenditure formerly included in the capital programme could no longer be justified as it did not meet the definition of expenditure for capital purposes. Nevertheless, it is important that some of this expenditure takes place and the following amounts have been included in the latest MTFS for 2021-25:-

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Revenuisation	143	213	213	213

The expenditure charged to capital during the current year is being closely monitored and is being reported through the monitoring report.

2.3.7 **Budgetary Control 2020/21**

There may be issues identified from monthly monitoring, elsewhere on this agenda, that have on-going financial implications which need to be addressed in setting the budget for 2021-25.

Monitoring 2020/21

At period 7 to 31 October 2020 the year end forecast is a net £8.202m unfavourable variance compared to the current budget when all COVID19 costs are included after applying the remaining government emergency COVID19 grant. This consists of a net favourable variance of £4.217m excluding COVID19 and unfavourable variance of £12.419m from COVID19:-

	Non COVID19 £000	COVID19 £000	Total £000
CS	924	3,229	4,153
CSF	(2,187)	923	(1,264)
E&R	13	9,259	9,272
C&H	(2,548)	2,733	185
Sub-total	**(3,798)**	**16,144**	**12,346**
Corporate	(419)	(3,725)	(4,144)
Total	**(4,217)**	**12,419**	**8,202**

For the purposes of this report this has been separated into NON-COVID19 and COVID19 variances.

Non-COVID19
Based on October 2020 monitoring, although an overall favourable variance is forecast, the following pressures have been flagged:-

a) Corporate Services: Customers, Policy and Improvement (£562k), Human Resources (£156k), Resources (£73k), Infrastructure and Technology (£14k), Other Corporate budgets (280k)

b) Children's Schools and Families: Although a DSG deficit has to be charged' to the schools balance reflecting that a cumulative overspend has been borrowed against future year school allocations, based on October 2020 monitoring, the size of the deficit continues to rise. The DSG had a cumulative overspend of £12.750m at the end of 2019/20. The overspend in the current financial year will be adding to this balance, currently estimated at £27.639m.

c) Environment and Regeneration: Public Space, mainly Household, Reuse, Recycling Centre (HRRC) (£155k)

d) Community and Housing: Libraries and heritage (£55K), Housing General Fund (£607k)

COVID19
Hopefully the pandemic will be overcome and the costs and impact on society in general and council services in particular will be largely confined to 2020/21. However, this is unknown at the present time and there will be some impact carried over to the MTFS 2021-25 period. At the same time there will inevitably need to be some changes to how

the Council delivers some services and some of the most affected services, particularly those to vulnerable groups will need to be reviewed.

2.3.8 Growth

The MTFS reported to Cabinet in September 2020 included new provision for growth from 2021/22 to 2024/25 as follows and this will be reviewed in January 2021 when the outcome of the draft settlement will be known:-

Cumulative	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Growth (Cabinet September)	3,768	3,768	3,768	3,768

2.3.9 **Capital Programme for 2021-25**

It is important to ensure that the revenue and capital budgets are integrated and not considered in isolation. The revenue implications of capital expenditure can quickly grow if the capital programme is not contained within the Council's capacity to fund it over the longer term. For example, assuming external borrowing, the capital financing costs of funding £1m (on longer-life assets and short-life assets financed in 2021/22) for the next four years of the MTFS would be approximately:-.

Capital financing costs of £1m over the MTFS period	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Longer life Assets	10	60	60	60
Short-life assets	10	220	220	220

As previously reported, in light of the current financial situation, there is currently no capital bidding process other than those schemes that can be funded by CIL. Budget Managers have been asked to further review current schemes in the programme to either reduce, defer or delete them. Any resulting revisions to the programme will be reported to Cabinet on an ongoing basis. The current capital provision and associated revenue implications in the currently approved capital programme, based on October 2020 monitoring information and maximum use of capital receipts, are as follows:-

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Capital Programme	34,270	16,565	13,812	21,648
Revenue Implications	10,297	11,181	11,885	12,832

The potential change in the capital programme since Council in March 2020 is summarised in the following table:-

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Capital Programme: - As approved by Council - Revised Position with Slippage revisions	 31,958 46,056	 17,307 23,433	 24,030 14,842	 9,632 21,821
Change	14,098	6,126	(9,188)	(12,189)
Revenue impact As approved by Council Revised	 11,491 10,399	 12,733 12,016	 13,464 13,022	 14,718 12,917
Change	(1,092)	(717)	(442)	(1,801)

It is considered that these figures represent the worst case subject to there being no in programme bids, with further work currently ongoing to review and challenge the assumptions these figures are based on.

2.4 **Forecast of Resources and Provisional Local Government Finance Settlement**

2.4.1 Spending Review 2020

The Chancellor has decided to conduct a one-year Spending Review on 25 November 2020 in order to prioritise the response to Covid19, and our focus on supporting jobs.

The Government state that the Spending Review will confirm multi-year capital spending for key programmes where certainty is needed to ensure no time is lost in delivery. Its aim is to set budgets for 2021/22, with a total focus on tackling Covid and delivering the Government's Plan for Jobs. Areas, including the NHS, schools and infrastructure, which are regarded as crucial to the nation's economic recovery will have their budgets set for further years so they can plan.

There will be a verbal update at the meeting on the main issues arising from the Spending Review. A summary published by the LGA of the main issues included in the Spending Review is attached as Appendix 7. The financial implications of the Spending Review for Merton will be included in the Cabinet report in January 2021.

2.4.2 Provisional Local Government Finance Settlement

The timing of the Spending Review announcement and the fact it will provide certainty for only one-year will have implications for the scope of the Local Government Finance Settlement which is now expected in late December and will also be for one year only.

A date for the announcement of the Provisional Local Government Finance Settlement is currently unknown. An analysis on the potential financial impact of the provisional Settlement will be included in the report to Cabinet in January 2021.

2.5 **London Business Rates 2021-22**

2.5.1 As advised in the report to Cabinet in November, all London boroughs have provisionally agreed to continue pooling in 2021/22 and updates will be provided throughout the Business Planning process.

2.5.2 Regardless of whether there is a London pool or not, final projections for Business Rates retention in 2021/22 will be based on London Boroughs NNDR1 returns for 2020/21 which are due to be returned to Central government by 31 January 2021.

2.6 **Council Tax Base**

2.6.1 The Council Tax Base is a key factor which is required by levying bodies and the Council for setting the levies and Council Tax for 2021/22. The council tax base is the measure of the number of dwellings to which council tax is chargeable in an area or part of an area. The Council Tax Base is calculated using the properties from the Valuation List together with information held within Council Tax records. The properties are adjusted to reflect the number of properties within different bands in order to produce the Council Tax Base (Band D equivalent). This will be used to set the Council Tax at Band D for 2021/22. The Council is required to determine its Council Tax Base by 31 January 2021.

2.6.2 Regulations set out in the Local Authorities (Calculation of council Tax Base) Regulations 2012 (SI 2012:2914) ensure that new local council tax support schemes, implemented under the Local Government Finance Act 2012, are fully reflected in the council tax base for all authorities.

2.6.3 The Council Tax Base Return to central Government takes into account reductions in Council Tax Base due to the Council Tax Support Scheme and also reflects the latest criteria set for discounts and exemptions. The CTB Return for October 2020 is the basis for the calculation of the Council Tax Base for 2021/22.

2.6.4 Details of how the Council Tax Base is calculated are set out in Appendix 1. A summary of the Council Tax Bases for the Merton general area and the addition for properties within the Wimbledon and Putney Commons Conservators area for 2021/22 compared to 2020/21 is set out in the following table:-

Council Tax Base	**2020/21**	**2021/22**	**Change**
			%
Whole Area	75,989.9	74,220.0	(2.3)%
Wimbledon & Putney Common Conservators	11,604.6	11,381.8	(1.9)%

2.7 **Proposed Amendments to Previously Agreed Savings**

2.7.1 **Replacement and Deferred Savings**

Monitoring of the delivery of savings is important and it is essential to recognise as quickly as possible where circumstances change and savings previously agreed are either not achievable in full or in part or are delayed.

Where this is the case, departments will need to identify replacement savings from elsewhere within their overall budgets and it is accepted that this has been more prevalent in the current financial year due to COVID19.

In the report to Cabinet in September, it was assumed that 50% of the agreed savings in the MTFS period 2021-25 would not be achieved. Now that service departments have had more time to review their approved savings this estimate will be removed and actual requests for replacements and deferrals that Cabinet agree will be substituted.

Service departments have currently identified the following previously agreed savings which they need to defer:-

Deferred Savings	**2021/22 £000**	**2022/23 £000**	**2023/24 £000**	**2024/25 £000**	**Total £000**
Corporate Services	620	(520)	(100)	0	0
Children, Schools and Families	0	0	0	0	0
Environment and Regeneration	65	10	(75)	0	0
Community and Housing	0	0	0	0	0
Total	685	(510)	(175)	0	0
Total (cumulative)	685	175	0	0	

Further details are provided in Appendix 4.

3. **SAVINGS PROPOSALS 2021-25**

3.1 Cabinet on 9 November 2020 agreed an initial tranche of savings proposals identified by service departments over the period 2021-25 as follows:-

“Non-Covid” Savings Proposals	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Corporate Services	374	0	0	0	374
Children, Schools and Families	450	200	0	0	650
Environment and Regeneration	930	750	(50)	(85)	1,545
Community and Housing	55	1,299	0	0	1,354
Total	1,809	2,249	(50)	(85)	4,493
Total (cumulative)	**1,809**	**4,058**	**4,008**	**3,923**	

3.2 These were referred to the Overview and Scrutiny Commission on 11 November 2020.

3.3 A further tranche of new savings will be presented to Cabinet in January 2021 when more information will be known from the Local Government Finance Settlement and the latest information on the implications of COVID19 will be available.

4. FEEDBACK FROM THE OVERVIEW AND SCRUTINY PROCESS IN NOVEMBER 2020

4.1 The information available on the Business Planning process reported to Cabinet on 9 November 2020 was reviewed by the Overview and Scrutiny Commission on 11 November 2020.

4.2 Feedback is included in a separate report to Cabinet on the agenda.

5. SERVICE PLANNING 2021-25

5.1 First draft revised Service Plans will be included within the information pack for consideration at Scrutiny and then reported back to Cabinet.

6. DSG DEFICIT

6.1 As reported to Cabinet as part of the monthly monitoring report, based on September 2020, DSG funded services are forecast to overspend by £14.889m in 2020/21 bringing the cumulated deficit at year end to £27.639m, although this is expected to increase by year end, and to continue to increase in future years.

6.2 The Government has issued a statutory instrument to implement an adjustment account for DSG deficits. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (“the 2003 Regulations”) make provision about the accounting practices to be followed by local authorities, including (in particular) with respect to the charging of expenditure to revenue accounts. These Regulations insert a new regulation into the 2003 Regulations that provides that where a local authority has a deficit on its school budget, the authority must not charge any such deficit to its revenue account. Instead, the new regulation provides that local authorities must charge any such deficit to a separate account, established and usable solely for that purpose. The new regulation will apply to accounts prepared for the financial years beginning in 2020, 2021 and 2022, and provides formulas for calculating whether a local authority has a schools budget deficit in relation to each such financial year.

6.3 Whilst the Government has moved to address the DSG issue it still leaves two vital questions unresolved:-

- How will the DSG deficit be funded?
- Why does the Regulation only apply for 2020, 2021, 2022?

6.4 Currently, the Council's accounts, budget and draft MTFS 2021-22 provide for 100% of the DSG deficit up to 2020/21 and 50% thereafter. The new Regulation allows for Merton to release the future amounts currently set aside in the MTFS and apply them to other service demands. The DSG deficit will be moved to a newly created separate account.

6.5 However, it must be emphasised that this action would be taken at some risk as there is no indication at the current time that the Government is willing to provide any additional resources to fund the deficit balance on the separate account, which will continue to increase and at the end of the three years is likely to be larger than our GF and earmarked balances combined and come back to the General Fund to be funded.

7. BUDGET STRATEGY

7.1 The council has a statutory duty to set a balanced budget.

7.2 The MTFS reported to Cabinet in November 2020 assumed a 2% general Council Tax increase in 2021/22.

7.3 The budget gap in the MTFS reported to Cabinet in November was summarised as follows:-

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Budget Gap in MTFS 2021-25 exc. COVID19	**1,676**	**5,607**	**7,519**	**8,755**
Provision for Covid19 and DSG Deficit	**13,385**	**11,659**	**11,415**	**6,989**
Total MTFS Gap 2021-25 (Cabinet – November 2020)	**15,061**	**17,266**	**18,934**	**15,744**

7.4 The substantial the budget gap is due to assumptions made in the September Cabinet report about potential ongoing financial implications of COVID19 and a substantial set-aside of resources to cover for the DSG deficit.

7.5 Since Cabinet in November the Government have imposed a second lockdown to suppress COVID19 and issued a statutory instrument relating to treatment of DSG deficits. It is unreasonable to agree substantial additional savings in the absence of Government funding notified via the Local Government Finance Settlement which will not be known until the end of December.

7.6 For this reason any further savings required will not be presented to Cabinet until January 2021 with scrutiny taking place in February 2021, coming back to a special Cabinet in February before Council in March.

8. UPDATE TO MTFS 2021-25

8.1 The estimated budget gap in 2021/22 reported to Cabinet in November 2020 was £15.061. Incorporating the latest information discussed in this report, the latest budget gap forecast is:-

	2021/22 £000	2022/23 £000	2023/24 £000	2024/2 £000
Budget Gap (Cabinet 9 November 2020)	**15,061**	**17,266**	**18,934**	**15,744**
Deferred Savings/Change to Covid assumptions	**(1,258)**	**(1,951)**	**(2,224)**	**(2,224)**
Council Tax Base implications	**2,764**	**1,812**	**1,102**	**1,190**
Freedom Pass/Taxicard update	**(1,577)**	**(2,506)**	**(1,774)**	**(1,221)**
Change to growth assumptions	**266**	**(729)**	**(1,789)**	**(118)**
Change to income assumptions	**(2,644)**	**(1,079)**	**(540)**	**0**
Revenue effects of Capital	**(873)**	**(47)**	**151**	**(594)**
Budget Gap (Cabinet 7 December 2020)	**11,739**	**12,766**	**13,860**	**12,777**

8.2 A more detailed MTFS is included as Appendix 2.

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

9. GLA BUDGET AND PRECEPT SETTING 2021-22 – PROVISIONAL TIMETABLE

9.1 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.

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

Mid to late December 2020	Following the publication of the provisional Local Government, Fire and Police Settlements, issue the Mayor's Consultation Budget.
27 January 2021	Assembly to consider Draft Consolidated Budget.
24 February 2021	Assembly to consider Final Draft Consolidated Budget.
8 February 2021	Statutory deadline by which the GLA precept must be approved and the Mayor's statutory Capital Spending Plan published.

9.3 NNDR1 returns will be required to be submitted to the MHCLG by 31 January 2021 and, with the addition of information required for the London pilot pool, it is essential that all authorities meet this deadline for the GLA to be able to achieve its timetable. It is anticipated that the percentage shares for 2021-22 used for the returns for London authorities will be 37% GLA, 33% central government and 30% London boroughs. This is expected to be confirmed in the provisional local government finance settlement.

10. CONSULTATION UNDERTAKEN OR PROPOSED

10.1 There will be consultation as the business plan process develops. This will include the Overview and Scrutiny panels and Commission, business ratepayers and all other relevant parties.

10.2 In accordance with statute, consultation is taking place with business ratepayers and a meeting will be arranged for February 2021.

10.3 As previously indicated, a savings proposals information pack will be prepared and distributed to all councillors at the end of December 2020 that can be brought to all Scrutiny and Cabinet meetings from 13 January 2021 onwards and to Budget Council. As it was last year, this should be an improvement for both councillors and officers - more manageable for councillors and it will ensure that only one version of those documents is available so referring to page numbers at meetings will be easier. It will also keep printing costs down and reduce the amount of printing that needs to take place immediately prior to Budget Council.

10.4 The pack will include:

- Savings proposals
- Growth proposals
- A draft Equality impact assessment for each saving proposal.
- Service plans (these will also be printed in A3 to lay round at scrutiny meetings)

11. TIMETABLE

11.1 Due to the delays in the Spending Review and Local Government Finance Settlement and also the need to ensure that the Budget 2021/22 and MTFS 2021-25 decisions are based on the best information available , it has been agreed that there will be a variation to the budget timetable previously agreed by Cabinet on 7 September 2020.

11.2 The key deadlines are as follows:-

7 December 2020	Cabinet
Late December	Provisional Local Government Finance Settlement
End of December	Member's Information Pack circulated
18 January 2021	Planned Cabinet
13-20 January 2021	Planned Overview and Scrutiny Panels and Commission
8 February 2021	Planned Cabinet
17 February 2021	Special Overview and Scrutiny Commission
22 February 2021	Provisional Special Cabinet
3 March 2021	Council approves Council Tax 2021/22 and MTFS 2021-25

12. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

12.1 All relevant implications have been addressed in the report.

13. LEGAL AND STATUTORY IMPLICATIONS

13.1 All relevant implications have been addressed in the report.

14. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

14.1 Draft Equalities assessments of the savings proposals are included in Appendix 5.

15. **CRIME AND DISORDER IMPLICATIONS**

15.1 Not applicable.

16. **RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

16.1 Not applicable.

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

Appendix 1: Council Tax Base 2021/22
Appendix 2: MTFS Update
Appendix 3: Savings Proposals – November Cabinet New proposals
Appendix 4: Savings Proposals – December Cabinet
(a) Deferred savings
Appendix 5: Equalities Assessments
(a) November Cabinet Savings Proposals
Appendix 6: Draft Capital Programme 2021-25
Appendix 7: LGA briefing on the Spending Review 2020

BACKGROUND PAPERS

Budget files held in the Corporate Services department.

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APPENDIX 1

Council Tax Base 2021/22

1. INTRODUCTION

1.1 The council tax base is the measure of the number of dwellings to which council tax is chargeable in an area or part of an area. The Council Tax base is calculated using the properties from the Valuation List together with information held within Council Tax records. The properties are adjusted to reflect the number of properties within different bands in order to produce the Council Tax Base (Band D equivalent).

1.2 Since 2013/14 the Council Tax Base calculation has been affected by the introduction of the new local council tax support scheme and technical reforms to council tax. On 30 November 2012, new regulations set out in the Local Authorities (Calculation of council Tax Base) Regulations 2012 (SI 2012:2914) came into force. These regulations ensure that new local council tax support schemes, implemented under the Local Government Finance Act 2012, are fully reflected in the council tax base for all authorities.

1.3 Under the regulations, the council tax base is the aggregate of the relevant amounts calculated for each valuation band multiplied by the authority's estimated collection rate for the year.

1.4 The relevant amounts are calculated as

- number of chargeable dwellings in each band shown on the valuation list on a specified day of the previous year,
- adjusted for the number of discounts, and reductions for disability, that apply to those Dwellings

1.5 All authorities notify the MHCLG of their unadjusted Council Tax Base using a CTB Form using valuation list information as at 14 September 2020. The deadline for return was 16 October 2020 and Merton met this deadline.

1.6 The CTB form for 2020 includes the latest details about the Council Tax Support Scheme and the technical reforms which impacted on discounts and exemptions.

1.7 There is a separate council tax base for those properties within the area covered by Wimbledon and Putney Commons Conservators. The Conservators use this, together with the Council Tax bases from RB Kingston, and Wandsworth to calculate the levy which is charged each year.

2. UNADJUSTED COUNCIL TAX BASE 2021/22

2.1 Information from the October 2020 Council Tax Base Return

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

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

Unadjusted Council Tax Base	**2021/22**
Merton – General	76,515.1
Wimbledon & Putney Common Conservators	11,733.8

3. ASSUMPTIONS IN THE MTFS ADJUSTING FOR COVID19

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

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

3.2 The MTFS approved by Council in March 2020 assumed that the Council Tax Base increases by 0.5% per year and that the collection rate is 98.75% in each of the years.

3.3 Due to the coronavirus, an initial review of the assumptions was made as part of the Cabinet report in September 2020 which repriced the MTFS and rolled it forward a year.

3.3.1 For Council Tax yield it was assumed that there would be a reduction of 2.5% in 2021/22, 1% in 2022/23 and 0.5% in 2023/24, before returning to pre-covid levels in 2024/25. The reduction was based on the 2020/21 estimate of c. £97m so losses of £2.425m in 2021/22, £0.970m in 2022/23 and £0.485m in 2023/24.

3.3.2 Before updating for the new council tax base, the estimated Council Tax yield in 2021/22 is calculated as follows:-

	Council Tax (Band D) 2020/21 2% CT increase	£1,276.92 £25.54
A	Council Tax (Band D) 2021/22	£1,302.46
	Council Tax Base 2020/21 (Assuming Collection Rate 98.75%) 0.5% increase	75,989.9 379.9
B	Assumed Council Tax Base 2021/22	76,369.8
C=A x B	Yield prior to Covid adjustment	£99.469m
Less	Loss due to Covid	(£2.425m)
D	Estimated Council Tax Yield 2021/22 (MTFS – September Cabinet)	c. £97.0m
E	Unadjusted Council Tax Base 2021/22	76,515.1
F= A x E	Yield Based on Unadjusted Council Tax Base	£99.658m
G=D/F	Implied Collection Rate Based on Council Tax Base 2021/22	97.3%

4. REVIEW OF EXPECTED COLLECTION RATE 2021/22

4.1 It is several months since the initial estimate of the effect of COVID19 on council tax collection was made. It continues to be difficult to guage what the ongoing impact on collection rates will be.

4.2 The regulations require that the Council Tax Requirement calculated for the forthcoming year is actually credited to the General Fund and any difference arising from actual collection rates is recognised in future years as part of the surplus/deficit calculation

4.3 For the 2021/22 council tax base calculation, a collection rate of 97% will be assumed and this will result in a Council Tax base 2021/22 as follows :-

	2021/22
Estimated Council Tax Collection Rate	97%
<u>Council Tax Base 2021/22</u> Merton – General	74,220.0
Wimbledon & Putney Common Conservators	11,381.8

5. IMPLICATIONS FOR COUNCIL TAX YIELD 2021/22

5.1 Based on a collection rate of 97% (paragraph 4 refers), on a like for like basis (i.e. assuming council tax charges do not change) the estimated income in 2021/22 compared to 2020/21 is summarised in the following table:-

Council Tax: Whole area	**2020/21**	**2021/22**
Tax Base	75,989.9	74,220.0
Band D Council Tax	1,276.92	1,276.92
Estimated Yield	**£97.033m**	**£94.773m**
Change: 2020/21 to 2021/22 (£m)		(£2,260m)
Change: 2020/21 to 2021/22 (%)		(0.4%)

5.2 Analysis of changes in yield 2020/21 to latest 2021/22

5.2.1 There are a number of reasons for the change in estimated yield between 2020/21 and the latest estimate based on the CTB data.

5.2.2 Over this period the Council Tax Base reduced by 1,769.9 from 75,989.9 to 74,220 which multiplied by the Band D Council Tax of £1,302.45 results in reduced yield of £0.365m

5.2.3 An exact reconciliation for the change between years is not possible because of changes in distribution of Council Tax Support and discounts and benefits, and premiums between years and bands. However, broadly the changes can be analysed as follows:-

a) Number of Chargeable Dwellings and Exempt Dwellings
Between years the number of properties increased by 317 from 85,295 to 85,612 and the number of exempt dwellings increased by 113 from 898 to 1,011. This means that the number of chargeable dwellings increased by 204 between years. Based on a full charge, this equates to additional council tax of £0.260m.

b) Amount of Council Tax Support Reduction
Based on October 2019 there was a reduction of 7,688.1 to the Council Tax Base for local council tax support. This has increased to 8,320.7 in based on October 20120 which is a change of 632.6 and equates to a reduction in council tax of about £0.808m.

This is the first time since the scheme was introduced that the adjustment for reduction in taxbase as a result of local council tax support has increased as demonstrated in the table below:-

	CTB Oct.2013	CTB Oct.2014	CTB Oct.2015	CTB Oct.2016	CTB Oct.2017	CTB Oct.2018	CTB Oct.2019	CTB Oct.2020
Reduction in Council Tax Base due to Local Council Tax Support Scheme	10,309.31	9,686.64	9,099.90	8,639.20	8,192.10	8,177.10	7,688.10	8,320.70
Change in CT Base		(622.67)	(586.74)	(460.70)	(447.10)	(15.00)	(489.00)	632.60
% Change		-6.04%	-6.06%	-5.06%	-5.18%	-0.18%	-5.98%	8.23%

c) Changes in Discounts, Exemptions and Premiums
Overall, the number of properties subject to discounts or exemption increased by 193 and those subject to premiums reduced by 9 between October 2019 and October 2020.

d) Change in collection rate
There has been a change made to the estimated collection rate of (1.75)%, which has reduced from 98.75% to 97%

Summary
The following puts the individual elements together to show how the potential council tax yield changes between 2020/21 and 2021/22:-

	Approx. Change in Council Tax Base	**Approx. Change in Council Tax yield**
		£m
Increase in number of chargeable dwellings	204	0.260
Change in Council Tax Support Reductions	(633)	(0.808)
Change in discounts, exemptions, premiums and distribution	(8)	(0.010)
Change in collection rate	**(1,333)**	**(1.702)**
Total	**(1,770)**	**(2.260)**

5.3 **Council Tax Yield 2021/22**

5.3.1 The draft MTFS assumes a Council Tax increase of 2% in 2021/22. Assuming this the estimated Council Tax yield for 2021/22 is:-

Council Tax: Whole area	Tax Base	Band D 2021/22	Council Tax Yield 2021/22	Council Tax Yield 2020/21
Merton	74,220.0	£1,302.45	£96.668m	£97.033m

5.3.2 The updated MTFS is based on the following assumptions:-

	2021/22	2022/23	2023/24	2024/25
Increase in CT Base	0.5%	0.5%	0.5%	0.5%
Collection Rate Council Tax - General Council Tax – Adult Social Care	97% 2% 0%	98% 2% 0%	98.75% 2% 0%	98.75% 2% 0%

5.3.3 Based on the new Council Tax Base but using the same assumptions as in the MTFS set out in the table in 5.3.2 above, the change in Council Tax Yield is as follows:-

MTFS Council Tax Yield (excluding WPCC)	**2021/22 £'000**	**2022/23 £'000**	**2023/24 £'000**	**2024/25 £'000**
CT Yield (Cabinet 7 September 2020)	97,007	100,919	103,913	106,960
CT Yield (New Council Tax Base)	96.668	100,076	103,295	105,771
Change in CT Yield from new Base	**(0.339)**	**(0.843)**	**(0.618)**	**(1.189)**

6. **SUMMARY**

6.1 Based on the information discussed, the council tax bases for 2021/22 and compared to 2020/21 are summarised in the following table:-

Council Tax Base	**2020/21**	**2021/22**	**Change**
Whole Area	75,989.9	74,220.0	(2.3)%
Wimbledon & Putney Common Conservators	11,604.6	11,381.8	(1.9)%

APPENDIX 2

DRAFT MTFS 2021-25:				
	2021/22 £000	**2022/23 £000**	**2023/24 £000**	**2024/25 £000**
Departmental Base Budget 2020/21	**159,038**	**159,038**	**159,038**	**159,038**
Inflation (Pay, Prices)	3,734	7,458	11,116	16,256
Salary oncost increase (15.2% to 17.06%)	23	47	71	95
FYE – Previous Years Savings	(3,887)	(4,252)	(4,448)	(4,448)
FYE – Previous Years Growth	404	788	1,178	1,178
Amendments to previously agreed savings	685	175	0	0
Change -Net Appropriations to/(from) Reserves	(392)	(950)	(950)	(950)
Taxi card/Concessionary Fares	(1,128)	(1,606)	(424)	579
Social Care - Extra Spend offset by grant/precept	154	150	150	150
Growth	3,768	3,768	3,768	3,768
Provision - DSG Deficit	9,156	8,750	9,650	10,550
Other	733	813	893	973
Re-Priced Departmental Budget	**172,289**	**174,178**	**180,042**	**187,189**
Treasury/Capital financing	10,409	12,035	13,050	12,945
Other Corporate items	(21,149)	(20,731)	(21,082)	(21,086)
Levies	609	609	609	609
Sub-total: Corporate provisions	**(10,131)**	**(8,087)**	**(7,423)**	**(7,532)**
Sub-total: Repriced Departmental Budget + Corporate Provisions	**162,158**	**166,092**	**172,620**	**179,657**
Savings/Income Proposals 2021/22	(1,676)	(4,191)	(4,008)	(3,923)
Sub-total	**160,482**	**161,901**	**168,612**	**175,734**
Appropriation to/from departmental reserves	(2,497)	(1,935)	(1,935)	(1,935)
Appropriation to/from Balancing the Budget Reserve	(2,597)	0	0	0
ONGOING IMPACT OF COVID19 (NET)	4,276	2,138	974	0
BUDGET REQUIREMENT	**159,665**	**162,104**	**167,651**	**173,799**
Funded by:				
Revenue Support Grant	0	0	0	0
Business Rates (inc. Section 31 grant)	(41,358)	(39,185)	(40,029)	(40,890)
Adult Social Care Grants inc. BCF	(4,862)	(4,862)	(4,862)	(4,862)
Social Care Grant	(2,776)	(3,160)	(3,550)	(3,550)
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	(1,008)	(800)	(800)	(800)
Council Tax inc. WPCC	(97,021)	(100,429)	(103,648)	(106,124)
Collection Fund – (Surplus)/Deficit	3,896	3,896	3,896	0
TOTAL FUNDING	**(147,926)**	**(149,338)**	**(153,790)**	**(161,022)**
GAP including Use of Reserves (Cumulative)	**11,739**	**12,766**	**13,860**	**12,777**

SUMMARY OF SAVINGS PROPOSALS - CABINET 9 November 2020

Savings Proposals to Cabinet 9 November 2020	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Corporate Services	374	0	0	0	374
Children, Schools and Families	450	200	0	0	650
Environment and Regeneration	930	750	(50)	(85)	1,545
Community and Housing	55	1,299	0	0	1,354
Total	1,809	2,249	(50)	(85)	3,923
Total (cumulative)	**1,809**	**4,058**	**4,008**	**3,923**	

KEY

Savings Type

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

Panel

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

APPENDIX 3

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2021/2022

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2021-22 CS01	**Service/Section**	**Customer, Policy and Improvement**								
		Description	**Cash collection contract**	**129**	**23**				**L**	**L**	**SNS1**
		Service Implication	Planned reduction in number and frequency of collections								
		Staffing Implications	None								
		Business Plan implications	In line with our strategy of digitalising more services and offering a cashless solution								
		Impact on other departments	Led by Parking Services in reducing the number and frequency of collections								
		Equalities Implications	None								
	2021-22 CS02	**Service/Section**	**Corporate**								
		Description	**Corporately funded items (eg. Supplies and services)**	**477**	**75**				**L**	**M**	**SNS1**
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								
	2021-22 CS03	**Service/Section**	**Corporate**								
		Description	**Realignment of Pension Added years budget**	**874**	**63**				**L**	**H**	**SNS1**
		Service Implication	If there are a high level of redundancies due to budget reductions the residual budget will be under strain.								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								

APPENDIX 3

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2021/2022

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2021-22 CS04	**Service/Section**	**Corporate Governance - Information Governance**								
		Description	**Establish income grant budget for transparency agenda**	**0**	**13**				**H**	**M**	**SG1**
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								
	2021-22 CS05	**Service/Section**	**Customer, Policy and Improvement**								
		Description	**Contract savings and IT procurement**	**379**	**200**				**L**	**L**	**SNS1**
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								
Total Corporate Services Savings					**374**	**0**	**0**	**0**			

DEPARTMENT: CHILDREN, SCHOOLS & FAMILIES SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	2021-22 CSF01	**Service/Section**	**Education & Early Help**								
		Description	**Reduction made in provision for PFI Unitary Charges**		**£450**	**£0**	**0**	**0**	**High**	**Low**	**SI1**
		Service Implication	None. Generated from increased school contributions due to increased pupil numbers. Note MTFS still needs to allow for increasing 'affordibility gap' general fund contributions over the next 8 years.								
		Staffing Implications	None								
		Business Plan implications	The “underspend” on the unitary charge is the result of schools income being above the budget that is set and this level of income over budget is expected to continue for the next 2-3 years. The income is based upon pupil numbers, and as the “primary bulge” continues to work through this situation is expected to continue with a small rise in pupil numbers then a plateau for a period. The “saving” is therefore expected to be available in 2021/22, and then will progressively reduce.								
		Impact on other departments	None								
		Equalities Implications									

APPENDIX 3

DEPARTMENT: CHILDREN, SCHOOLS & FAMILIES SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP	2021-22 CSF02	**Service/Section**	**Education & Early Help**								
		Description	**Rationalisation of Children's Centres**		£0	£200					
		Service Implication	Review of the buildings and service offer. Likely to make some savings but will need to review and unpick the income-generating capacity of these buildings. Buildings currently occupied by partners who pay rental income. This is likely to reduce the number of Children's Centre sites and will require specific public consultation and anticipated communication with DFE								
		Staffing Implications									
		Business Plan implications									
		Impact on other departments	Would need discussion with Health partners as they currently provide a rental income stream.								
		Equalities Implications									
Total Children Schools and Families Savings					£450	£200	£0	£0			

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2020/21

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ENV2021-01	**Service/Section**	**Future Merton**								
		Description	Street works team income (increase in income)	(120)	100				Low	Low	SI2
		Service Implication	Captures over achievement over the last few years								
		Staffing Implications	Undertaken within existing staff team								
		Business Plan implications	In line with business plan								
		Impact on other departments	None								
		Equalities Implications	None								
OS	ENV2021-02	**Service/Section**	**Development Control/Building Control**								
		Description	Increase PPA's income (increased income) through a dedicated Majors team	(74)	80				Med	Low	SI2
		Service Implication	Assuming buoyant economy and level of development remains stable.								
		Staffing Implications	Would be met within the existing team with a dedicated majors team resource								
		Business Plan implications	In line with the business plan								
		Impact on other departments	Minimal								
		Equalities Implications	Minimal								
OS	ENV2021-03	**Service/Section**	**Parking**								
		Description	Review of back office processes and efficiencies	1,650			100	50	Low	Low	SS1
		Service Implication	To be reviewed								
		Staffing Implications	To be reviewed								
		Business Plan implications	In line with existing objectives.								
		Impact on other departments	None								
		Equalities Implications	None identified at present.								
OS	ENV2021-04	**Service/Section**	**Parking**								
		Description	EBC - potentially commencing in 2nd half of 2021/22. Assumes a 10% reduction in 2023/24, and a further 10% in 2024/25.	(11,996)	750 - 1,000	750 - 1,000	(150) - (200)	(135) - (180)	Low	Low	SI2
		Service Implication	To be reviewed								
		Staffing Implications	To be reviewed								
		Business Plan implications	In line with existing objectives.								
		Impact on other departments	None								
		Equalities Implications	To be reviewed as part of democratic processes relating to emissions based charging.								
			Total Environment and Regeneration Savings		930 - 1,180	750 - 1,000	(50) - (100)	(85) - (130)			

DEPARTMENT: COMMUNITY & HOUSING SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
		Service/Section	**Adult Social Care - Direct Provision**								
HC&OP	CH100	**Description**	Review of in-house day care provision	6,248		700			M	H	SS1
		Service Implication	To review and consult on the consolidation of services on fewer sites to improve efficiency and to reflect the changing nature of provision. During COVID 19 the Learning Disability service has shifted away from buildings based provision to more outreach work and use of community facilities. The demand for older people's day care has also reduced. The review will consider the assets and staffing needed to serve current and future demand with a view to reducing the cost of provision. The proposals will be subject to consultation before any decision is made. If the outcome of the review and consultation does not deliver the target savings, alternative savings from across the department will have to be found. Departmental reserves may have to be used to bridge any timing gap.								
		Staffing Implications	There are likely to be job losses depending on the outcome of the review.								
		Business Plan implications	The proposals are likely to result in the closure of buildings which need to be considered in terms of the corporate estate strategy.								
		Impact on other departments	It may impact on the delivery of passenger transport services								
		Equalities Implications	Care Act eligible needs would continue to be met but may be met in different ways. Service users will be supported through any change. There may be an impact on carers who depend on the care for person being in day care on particular days								

DEPARTMENT: COMMUNITY & HOUSING SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
		Service/Section	**Adult Social Care - Direct Provision**								
HC&OP	**CH101**	**Description**	Review of in-house LD residential provision	**6,248**		**544**			**M**	**H**	**SS2**
		Service Implication	To review the in-house delivery of residential care given current usage, the condition of the buildings and opportunity to redevelopment sites for supported living. The review outcome will then be subject to consultation. The review will consider whether the Council wishes to continue to operate two in-house units into the future. In the event that the review and consultation do not deliver the target saving, alternative savings will have to be found from across the department and if required departmental reserves used to meet any timing gap.								
		Staffing Implications	There are likley to be job losses depending on the outcome of the review. TUPE may apply.								
		Business Plan implications	The proposals may result in the closure of a building which need to be considered in terms of the corporate estate strategy.								
		Impact on other departments	nil								
		Equalities Implications	The residents of the services all have a disability and will need to be supported through the review and any resultant change in where they live.								

DEPARTMENT: COMMUNITY & HOUSING SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
		Service/Section	**Public Health**								
HC&OP	**CH102**	**Description**	Dementia Hub re-commissioning	**277**	**55**	**55**			**M**	**M**	**SP1**
		Service Implication	To re-commission the Dementia Hub services when the contract expires in September 2021. The aim is to move away from a physical hub to an outreach model better linked to other services. The contract for the Dementia Hub expires in September 2021 and the proposal is not to relet the contract but commisison a new lower cost service. There is no statutory duty to provide a dedicated hub. The proposal will be subject to consultation. In the event that the review and consultation does not result in a the target savings, alternative savings will need to be found from elsewhere and departmental reserves might be needed to be sued to bridge any timing gap.								
		Staffing Implications	Nil								
		Business Plan implications	nil								
		Impact on other departments	nil								
		Equalities Implications	The users of the service either have dementia or are carers or family of those with dementia. They would need to be supported through any change								
		Total Community and Housing Savings		**12,773**	**55**	**1,299**	**0**	**0**			

SUMMARY: Deferred Savings in the MTFS 2021-25

Cumulative	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Corporate Services	(620)	(100)	0	0
Children, Schools and Families	0	0	0	0
Environment and Regeneration	(65)	(75)	0	0
Community and Housing	0	0	0	0
Total	(685)	(175)	0	0

KEY

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

Panel	
C&YP	**Children & Young People**
OS	**Overview & Scrutiny**
HC&OP	**Healthier Communities & Older People**
SC	**Sustainable Communities**

APPENDIX 4

Previously Agreed Saving
DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2018/19

Panel	Ref	Description of Saving		Baseline Budget £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2018-19 CS08	**Service/Section**	**Revenues and Benefits**										
		Description	**Increase in income from Enforcement Service**		**100**	**20**	**15**				**L**	**L**	**SI2**
		Service Implication	Increase in number of warrants received from ANPR contriventions										
		Staffing Implications	None										
		Business Plan implications	None										
		Impact on other departments	Increase in income for E & R										
		Equalities Implications	None										
		TOM Implications											
	2019-20 CS13	**Service/Section**	**Revenues and Benefits**										
		Description	**Improved collection of HB overpayments and reduce Bad Debt Provision**	**0**		**500**					**M**	**M**	**SNS1**
		Service Implication	HB overpayments have increased since 2014 and as a result additional income and subisdy received which also allows a reduction in bad debt provison										
		Staffing Implications	None										
		Business Plan implications											
		Impact on other departments	None										
		Equalities Implications	Existing collection procedures protects and assists the most vulnerable reisdents										
		TOM Implications	None										
	2020-21 CS10	**Service/Section**	**Infrastructure & Technology Division - Transactional Services**										
		Description	**Further restructuring of the Transactional Services team**	**531**			**100**				**L**	**M**	**SS2**
		Service Implication	Will increase the time taken to process income and expenditure payments and set up new suppliers on the Councils financial system. Will have a direct impact on the Councils cash flow due to delays in the production and processing of invoices for covering chargeable services.										
		Staffing Implications	Previously agreed saving of £100k in 2020/21 which reduces the current establishment from 13 FTE down to 10 and the additional £100k saving will reduce the team down to 7 FTE.										
		Business Plan implications	To be determined										
		Impact on other departments	Likely to have a direct impact on the Councils cash flow due to delays in the production and processing of invoices for covering chargeable services.										
		Equalities Implications	None										
		TOM Implications	None										
					100	520	115	0	0	0			

Deferred Savings proposal

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS

Budget Process	Ref	Description of Saving		Baseline Budget £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2018-19 CS08	**Service/Section**	**Revenues and Benefits**										
		Description	**Increase in income from Enforcement Service**		**100**	**0**	**15**	**20**			**L**	**L**	**SI2**
		Service Implication	Increase in number of warrants received from ANPR contriventions										
		Staffing Implications	None										
		Business Plan implications	None										
		Impact on other departments	Increase in income for E & R										
		Equalities Implications	None										
		TOM Implications											
	2019-20 CS13	**Service/Section**	**Revenues and Benefits**										
		Description	**Improved collection of HB overpayments and reduce Bad Debt Provision**				**0**	**500**			**M**	**M**	**SNS1**
		Service Implication	HB overpayments have increased since 2014 and as a result additional income and subisdy received which also allows a reduction in bad debt provison										
		Staffing Implications	None										
		Business Plan implications											
		Impact on other departments	None										
		Equalities Implications	Existing collection procedures protects and assists the most vulnerable reisdents										
		TOM Implications	None										
	2020-21 CS10	**Service/Section**	Infrastructure & Technology Division - Transactional Services										
		Description	Further restructuring of the Transactional Services team	**531**					**100**		**L**	**M**	**SS2**
		Service Implication	Will increase the time taken to process income and expenditure payments and set up new suppliers on the Councils financial system. Will have a direct impact on the Councils cash flow due to delays in the production and processing of invoices for covering chargeable services.										
		Staffing Implications	Previously agreed saving of £100k in 2020/21 which reduces the current establishment from 13 FTE down to 10 and the additional £100k saving will reduce the team down to 7 FTE.										
		Business Plan implications	To be determined										
		Impact on other departments	Likely to have a direct impact on the Councils cash flow due to delays in the production and processing of invoices for covering chargeable services.										
		Equalities Implications	None										
		TOM Implications	None										
					100	0	15	520	100	0			
			Change		**0**	**(520)**	**(100)**	**520**	**100**	**0**			
			Cumulative change		**0**	**(520)**	**(620)**	**(100)**	**0**	**0**			

APPENDIX 4

Previously Agreed Saving

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS

Budget Process	Ref	Description of Saving		2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	**E1**	**Service/Section**	**Regulatory Services Partnership**							
		Description	Investigate potential commercial opportunities to generate income from provision of business advice. This follows on from the expansion of the RSP to include Wandsworth from November 2017, and increased resilience.	65	75			Med	Low	SI2
		Service Implication	Will need to ensure no conflict of interest in respect of service delivery.							
		Staffing Implications	Developing new areas of business will need careful consideration of deployment of existing resources.							
		Business Plan implications	Consistent with Business Plan objectives							
		Impact on other departments	None, but will need to consider potential impact on partner boroughs.							
		Equalities Implications	None.							
		TOM Implications	Consistent with objective of making service more commercially driven.							
			Total Environment and Regeneration Savings	**65**	**75**	**0**	**0**			

Deferred Savings proposal

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS

Budget Process	Ref	Description of Saving		2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	E1	**Service/Section**	**Regulatory Services Partnership**							
		Description	Investigate potential commercial opportunities to generate income from provision of business advice. This follows on from the expansion of the RSP to include Wandsworth from November 2017, and increased resilience.		65	75		Med	Low	SI2
		Service Implication	Will need to ensure no conflict of interest in respect of service delivery.							
		Staffing Implications	Developing new areas of business will need careful consideration of deployment of existing resources.							
		Business Plan implications	Consistent with Business Plan objectives							
		Impact on other departments	None, but will need to consider potential impact on partner boroughs.							
		Equalities Implications	None.							
		TOM Implications	Consistent with objective of making service more commercially driven.							
			Total Environment and Regeneration Savings	**0**	**65**	**75**	**0**			
			Change	**(65)**	**(10)**	**75**	**0**			
			Cumulative	**(65)**	**(75)**	**0**	**0**			

SUMMARY OF EQUALITIES ASSESSMENTS

SAVINGS REFERENCE	CABINET	DEPARTMENT	SAVING	OUTCOME
2021-22 CS01	07 December 2020	Corporate Services	Cash Collection Contract	1
2021-22 CS02	07 December 2020	Corporate Services	Corporately funded items (e.g. Supplies and Services)	1
2021-22 CS03	07 December 2020	Corporate Services	Realignment of Pension Added years budget	1
2021-22 CS04	07 December 2020	Corporate Services	Information Governance - Establish income grant budget for transparency agenda	1
2021-22 CS05	07 December 2020	Corporate Services	Contract savings and IT procurement	1
2021-22 CSF01	07 December 2020	Children, Schools and Families	Reduction made in provision for PFI Unitary charges	1
2021-22 CSF02	07 December 2020	Children, Schools and Families	Rationalisation of Children's Centres	2
ENV2021-01	07 December 2020	Environment and Regeneration	FutureMerton - Street works team income	1
ENV2021-02	07 December 2020	Environment and Regeneration	Development Control/Building Control - Increase PPA's income through a dedicated Majors team	1
ENV2021-03	07 December 2020	Environment and Regeneration	Parking - Review of back office processes and efficiencies	3
ENV2021-04	07 December 2020	Environment and Regeneration	Parking - EBC - potentially commencing in 2nd half of 2021/22	2
CH100	07 December 2020	Community and Housing	Review of in-house day care provision	2
CH101	07 December 2020	Community and Housing	Review of in-house LD Residential provision	2
CH102	07 December 2020	Community and Housing	Dementia hub re-commissioning	3

Equality Analysis

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	A series of Resources Division corporate savings (2021-22 CS 1,2,3,4&5)
Which Department/ Division has the responsibility for this?	Corporate Services/Resources

Stage 1: Overview	
Name and job title of lead officer	Roger Kershaw. AD Resources
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Various savings in back office costs:- Cash collection contract £23,000 Miscellaneous savings (eg. Subscriptions) £75,000 Realignment of Pensions added year's budget £63,000 Income grant for transparency agenda £13,000 Contract Savings and IT procurement £200,000
2. How does this contribute to the council's corporate priorities?	Assists with balancing the budget.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	None
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	None

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

The proposals represent back office savings and there will be no impact on the protected characteristics.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
Age		X		X	. No impact
Disability		X		X	. No impact
Gender Reassignment		X		X	. No impact
Marriage and Civil Partnership		X		X	. No impact
Pregnancy and Maternity		X		X	. No impact
Race		X		X	. No impact
Religion/ belief		X		X	. No impact
Sex (Gender)		X		X	. No impact
Sexual orientation		X		X	. No impact
Socio-economic status		x		X	. No impact

7. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
No impact						

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1	OUTCOME 2	OUTCOME 3	OUTCOME 4
X			

Stage 5: Sign off by Director/ Head of Service

Assessment completed by	Roger Kershaw, AD Resources	**Signature: Roger Kershaw**	**Date: 17.11.20**
Improvement action plan signed off by Director/ Head of Service	Caroline Holland	**Signature:**	**Date: 24/11/20**

Equality Analysis

APPENDIX 5

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	Reduction made in provision for PFI Unitary Charges
Which Department/ Division has the responsibility for this?	CSF / Education and Early Help

Stage 1: Overview	
Name and job title of lead officer	Tom Procter
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	To ensure the budget fits the payments and income due – reflecting recent increases in receipts from school contributions due to formula based on school roll and RPIx increase agreed within last few years.
2. How does this contribute to the council's corporate priorities?	Support the council in meeting its savings targets and balancing its budget
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	None – reflects previous decisions made
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	No

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

As there is not expected to be an impact on services to anyone there will be no impact on the protected characteristics.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
Age		*		*	There is no negative impact to any person or protected characteristic as the cut does not change any service being provided – the budget reduction ensures the budget fits the payments and income due reflecting recent increases in receipts from school contributions due to formula based on school roll and RPIx increase agreed within last few years
Disability		*		*	As above
Gender Reassignment		*		*	As above
Marriage and Civil Partnership		*		*	As above
Pregnancy and Maternity		*		*	As above
Race		*		*	As above
Religion/ belief		*		*	As above
Sex (Gender)		*		*	As above
Sexual orientation		*		*	As above
Socio-economic status		*		*	As above

7. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1	**OUTCOME 2**	**OUTCOME 3**	**OUTCOME 4**
X			

Stage 5: Sign off by Director/ Head of Service			
Assessment completed by	Tom Procter	**Signature: T Procter**	**Date: 29/10/2020**
Improvement action plan signed off by Director/ Head of Service	Add name/ job title	**Signature:**	**Date:**

APPENDIX 5

Equality Analysis

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	Rationalisation of Children’s Centres
Which Department/ Division has the responsibility for this?	CSF / Education and Early Help

Stage 1: Overview	
Name and job title of lead officer	Allison Jones
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Aims 1. To reduce the number of buildings designated as DFE defined linked Children’s Centres, resulting in a closure of a number of these linked Centres. 2. To maintain an offer of early childhood services for all Merton residents, through a range of universal services provided through other statutory agencies ie Health Visiting, early education and through access to services directly delivered in Children’s Centres either face to face, remotely or through home visiting 3. To target resources at groups more at risk of poor outcomes, many of whom are within the protected characteristics groups 4. To rationalise the number of Children’s Centres buildings based on protecting services for families with children under 5, who are identified as requiring additional early years learning and development and early help services Objectives 1. To target provision in areas of deprivation through a network of Children’s Centres, with 2 designated Children’s Centres (Acacia and Steers Mead) with a number of linked sites located in agreed areas, located in Merton’s most deprived communities, which will focus the building provision in the South and East of the borough 2. To provide key services to vulnerable families, families living in lower income households and based on identified needs, supported by universal partner agency services i.e. midwifery, health visiting and early years education. 3. To maximise the opportunities through mandatory universal services i.e. midwifery, health visiting and early education and childcare, embedding pathways of support through a range of Children’s Centre services that meet presenting need and provide self-serve and remote services for

	families where there are no additional needs above the universal level of need (threshold indicators) Outcomes 1. To narrow the gap at age 5 for vulnerable children including those with SEND, those living in low income households (eligibility for FSM) children from BAME groups and boys 2. To provide an offer that supports children's learning and development and builds parental bonding and attachment so that children can flourish in their early years and be ready for school/leaning 3. That families have their needs met in the early years, as evidence and research shows this is crucial to securing good lifelong outcomes, targeting resources appropriately
2. How does this contribute to the council's corporate priorities?	Support the council in meeting its savings targets and balancing its budget Narrowing the gap Delivering good outcomes for young children Being London's Best Council
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	There are a range of residents and stakeholders that are affected 1. Resident families with children under the age of 5 2. Current community health provider CLCH who rent office space and delivery services from some Centres 3. Midwifery Services from St George's and St Helier who deliver services from some centres 4. Range of other agencies who rent spaces from Centres, this is anticipated to change between now and 2022
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Partly, currently the CLCH contract includes delivery and office accommodation from Children's Centres, rationalisation would need to be planned for in an integrated way with public health. Significant income is generated form the use of Centre by the community health provider so that would need to be factored in to any proposal as well as the possible impact on their own delivery model. This proposal also could affect the midwifery service of St Georges and St Helier, who have delivery space in some of the existing centres.

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

EYFSP profile data
IDACI mapping
Take up data
Outcome data (Family maps)
Feedback from service users
Pathways data
Covid response service data
Compliments
Area profile
Research/evidence based practice https://www.childrenscommissioner.gov.uk/wp-content/uploads/2020/07/cco-best-beginnings-in-the-early-years.pdf

Using the above data enable the service to identify potential groups who may be more vulnerable to poor outcomes (child development) and or who may have protected characteristics. The analysis from the data sets, enables ongoing reviews of the services in terms of take up and engagement with various groups of residents who have protected characteristics, and provides a helpful bench mark as to possible groups that may be under represented and where a change in approach to current practices may need to be reviewed/changed/developed. The aim is to utilise various data sources that provide evidence of specific data in terms of output/volume/characteristics of service users as well as relevant/measureable outcomes so that there is a systematic approach to mitigating any negative impact as a result of the proposed changes to changes the number of physical buildings that are available for services to be delivered from.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
Age		*	*		Possible negative impact is that women with young children may not have access to a local centre, however services would continue to be offered as they are now only at a centre in a different location, remotely or as part of a home vising service
Disability		*		*	Services for children with a disability will be protected
Gender Reassignment		*		*	
Marriage and Civil Partnership		*		*	
Pregnancy and Maternity		*	*		Possible negative impact is that women/mothers may not have access to a local centre, however services would continue to be offered as they are now only at a centre in a different location, remotely or as part of a home visiting service
Race		*	*		Possible negative impact is that some families may not have access to a local centre, however services would continue to be offered as they are now only at a centre in a different location, remotely or as part of a home vising service. Some BAME children have lower outcomes at the age of 5, so services would continue to target support and appropriate activities that support early child hood development for this cohort
Religion/ belief		*		*	
Sex (Gender)		*	*		Possible negative impact is that some families/mothers (women tend to be the significant service users) may not have access to a local centre, however services would continue to be offered as they are now only at a centre in a different location, remotely or as part of a home vising service. Male children tend to have lower outcomes at the age of 5, so services would continue to target support for appropriate activities that support early child hood development for this cohort
Sexual orientation		*		*	
Socio-economic status		*	*		Services will remain focussed within Merton's most deprived communities, with specific criteria based on the free school meal eligibility criteria (workless households) . Children's Centres will be prioritised for remaining open, based on the communities that they serve – the lower the IDACI scores, the focus will be here

7. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Age	Buildings in more affluent areas will be rationalised, enabling resources to be used to support service priorities which includes narrowing the gaps for vulnerable groups and children at risk of poor outcomes, which include families/individuals with protected characteristics. Targeted outreach will take place in communities/buildings where there are pockets of deprivation/temporary accommodation and known families who may benefit from addition support, if there are no local centres nearby (as is the case currently) Continue to offer a range of services including young parents groups, to all mothers and fathers and children under 5 in accordance with identified need. All first time parents, and more vulnerable parents with more than one child, will continue to be offered a remote or face to face universal baby programme Families will have access to a centre, within the borough. For	**Service wide data**	**Quarterly/termly/yearly**	**Existing**	**AJ**	Contained within Services monitored to ensure we are meeting needs. We monitor age for child and not parent.

	some families they may have to travel further than currently, where this is an issue home visits will be considered or the possible rental of local space to deliver services if the need arises (i.e. schools, nursery). Continue to provide services at a more targeted level of need (as is the current offer), working in partnership with the mandated universal services i.e. midwifery and health visiting so that these agencies make full use of referral pathways and early help provision. Continue to promote the take up of services, particularly the health mandated child reviews and the 2 year old funded offer for eligible families					

Pregnancy and maternity	Buildings in more affluent areas will be rationalised, enabling resources to be used to support service priorities which includes narrowing the gap for vulnerable groups and children at risk of poor outcomes, which include families/individuals with protected characteristics. Remaining buildings will continue to host midwifery, antenatal and post-natal and health visiting universal services. Targeted outreach will take place in communities/buildings where there are pockets of deprivation/temporary accommodation and known families who may benefit from addition support, if there are no local centres nearby, as is the case currently Families will have access to a centre, within the borough. For some families they may have to travel further than currently, where this is an issue home visits will be considered or the possible rental of local space to deliver services if the need arises (i.e. schools, nursery). Continue to offer a range of services including the young					

	parents groups, to all mothers and fathers and children under 5 in accordance with identified need. (This is the current delivery model – so no change) All first time parents, (and more vulnerable parents with more than one child) will continue to be offered a remote or face to face universal baby programme Continue to provide services at a more targeted level of need (as is the current offer), working in partnership with the mandated universal services i.e. midwifery and health visiting so that these agencies make full use of referral pathways and early help provision Continue to promote the take up of services, particularly the health mandated child reviews and the 2 year old funded offer for eligible families					

Race	Buildings in more affluent areas will be rationalised, enabling resources to be used to support service priorities which includes narrowing the gap for vulnerable groups and children at risk of poor outcomes, which include families/individuals with protected characteristics Targeted outreach will take place in communities/buildings where there are pockets of deprivation/temporary accommodation and known families who may benefit from addition support, if there are no local centres nearby, as is the case currently Continue to offer a range of early learning together programmes and services including young parents groups, ESOL for mums and under 1s, targeted drop ins to all mothers and fathers and children under 5 in accordance with identified need. All first time parents, and more vulnerable parents with more than one child, will continue to be offered a remote or face to face universal baby programme Families will have access to a centre, within the borough. For some families they may have to travel further than currently,					

	where this is an issue home visits will be considered or the possible rental of local space to deliver services if the need arises (i.e. schools, nursery). Continue to provide services at a more targeted level of need (as is the current offer), working in partnership with the mandated universal services i.e. midwifery and health visiting so that these agencies make full use of referral pathways and early help provision. Continue to promote the take up of services, particularly the health mandated child reviews and the 2 year old funded offer for eligible families					

Sex	Buildings in more affluent areas will be rationalised, enabling resources to be used to support service priorities which is vulnerable groups and children at risk of poor outcomes, which include families/individuals with protected characteristics Targeted outreach will take place in communities/buildings where there are pockets of deprivation/temporary accommodation and known families who may benefit from addition support, if there are no local centres nearby, as is the case currently Continue to offer a range of services including young parents groups, to all mothers and fathers and children under 5 in accordance with identified need. All first time parents, and more vulnerable parents with more than one child, will continue to be offered a remote or face to face universal baby programme Families will have access to a centre, within the borough. For some families they may have to travel further than currently, where this is an issue home visits will be considered or the possible rental of local space to deliver services if the need arises (i.e.					

	schools, nursery). Continue to provide services at a more targeted level of need (as is the current offer), working in partnership with the mandated universal services i.e. midwifery and health visiting so that these agencies make full use of referral pathways and early help provision Continue to promote the take up of services, particularly the health mandated child reviews and the 2 year old funded offer for eligible families					

Socio-economic	Continue to offer a range of services including young parents groups, to all mothers and fathers and children under 5 in accordance with identified need. All first time parents, and more vulnerable parents with more than one child, will continue to be offered a remote or face to face universal baby programme For families living in areas of deprivation (CC locality) it is anticipated there will be minimal changes. Where travel or access may be an issue home visits will be considered or the possible rental of local space to deliver services if the need arises (i.e. schools, nursery). Continue to provide services at a more targeted level of need (as is the current offer), working in partnership with the mandated universal services i.e. midwifery and health visiting so that these agencies make full use of referral pathways and early help provision Continue to promote the take up of services, particularly the health mandated child reviews and the 2-year-old funded offer for eligible families. Continue to deliver					

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1	OUTCOME 2	OUTCOME 3	OUTCOME 4
	X		

Stage 5: Sign off by Director/ Head of Service

Assessment completed by	Allison Jones	**Signature: Allison Jones**	**Date: 18/11/2020**
Improvement action plan signed off by Director/ Head of Service		**Signature:**	**Date:**

Equality Analysis

APPENDIX 5

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Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	Proposed budget savings **ENV2021-01** Street works team income (increase in income)
Which Department/ Division has the responsibility for this?	E&R: Future Merton Infrastructure Team

Stage 1: Overview	
Name and job title of lead officer	Paul McGarry, Head of Future Merton
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	The proposal is to increase fees and permit charges relating to roadworks, utility works and construction site activity on or adjacent to the Highway Network. Proposals to increase income by £100,000 p/a though increased licence and permit fees.
2. How does this contribute to the council's corporate priorities?	In line with the council's business plan and statutory role as Highway Authority.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Customers affected will be utility companies and developers who pay to use, amend or hire the public highway for construction and utility purposes, this also includes fines for non compliance.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Responsibility is retained within the Council under statutory highway duties.

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Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

A review of fees and permits has been undertaken and benchmarked against other local authorities.

Work has been undertaken with London Councils regarding lane-rental permits for utility works that has contributed to identifying opportunities to increase revenue income to LBM.

Due to the nature of the works and customers involved (roadworks and construction / utility companies, it not considered that there will be an impact on the protected characteristics of our residents,

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies **Positive impact**		Tick which applies **Potential negative impact**		**Reason** Briefly explain what positive or negative impact has been identified
	Yes	**No**	**Yes**	**No**	
Age		X		X	N/A – fee proposals have a neutral impact on equality groups
Disability		X		X	No proposals to increase Disable Parking Bay fees.
Gender Reassignment		X		X	N/A – fee proposals have a neutral impact on equality groups
Marriage and Civil Partnership		X		X	N/A – fee proposals have a neutral impact on equality groups
Pregnancy and Maternity		X		X	N/A – fee proposals have a neutral impact on equality groups
Race		X		X	N/A – fee proposals have a neutral impact on equality groups
Religion/ belief		X		X	N/A – fee proposals have a neutral impact on equality groups
Sex (Gender)		X		X	N/A – fee proposals have a neutral impact on equality groups
Sexual orientation		X		X	N/A – fee proposals have a neutral impact on equality groups
Socio-economic status		x		X	N/A – fee proposals have a neutral impact on equality groups

7. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
N/A						

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1	OUTCOME 2	OUTCOME 3	OUTCOME 4
X			

Stage 5: Sign off by Director/ Head of Service			
Assessment completed by	Paul McGarry Head of FutureMerton	**Signature: PMcG**	**Date:5/11/20**
Improvement action plan signed off by Director/ Head of Service	James McGinlay Assistant Director for Sustainable Communities	**Signature: JMcG**	**Date:5/11/20**

Equality Analysis

APPENDIX 5

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	Increase Planning Performance Agreement's income (increased income) through a dedicated Majors team ENV2021-02
Which Department/ Division has the responsibility for this?	E@R Sustainable Communities

Stage 1: Overview	
Name and job title of lead officer	Neil Milligan : Building and Development Control Manager
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	Increase PPA's income (increased income) through a dedicated Majors team Charging additional fees for major planning applications. Will deliver additional income for savings.
2. How does this contribute to the council's corporate priorities?	Income for corporate savings imperative
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Additional expectations on the service provided given that addition fees to be charged. These will not be invested in the team to allow extra resources to undertake the work, unless extra additional income is also generated. Reorganised structure may concentrate effort on major regeneration schemes to the benefit of residents and businesses
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Future Merton provide professional expertise on relevant major planning applications. Children's Schools and Families, Property, Env health, Greenspaces and other sections rely on the service when involved in planning applications for their respective area or provide advice external applications.

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

None

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
Age		x		x	
Disability		x		x	
Gender Reassignment		x		x	
Marriage and Civil Partnership		x		x	
Pregnancy and Maternity		x		x	
Race		x		x	
Religion/ belief		x		x	
Sex (Gender)		x		x	
Sexual orientation		x		x	
Socio-economic status		x		x	

7. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
N/A						

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore, it is important the effective monitoring is in place to assess the impact.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

OUTCOME 1	OUTCOME 2	OUTCOME 3	OUTCOME 4
X			

Stage 5: Sign off by Director/ Head of Service			
Assessment completed by	Neil Milligan	**Signature:**	**Date:29-10-20**
Improvement action plan signed off by Director/ Head of Service	Neil Milligan	**Signature:**	**Date:29-10-20**

APPENDIX 5

Equality Analysis

Please refer to the guidance for carrying out Equality Analysis (available on the intranet). Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	Deletion of posts in Parking Services to meet the proposed Savings proposal for 2023/2024 and 2024/24. ENV2021-03
Which Department/ Division has the responsibility for this?	Directorate : Environment and Regeneration Section: Parking Services Service: Permits/PCN/and administration.

Stage 1: Overview	
Name and job title of lead officer	Ben Stephens
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	The aim of the deletion of posts is to achieve the proposed saving by reducing the number of posts within the Service.
2. How does this contribute to the council's corporate priorities?	Achieving the MTFS savings and considering efficiencies within the service
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Work force
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	No

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

Parking Services have a total of 78.5 staff including the Head of Parking Services. There are 43.5 ‘back office staff and 35 Civil Enforcement Officer and Team Leaders. This saving will reduced the back office establishment to 40.5 staff in 2023/24 and down to 39 in 2024/25, a total reduction of 4.5fte post in total.

The protected characteristics that maybe affected are age, disability, sex (Gender) and race. The council’s restructure process will be followed which includes a process of consultation with the workforce.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies **Positive impact**		Tick which applies **Potential negative impact**		**Reason** Briefly explain what positive or negative impact has been identified
	Yes	**No**	**Yes**	**No**	
Age			x		Staff affected maybe of an older age group.
Disability			x		Staff affected may have a registered disability.
Gender Reassignment				x	
Marriage and Civil Partnership				x	
Pregnancy and Maternity				x	
Race				x	Staff may be affected depended on race.
Religion/ belief				x	
Sex (Gender)			x		Staff affected maybe either female or male.
Sexual orientation				x	
Socio-economic status					

7. If you have identified a negative impact, how do you plan to mitigate it?

The negative impact will be that the 4.5 members of staff (if in post at the time of the saving in 2023/2024) will be subject to redundancy where individuals are presenting as having the protected characteristics of either age, sex (gender) or disability. The managing workforce change procedure and policy will be used to mitigate any negative equalities impact that arises.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

	Outcome 1 – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. No changes are required.
	Outcome 2 – The EA has identified adjustments to remove negative impact or to better promote equality. Actions you propose to take to do this should be included in the Action Plan.
x	**Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.
	Outcome 4 – The EA shows actual or potential unlawful discrimination. Stop and rethink your proposals.

Stage 5: Improvement Action Pan

9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
Staff affected by the proposed deletion of the posts can present with the following protected characteristics: age, sex (gender) and/or a disability	We will use the managing workforce change policy to mitigate the negative impact.	Through following the workforce change policy and addressing any negative impact on age, sex or disability.	Within the timescales set for savings.	Existing resources	Ben Stephens	Not yet as this has not been agreed.

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

This section can also be used in your decision making reports (CMT/Cabinet/etc) but you must also attach the assessment to the report, or provide a hyperlink

This Equality Analysis has resulted in an Outcome 3 Assessment
The proposed deletion of posts in 2023/24 in Parking Services will impact on the workforce as there will potentially be a deletion of posts. The council's process will be followed, this includes the consultation with the staff. Should anything be raised during the consultation stage in relation to equalities, reasonable adjustments will be made to address the issues raised.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	**Ben Stephens**	**Signature:** Ben Stephens	**Date: 6.11.2020**
Improvement action plan signed off by Director/ Head of Service	Add name/ job title	**Signature:**	**Date:**

Emission Based Charging Equalities Assessment (November 2020)

This document is in the process of being updated following the result of a recent consultation.

Equality Analysis

Please refer to the guidance for carrying out Equality Assessments is available on the intranet Text in blue is intended to provide guidance – you can delete this from your final version.	
What are the proposals being assessed? ENV2021-04	Saving title – Emission based charging for Permits and paid for parking on and off street. To help deliver key strategic council priorities including public health, air quality, climatechange and sustainable and active transport. This assessment considers: The effect of an emission-based charging model and the decrease or increase in Permit and parking changes for some residents/motorists. To facilitate emission based charging it is proposed 100 new machines are required which can charge based on vehicle type. It is proposed to remove all existing machines (circa 429) in a phased approach over the medium term, and replace 100 new machines which will also take card and other contactless payments. These 100 machines account 80% of all transactions. There is currently a total of 2.3 m transactions – c £4.6 m per annum This assessment considers the payment methods/choices at location where a machine is no longer an alternative and payment options in respect of the 100 new machines and the impact for card payments.

	Scratch cards for visitor Permits are currently sold to allow parking within Permit Zones when guests visit. These cannot be linked to specific vehicles which is required in an emission based charging model. The potential removal of this service in the medium term is being considered with an online vehicle specific option which is now available.
Which Department/ Division has the responsibility for this?	Parking Services, Environment and Regeneration

Stage 1: Overview	
Name and job title of lead officer	Ben Stephens, Head of Parking
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc.)	In setting out its measures of success, the on/off street diesel levy surcharge aims to reduce the number of highly polluting cars owned within the borough. Local authorities are not permitted to use parking charges solely to raise income. When setting charges, we must instead focus on how the charges will contribute to delivering the Council's traffic management and other policy objectives. Merton wishes to ensure that the highest priority is given, to its responsibilities to deliver cleaner local air at a time when the current situation has been described as a global public health emergency. We are delivering a new Air Quality Action Plan that is ambitious in its aims and already demonstrates that we as an authority will use all of the powers available to us, not only to challenge and tackle this problem; but also to work towards delivering our legal responsibilities to protect the public. The council recognises the part that it has to play, in developing and delivering a framework to tackle air quality, demand for parking, and congestion in the borough. It does not stand alone on these issues. All of the other London boroughs are seeking to implement new parking policies to tackle similar problems. There are very few direct levers available to stimulate a change in driver behaviour, and the council believes that the rationale for setting the new parking charges is about giving people the right nudge and opportunity to make different choices.

	Members are requested to exercise their statutory duty to secure the expeditious, convenient and safe movement of traffic, and the provision of suitable and adequate parking facilities in the context of the public health agenda. This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction. This proposal sets out the rationale of seeking to adjust driver behaviour and to ensure that we can provide a modern, efficient and environmentally sustainable transport policy for residents, visitors and businesses, now and in the future. They explain the Public Health vision to protect and improve physical and mental health outcomes for the whole population in Merton, and to reduce health inequalities. At the heart of the strategy is the concept that the environment is a key driver for health. It can be summarised by '**making the healthy choice the easy choice'.**
2. How does this contribute to the council's corporate priorities?	It contributes in the following ways: 1. Reduce congestion 2. Improve air quality and meet EU quality standards 3. To meet the actions set out in the Merton Health and Wellbeing Strategy 2019 4. Adopt a healthy street approach 5. Promote healthier life styles and encourage more active travel Healthy places: The 'healthy streets' approach defines a healthy street as one with: things to see and do; places to stop and rest; shade and shelter; clean air; and pedestrians from all walks of life. It must be easy to cross; and feel safe, relaxing and not too noisy. Put simply, it needs to be an environment in which people choose to walk and cycle. Action against these indicators ultimately improves health, and parking policy has a role to play for example, by helping improve air quality, and incentivising people to walk, cycle and use public transport.

	Merton Air Quality Action Plan 2018-2023 Merton's Air Quality Action Plan 2018-2023 strongly supported by Members is a key policy document, which clearly sets out the links between vehicle use and air quality in the Borough. Air pollution is recognised, as a major contributor to poor health with more than 9000 premature deaths attributed to poor air quality in London Air pollution is associated with a number of adverse health impacts: it is recognised as a contributing factor in the onset of heart disease and cancer. Additionally, air pollution particularly affects the most vulnerable in society: children and older people, and those with heart and lung conditions. There is also often a strong correlation with equalities issues, because areas with poor air quality are often less affluent. Air quality has been identified as a priority both nationally and within London, where pollution levels continue to exceed both EU limit values and UK air quality standards. Pollution concentrations in Merton have historically and continue to breach the legally binding air quality limits for both Nitrogen Dioxide (NO2) and Particulate Matter (PM10). The air quality-monitoring network run by Merton has shown that the UK annual mean NO2 objective (40µg/m3) continues to be breached at a number of locations across the borough. In some locations the NO2 concentration is also in excess of the UK 1-hour air quality objective (60µg/m3) which indicates a risk not only to people living in that area but also for those working or visiting the area. In Merton an Air Quality Management Area (AQMA) has been declared for the whole borough. The AQMA has been declared for the following pollutants: Nitrogen Dioxide: we are failing to meet the EU annual average limit for this pollutant at some of our monitoring stations and modelling indicates it is being breached at a number of other locations. We may also be breaching the UK 1-hour Air Quality Objective based on measured concentration for NO2 being in excess of 60µg/m3 at some locations within the borough. There are four focus areas in the borough. These are in the main centres of Mitcham, Morden, Raynes Park and Wimbledon. Parking and Traffic Management This proposed Parking Charges report sets out the important role Parking and transport policy has in managing the roads and wider travel needs of the public. Merton's policy links closely with the local Implementation Plan and the Mayors Transport Strategy, which sets out objectives in detail.
3. Who will be affected by this proposal? For example who are	The proposal will affect all residents, businesses, workers and visitors to the borough, across all socio-economic groups, who own a diesel vehicle.

<table>
<tr>
<td>the external/internal customers, communities, partners, stakeholders, the workforce etc.</td>
<td>
In order to set the context for the proposal the following profile has been used.
Merton's profile
Merton has a diverse and growing population. In 2018, Merton has an estimated resident population of 209,400, which is projected to increase by about 3.9% to 217,500 by 2025. The age profile is predicted to shift over this time, with notable growth in the proportions of older people (65 years and older) and a decline in the 0-4 year old population.
<table>
<tr><th>Age</th><th>Percentage of total population</th></tr>
<tr><td>0-4</td><td>7.4%</td></tr>
<tr><td>5-17</td><td>15.7%</td></tr>
<tr><td>18-64</td><td>64.5%</td></tr>
<tr><td>65-84</td><td>10.7%</td></tr>
<tr><td>85+</td><td>1.7%</td></tr>
</table>
Source: GLA Housing led projection, data from 2016 SHLAA
Sex
<table>
<tr><th>Age</th><th>Female</th><th>Male</th></tr>
<tr><td>0-4</td><td>106,045 (51%)</td><td>103,370 (49%)</td></tr>
<tr><td>5-17</td><td>16,077 (49%)</td><td>16,733 (51%)</td></tr>
<tr><td>18-64</td><td>68,266 (50.5%)</td><td>66,914 (49.5%)</td></tr>
<tr><td>65-84</td><td>11,840 (53%)</td><td>10,500 (47%)</td></tr>
<tr><td>85+</td><td>2,287 (63%)</td><td>1,343 (37%)</td></tr>
</table>
Source: The 9 Protected Characteristics, Merton. Available from: https://www2.merton.gov.uk/9%20PC%20July%202018%20Final.pdf
In 2018, east Merton has an estimated resident population of 110,200 which is projected to increase to 113,900 by 2025 (a 3.3% increase) compared to west Merton, which has an estimated resident population of 99,200 which is projected to increase to 103,600 by 2025 (a 4.5% increase).
</td>
</tr>
</table>

	East Merton generally has a larger younger population of 0-29 year olds compared to west Merton, which generally has a larger population of people, aged 35 and over. In 2018, Merton has an estimated 135,200 working age population (18-64 year olds), which make up 64.5% of the total population. By 2025 this is predicted to increase in numbers to almost 140,000 (although decrease slightly as a proportion of the total population, to 64.3%). Almost 72,000 of this age group currently reside in east Merton compared to 63,200 in west Merton. There is expected to be an increase by 2025 to 73,800 in east Merton and 66,200 in west Merton. Merton has 22,350 people aged 65-84 years old (10.7% of the total population). By 2025, this is predicted to increase to 24,350 (11.2%). 10,350 live in east Merton compared to 12,000 in west Merton. By 2025 there is expected to be an increase to 11,550 in east Merton and almost 12,800 in west Merton. Merton along with most London Boroughs is currently failing its annual legal air quality targets for both NO2 and Particulates (PMs); this problem is most severe around the major transport routes. There is emerging evidence that schools in London which are worst affected by air pollution are in the most deprived areas, meaning that poor children and their families are exposed to multiple health risks.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Yes. Responsibility is shared with the following departments, organisations and partners. Future Merton, Highways and Transportation, Planning, Mayor of London, TfL, transport operators, Parking Services.

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

The Council have assessed the use of public transport and active transport and are considered alternatives to owning a vehicle. Specifically diesel cars contribute significantly to poor air quality. There are also other vehicle types such as electric or hybrid which are clear alternatives.

In the proposal there will be locations where currently a P&D machine is in situ, but may be removed and for a 'cashless' payment to be made through a phone or APP. This assessment has considered the impact on individuals unable to pay by phone or APP at locations where cash machines are not an option.

In respect of the locations where the 100 new machines are being put in, consideration will be given to have cash and card payments or just cash.

Key factors considered included:

(i) Air Quality hotspots

(ii) Areas of high congestion

Merton is committed to undertaking comprehensive consultation to gain the views of residents and stakeholders. This enables the Council to make informed decisions and to develop our policies.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies **Positive impact**		Tick which applies **Potential negative impact**		**Reason** Briefly explain what positive or negative impact has been identified
	Yes	**No**	**Yes**	**No**	
Age	X		X		**Positive Impact** The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all. This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction. **Potential Negative Impact**

					<u>(Areas of mobile phone payments only)</u> There may be a number of residents (predominantly elderly) who do not own a mobile phone and would be unable to make payment via RingGo in locations where there is no machine to do so, they would be unable to make payment unless an alternative option is available. <u>(Locations where there is a machine to make payment)</u> In the case where there is a machine available for payment, it is being considered for these machines to only take cashless payments. If a motorists does not have a bank card to make payment, they would be unable to make payment unless an alternative option is available. However, car tax, insurance and maintenance petrol cost/expenditure would mean that it is very unlikely that a vehicle owner did not have a bank card to make payment.
Disability	X		X		**<u>Positive Impact</u>** The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all. This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction. **<u>Potential Negative Impact</u>** <u>(Areas of mobile phone payments only)</u> Digitisation statistics do show individuals with a disability are less likely to own a mobile phone and would therefore be unable to make

					payment via RingGo, in locations where there is no machine to do so, unless an alternative option is available. <u>(Locations where there is a machine to make payment)</u> In the case where there is a machine available for payment, it is being considered for these machines to only take cashless payments. If a motorists does not have a bank card to make payment, they would be unable to make payment unless an alternative option is available. However, car tax, insurance and maintenance petrol cost/expenditure would mean that it is very unlikely that a vehicle owner did not have a bank card to make payment.
Gender Reassignment	X			X	**<u>Positive Impact</u>** The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all. This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction. **<u>Potential Negative Impact</u>** None identified
Marriage and Civil Partnership	X			X	**<u>Positive Impact</u>** The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all.

					This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction. **<u>Potential Negative Impact</u>** None identified
Pregnancy and Maternity	X			X	**<u>Positive Impact</u>** The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all. This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction. **<u>Potential Negative Impact</u>** None identified
Race	X			X	**<u>Positive Impact</u>** The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all. This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction. **<u>Potential Negative Impact</u>**

					None identified
Religion/ belief	X			X	**Positive Impact** The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all. This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction. **Potential Negative Impact** None identified
Sex (Gender)	X			X	**Positive Impact** The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all. This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction. **Potential Negative Impact** None identified
Sexual orientation	X			X	**Positive Impact** The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of diesel cars within the borough. This policy has a positive health benefit to all.

					This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction. **<u>Potential Negative Impact</u>** None identified
Socio-economic status	X		X		**<u>Positive Impact</u>** The proposals support the principle of a shift away from polluting vehicles to alternative forms of transport for all owners of and motorists parking of vehicles within the borough. This policy has a positive health benefit to all. This includes the shift to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality, and demand for kerbside space, which form the backdrop of the policy direction. **<u>Potential Negative Impact</u>** **Cost of Emission Charging.** Any increase in parking charges has the potential to negatively impact on those from certain socio economic backgrounds. Significant social inequalities exist within Merton. The eastern half has a younger, less affluent and more ethnically mixed population. The western half is less ethnically mixed, older and more affluent. Largely as a result, people in East Merton have worse health and shorter lives. The improvement action plan below sets out a number of mitigations to address the above points.

					The council considers that the impact is proportionate to the legitimate aim sought to be achieved through the policy. **Paid for on and off street parking** <u>(Areas of mobile phone payments only)</u> Those individuals who drive a vehicle but cannot afford a mobile phone may be disadvantaged and would therefore be unable to make payment via RingGo, in locations where there is no machine to do so, unless an alternative option is available. <u>(Locations where there is a machine to make payment)</u> In the case where there is a machine available for payment, it is being considered for these machines to only take cashless payments. If a motorists does not have a bank card to make payment, which may be case in some social-economic groups, they would be unable to make payment unless an alternative option is available. However, car tax, insurance and maintenance petrol cost/expenditure would mean that it is very unlikely that a vehicle owner did not have a bank card to make payment. **Scratch Cards for Visitor Permits.** Currently a resident may purchase and keep a stock of scratch cards to give to visitors as and when they arrive. However, these scratch cards are not specifically linked to the type of vehicle, which is required in an emission based charging model, therefore it is being proposed that visitor permits are purchased online or through a smart phone in the first instance and there may be a number of residents in this group who do not have access to a smart phone or a computer.

7. If you have identified a negative impact, how do you plan to mitigate it?

The mitigations for disability, age, pregnancy & maternity and socio-economic status are set out in the Action Plan below.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)

   Please refer to the guidance for carrying out Equality Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

	Outcome 1 – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed.
X	**Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality.
	Outcome 3 – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully.
	Outcome 4 – The EA shows actual or potential unlawful discrimination.

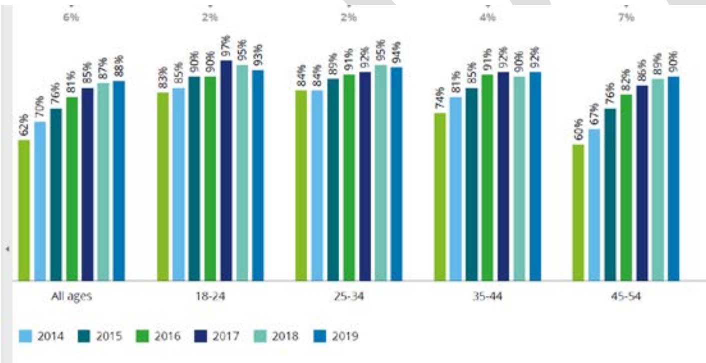
Stage 5: Improvement Action Pan

8. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**HOW WILL YOU KNOW THIS IS ACHIEVED?** E.G. PERFORMANCE MEASURE/ TARGET)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
Age	There are a number of alternatives to the use/ownership of a diesel vehicle, including cleaner vehicles or the transition to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality. <u>Access to bank cards.</u> The cost of maintain a car in London is significant and includes, car tax, insurance and maintenance petrol. This cost/expenditure would mean that it is very unlikely that a vehicle owner did not have a bank card to make payment at locations where card only payments are to be accepted. However there may be some residents, (who are more likely to be elderly) who do not have a bank card. Debit or Credit card ownership in the UK is significant with a growing trend of more ownership and usage. Further the use of contactless payments has increased in recent years which has made payment quicker and easier. Statistics show		Current	Existing	Ben Stephens	Yes

	the younger the age the higher the ownership and use. For the more elderly most own a bank card which would be used for payment. Individuals who drive a vehicle for business and or pleasure are move active and mobile, and are already more likely to use a bank card to make payments. <u>Access to smart phones</u> Locations where only a mobile phone can be used accounts for 20% of all transactions/locations. Smartphone adoption among 55-75-year-olds in the UK has now reached 80%. (Graph below) Therefore 80% of 55-75 year old have the option to pay by smart phone. This figure is for the UK and it is known that there is a greeter update of digitalisation in London and the South East. 18-24-year-olds, market penetration is at a record 96%. 95% of smart phone users have used their phone within the last 24 hours which shows regular use. (Deloitte survey September 2019). The table below shows increase in smart phone ownership over the last 7 years with it being at 80% in 2019.					

	The council will offer an option to sell single use scratch cards in advance for use when parking at locations where cash is not an alternative.					
Socio-economic status	There are a number of alternatives to the use/ownership of a diesel vehicle, including cleaner vehicles or the transition to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality. <u>Access to bank cards.</u> The cost to maintain a car in London is significant and includes, car tax, insurance and maintenance petrol. This cost/expenditure would mean that it is very unlikely that a vehicle owner did not have a					

	bank card to make payment at locations where card only payments are to be accepted. However there may be some residents, (who are more likely to be unable to get credit or a bank account) who do not have a bank card. Debit or Credit card ownership in the UK is significant with a growing trend of more ownership and usage. Further the use of contactless payments has increased in recent years which has made payment quicker and easier. Statistics show the younger the age the higher the ownership and use. However individuals who drive a vehicle for business and more likely to use a bank card to make payments. <u>Access to phones</u> Locations where only a mobile phone can be used accounts for 20% of all transactions/locations  The graph above shows that no less than 90% of all UK residents (in each age group) up to the age of 75 own a 'Smartphone. Figures cannot be found for a normal mobile phone. It is clear that the ability to pay by phone is accessible to all and there is little indication that a low socio economic					

	status has an effect on phone ownership, particularly in cases where a car is also owned or used by the individual.					

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore, it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

This section can also be used in your decision-making reports (CMT/Cabinet/etc.) but you must also attach the assessment to the report, or provide a hyperlink

This Equality Analysis has resulted in an Outcome **2** Assessment
Please include here a summary of the key findings of your assessment. Diesel vehicles contribute to poor air quality. An increase on the surcharge will have the effect of nudging diesel car owners away from owing a diesel car. Reduced car and especially polluting diesel cars will help deliver key strategic council priorities including public health, air quality and sustainable transport and deliver an effective parking management strategy. The Council have assessed the use of public transport and active transport and are considered alternatives to owning a vehicle. Specifically diesel cars contribute significantly to poor air quality. There are also other vehicle types such as electric or hybrid which are clear alternatives. **<u>Positive Impact</u>** The proposals support the rationale of seeking to adjust driver behaviour and to ensure that we can provide a modern, efficient and environmentally sustainable transport policy for residents, visitors and businesses, now and in the future. In setting out its measures of success, the new PCN charging bands aims to deliver: It contributes in the following ways:

1. Reduce congestion
2. Improve air quality and meet EU quality standards
3. To meet the actions set out in the Merton Health and Wellbeing Strategy 2019
4. Adopt a healthy street approach
5. Promote healthier life styles and encourage more active travel

<u>Negitive Impact</u>

The increase cost of the diesel levy surcharge could have a negative effect on individuals who own a diesel car and find the additional charge challenging. This is mitigated because there are a number of alternatives to the use/ownership of a diesel vehicle, including cleaner vehicles or the transition to more active and sustainable transport modes (such as walking, cycling and public transport) the impact of vehicle emissions and congestion on air quality.

To facilitate this introduction of an on/off start diesel charge 100 new machines are required which can charge based on vehicle type. In some location payment by mobile phone only is an option. Data shows that no less than 90% of all UK residents (in each age group) up to the age of 75 own a 'Smartphone. Figures cannot be found for a normal mobile phone. It is clear that the ability to pay by phone is accessible to all and there is little indication that a low socio economic status has an effect on phone ownership, particularly in cases where a car is also owned or used by the individual.

In 100 locations (or where 80% of all transactions take place) payment by bank card will be an option. However given the cost to maintain a car in London is significant and includes, car tax, insurance and maintenance petrol. This cost/expenditure would mean that it is very unlikely that a vehicle owner did not have a bank card to make payment at locations where card only payments are to be accepted.

<u>Monitoring</u>
There is a commitment that the EA Plan will be reviewed in 12 months' time and will be published on the Council's website.

What course of action are you advising as a result of this assessment?
Section 5 – Improvement Action Plan sets out the actions and timescales proposed to be undertaken.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Ben Stephens – Head of Parking Services	**Signature:**	**Date:1st November 2019**
Improvement action plan signed off by Director/ Head of Service	Chris Lee – Director of Environment and Regeneration	**Signature:**	**Date:**

Equality Analysis

DRAFT

What are the proposals being assessed?	CH100 Direct Provision – review of in-house day care provision
Which Department/ Division has the responsibility for this?	Community and Housing

Stage 1: Overview	
Name and job title of lead officer	John Morgan – Assistant Director Adult Social Care
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	To review and consult on the consolidation of services on fewer sites to improve efficiency and to reflect the changing nature of provision. During COVID 19, out of necessity to meet public health guidelines the service has shifted away from buildings based provision to more outreach work and use of community facilities. There has also been a significant take up of communicating by media such as Zoom, Skype and similar which has enabled people to keep in touch, and participate in virtual activities. Prior to the onset of the pandemic, the department had begun significant engagement with people with learning disabilities, their carers and families to seek their views on a new model for day opportunities that relied less on traditionally offered dedicated building based support and aims to make better use of everyday community facilities and activities. Using a range of community sites across the borough will give people the chance to meet nearer to their home and allay the fears of carers who have reservations about their family member's ability to navigate the broader community. The model also aims to increase opportunities for education, training and skill development and supported routes into employment. In moving this model forward it is apparent there will be less demand for 'day centres' as traditionally known, though this would still be an appropriate way to support individuals and meet the needs of people with more complex disabilities and those who experience behavioural difficulties. We know that the PD cohort at All Saints consists of people who value a 'drop in' space to meet people with similar life experiences to themselves, and this can be replicated in other settings. The LD cohort is an active group who use the building as a base to explore the community. The demand for older people's day care has also reduced. The review will consider the assets and staffing needed to serve current and future demand with a view to reducing the cost of provision. The proposals will be subject to consultation before any decision is made. If the outcome of the review and consultation does not deliver the target savings, alternative savings from across the department will have to be found. Departmental reserves may have to be used to bridge any timing gap.

	NB this EIA is a draft and will be amended as the review progresses
2. How does this contribute to the council's corporate priorities?	The proposal will contribute the Council medium term financial strategy.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Service users and their families of the day centres affected will be impacted; this includes internal and external service users as the day centres provide a service to Merton and out of borough residents. They may see a change in the location of their service or a change in the way they are supported. Carers who rely on the regularity of day care for the person they care for will be affected. Staff within the day centres affected will be impacted. Merton has the following day centres and staff: • Eastways: 10.79fte + 0.5fte Manager = 11.29fte • All Saints: 9.02fte + 0.5fte Manager = 9.52fte • JMC (Total of 3 areas): 29.69fte + 0.5fte Manager = 30.19fte • Leyton Road (including Outreach): 8.90fte + 0.5fte Manager = 9.40fte N.B. Fte's include current vacancies and bank staff All staff will be consulted with and supported through any changes. The impact on staffing levels will be determined by the review. it is likely that there will be fewer posts as a result. Vacant posts will be deleted first. Voluntary redundancy will be offered before compulsory redundancies are considered. Changes to transport and will also be impacted.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Changes to transport arrangements will affect E&R whop provide vehicles and drivers.

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

The Council has detailed information about the needs of current residents of the service through their personal needs assessments and annual reviews. We also have information about general population needs from the Joint Strategic Needs Assessment. We also have the experience of supporting service users and their families during the COVID19 pandemic.

Before any final decisions are made on the future shape of the service, the Council will undertake a consultation with the service users, their families, our staff and other stakeholders. This will inform the final recommendation and decision. The outcome might not match the target saving, in which case savings will need to be found elsewhere.

Eastways Day Centre - age range 72-98. Most service users are often with dementia.

All Saints – Learning disability and physical disability service users – age range in Centre 24-75; (average age of 41 for LD and 58 for PD).

As at May 20 there were 37 LD users (inc. 6 oob) and 30 PD users (inc. 6 oob). The highest group represented is the 31-55 age group for LD and 66+ for PD.

2 are wheel chair users, none need feeding assistance and there are no customers with dementia.

70% of LD customers have attended All Saints for between 6 – 10 years

60% of PD customers have attended All Saints for over 6 years.

The highest represented post code of where LD users travelled from was CR4 which was 49%.

The highest represented post code of where PD users travelled from was SW19 which was 30%.

The majority of customers attend from their family home, LD was 57% and PD was 53%

JMC – As at May 20 there were 99 LD service users (inc. 16 oob), age range 21-75, split into 3 categories:

- *Special Care* -wheelchair users / personal care requirement (ages 27-75). As at May 20 there were 34 service users (inc. 10 oob).
- *Mainstream* – service users with moderate learning disabilities (ages 26-69). As at May 20 there were 46 service users (inc. 5 oob).
- *Challenging Behaviour* –service users requiring additional support (ages 21-48). As at May 20 there were 19 service users (inc. 1 oob).

62% of customers have been attending for over 15 years.

The highest represented post code of where users travel from was CR4 which was 46%.

The majority of customers attend from either their family home or a residential home – both at 45% of the total customers at JMC as at May 2020.

Leyton Road – Service users with moderate learning disabilities (age range 27-84).

As at May 20 there were 53 service users (inc. 3 oob)

None needed feeding assistance, 10 required occasional personal care assistance and 4 required support with personal care at least once a day.

9 customers are wheelchair users and 4 are identifying with early signs of dementia.

30% of customers have been attending for over 15 years

The highest represented post code of where users travel from was CR4 which was 43%.

Customers attend from their family home (45%), residential home (32%) and supported living (23%).

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
Age		✓	✓		**Eastways** Day Centre meets the needs of older people. In addition, some of the family carers who would be affected are over 65, and the changes may have a disproportionate impact on them.
Disability		✓	✓		It is in the nature of the services that they support people with disabilities.
Gender Reassignment		✓		✓	
Marriage and Civil Partnership		✓		✓	
Pregnancy and Maternity		✓		✓	
Race		✓			
Religion/ belief		✓		✓	
Sex (Gender)		✓		✓	
Sexual orientation		✓		✓	
Socio-economic status		✓	✓		Carers of day care users often struggle to maintain employment and may be dependent on benefits.

7. If you have identified a negative impact, how do you plan to mitigate it?

Eligible Social Care needs are assessed in line with the Care Act, and needs identified in this way will continued to be met within the reshaped directly provided service or alternative provision. The saving is about defining what the Council will directly provide not eligibility for a service which the Care Act requires to be judged on an individual basis. The options to meet assessed eligible need would be reduced however. Current users of any service closed or merged will see a change to the way that their needs are met, but their needs will continue to be met in accordance with the Care Act 2014.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

☐ **Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed.

x **Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality.

☐ **Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully.

☐ **Outcome 4** – The EA shows actual or potential unlawful discrimination.

Stage 5: Improvement Action Pan

9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact
This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
Service users and families can be upset and anxious when changes to their daily arrangements are suggested.	Consultation to be carried out on specific proposals in plenty of time and by staff or agencies who are familiar to the people concerned. Service users and their families will be consulted on alternative arrangements	By implementing any changes successfully with no changes to the individual's activities.	By 31 March 2021	External consultant/ group	Andy Ottaway-Searle	Yes
The needs of service users would be met differently which may impact on their family/carers as it may not be in the same manner, pattern or regularity, and thus it may disrupt the lives of those carers.	Each individual will be re-assessed to adapt their support plans to the new options.	By individual support plans being present to the Outcomes Forum	Before each service unit is closed or changed	Internal	John Morgan	

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

This section can also be used in your decision making reports (CMT/Cabinet/etc) but you must also attach the assessment to the report, or provide a hyperlink

This Equality Analysis has resulted in an Outcome 2 Assessment
The proposals will be subject to a review and consultation before a final recommendation and decision is made. Current users may see a change to the way their needs are met and this can be distressing. We will support these service users and their families through any change. Eligible needs under the Care Act 2014 will continue to be met, but the way they are met may be different and this may be disruptive to users and their carers. Statutory needs will continue to be met, but there might be less choice and support may be offered at different locations or in different ways.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Richard Ellis, Head of Strategy & Partnership	Signature: RE	Date: 21/10/20
Improvement action plan signed off by Director/ Head of Service	Andy Ottaway-Searle, Head of Direct Provision	Signature: AOS	Date: 22/10/20

Equality Analysis

APPENDIX 5

DRAFT

What are the proposals being assessed?	CH101 Direct Provision – Review of in-house residential care
Which Department/ Division has the responsibility for this?	Community and Housing

Stage 1: Overview	
Name and job title of lead officer	John Morgan – Assistant Director Adult Social Care
1. What are the aims, objectives and desired outcomes of your proposal?	To review the delivery of residential care as an in-house offer in the light of current usage and the condition of each property. The aim will be to find less costly ways to meet the needs of the residents, which might involve the closure of a unit and transfer to an alternative provision. The review outcome will then be subject to consultation and review/reassessment of all individuals affected by the proposal. In the event that the review and consultation do not deliver the target saving, alternative savings will have to be found from across the department and if required departmental reserves used to meet any timing gap. NB this is a draft EIA and will be updated as the review is taken forward
2. How does this contribute to the council's corporate priorities?	The proposal will contribute the Council medium term financial strategy. The aim would also be to re-purpose any released site to meet other service priorities,
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Service users and their families will be affected if a site is closed and residents moved to another provision. A full assessment of needs would be undertaken and the LD team would work with residents, families and staff to identify alternative local provision. Currently there are five people living at Riverside (three vacancies) with another resident due to move. Meadowsweet has six residents and no vacancies. The Meadowsweet site in poor repair. The Riverside side has potential for redevelopment as supported living accommodation for people with learning disabilities. Current staffing: Meadowsweet: 9.99fte + 0.50fte Manager = 10.49fte; Riverside: 12.66fte + 0.50fte Manager = 13.16fte. All staff will be consulted with and supported through any changes.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	no

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?
Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

The Council has detailed information about the needs of current residents of the service through their personal needs assessments and annual reviews. We also have information about general population needs from the Joint Strategic Needs Assessment and work carried out to review the use of residential care in learning disability services.

Before any final decisions are made on the future shape of the service, the Council will undertake a consultation with the service users, their families, our staff and other stakeholders. This will inform the final recommendation and decision. The outcome might not match the target saving, in which case savings will need to be found elsewhere.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		Reason Briefly explain what positive or negative impact has been identified
	Yes	No	Yes	No	
Age		✓		✓	Residents in both homes are aged between 37 - 63
Disability		✓	✓		All residents are those assessed with learning disabilities: • 6 residents in Meadowsweet who have moderate to severe learning disabilities. Age range from 41-63. • 5 residents in Riverside. Age range from 37-61. o The residents have a range of needs and some have the potential to live in a different type of setting.
Gender Reassignment		✓		✓	
Marriage and Civil Partnership		✓		✓	
Pregnancy and Maternity		✓		✓	

Race		✓	✓		The majority of the resident's ethnicity is white with the exception of 2 residents at Riverside who are classed as black /black British and mixed / multiple ethnic groups.
Religion/ belief		✓		✓	
Sex (Gender)		✓		✓	Residents are both male and female at both residential homes and facilities at both homes are designed for both gender. Staff are trained to support all genders.
Sexual orientation		✓		✓	
Socio-economic status		✓		✓	

7. If you have identified a negative impact, how do you plan to mitigate it?

Eligible Social Care needs are assessed in line with the Care Act 2014, and needs identified in this way will continued to be met within the reshaped directly provided service or the externally commissioned sector. The saving is about defining what the Council will directly provide not eligibility for or access to service.

Current users of any service closed or merged will see a change to the way that their needs are met, but their needs will continue to be met in accordance with the Care Act 2014. Each individual service user will be supported throughout the process and in the event of service user shaving to move, we will seek to respect friendship groups wherever possible.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

☐ **Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed.

X **Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality.

☐ **Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully.

☐ **Outcome 4** – The EA shows actual or potential unlawful discrimination.

Stage 5: Improvement Action Pan

9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
Service users and families can be upset and anxious when changes to their daily arrangements are suggested.	Consultation to be carried out on specific proposals in plenty of time and by staff or agencies who are familiar to the people concerned. Care Act needs will continue to be met.	By implementing any changes successfully with no changes to the individual's activities.	31st March 2021	External consultant/ group	Andy Ottaway-Searle	Yes

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

This section can also be used in your decision making reports (CMT/Cabinet/etc) but you must also attach the assessment to the report, or provide a hyperlink

This Equality Analysis has resulted in an Outcome 2 Assessment
The proposals will be subject to consultation before a final recommendation and decision is made. Current users may see a change to the way their needs are met and this can be distressing. A change in home is particularly difficult from this client group and we will work to prepare them for an move that is necessary as a result of changes to in-house provision. We will support these

service users and their families through any change. Statutory needs will continue to be met, but there might be less choice.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Richard Ellis, Head of Strategy & Partnership	**Signature: RE**	**Date: 21/10/20**
Improvement action plan signed off by Director/ Head of Service	Andy Ottaway-Searle, Head of Direct Provision	**Signature: AOS**	**Date: 22/10/20**

Equality Analysis

What are the proposals being assessed?	CH102 Public Health – re-commission the Dementia Hub
Which Department/ Division has the responsibility for this?	Community and Housing

Stage 1: Overview	
Name and job title of lead officer	John Morgan – Assistant Director Adult Social Care & Dagmar Zeuner – Director of Public Health
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	To re-commission the Dementia Hub services when the current contract expires in September 2021. This is not a statutory service. The aim is to move away from a buildings based service to an outreach model, better integrated with mainstream provision that supports people with dementia, carers and families. This will include the support offered by dementia clinics and the voluntary sector. The contract for the Dementia Hub expires in September 2021 and the proposal is not to re-let the contract in its current form but commission a lower cost service based on an outreach model. The approach will be aligned with our work to make Merton dementia friendly, encouraging greater collaboration with the third sector to offer dementia friendly services. The new service would work wit Dementia Clinics and utilise other community facilities such as libraries. The proposal will be subject to consultation. In the event that the review and consultation does not result in the target savings, alternative savings will need to be found from elsewhere and departmental reserves might be needed to be sued to bridge any timing gap. The Carers Strategy engagement identified issues carers face with accessing services that are building based. This situation has been made worse by the Covid-19 pandemic. There comes a point when an individual with Dementia is no longer able to access the Hub building. This can put increasing pressure on the carer, who is increasingly unable to leave their home without support for the person with Dementia. The service will promote dementia friendly environments in all community settings.. The desired outcome is to continue to support people with dementia and their carers to live independently (through timely advice, support and education) and to encourage connectivity within wider Dementia Friendly community groups.

<table>
<tr><td>2. How does this contribute to the council's corporate priorities?</td><td>The Council's overarching policy priority is to bridge the gap in terms of outcomes between the east and west of the borough and between different communities. The new model supports the Council's prevention agenda linked to a priority around prevention in the Health and Wellbeing Strategy. As part of a prevention work-stream, the Council is working alongside Merton Clinical Commissioning Group (CCG), Central London Community Healthcare (CLCH), local voluntary community sector organisations and Merton Health and Care Together on a number of prevention activities, all of which are relevant to Supporting people with Dementia and their carers in their own communities. These include promoting prevention services in the Borough, developing a 'network of connectors', 'making every contact count' through staff training, supporting staff and providing leadership for Healthy Workplaces and embedding prevention in health and care pathways. The Community Plan and more recently the Merton Place are looking to build on. The new Outreach Support Service would look to establish a more outward facing and integrated service, supporting people with Dementia, their families and carers in their own homes and other community settings as opposed to one building based service.</td></tr>
<tr><td>3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.</td><td>Key identified customers and carers, staff, volunteers, voluntary and community sector organisations; existing and potential customers; health and social care partners, other internal/external commissioners.

The total number of unique customers and carers supported by the service in last year (2019-2020) are highlighted below:

<table>
<tr><th></th><th>April-June</th><th>July-Sept</th><th>Oct-Dec</th><th>Jan-March</th><th>2019-2020</th></tr>
<tr><td>Customers</td><td>182</td><td>156</td><td>295</td><td>237</td><td>870</td></tr>
<tr><td>Carers</td><td>188</td><td>239</td><td>233</td><td>252</td><td>912</td></tr>
</table>

The Alzheimer's Society that runs the services and their staff and volunteers. There are 11 members of staff affected. The hub also has 99 hours supported by volunteers each week when the centre is open, and are currently providing keeping in touch calls to customers.

The hub building is owned by Merton Council and is rented by the Alzheimer's Society. The building also hosts the Wandsworth Dementia Service, commissioned by SWL CCG.

There are health and social care partners who refer people to the service, including Dementia Nurses, social workers and CLCH.

The centre also provides a base for health partners and there are clinicians that facilitate their memory/diagnosis clinics from the hub. Other voluntary sectors work in partnership with the hub to deliver projects and activities. E.g. Sporting memories, Creative Maths. The workforce also supports the Dementia Action Alliance. There are approximately 100 alliance members across Merton.

How the proposal will benefit the council: The new model aims to ensure more targeted use of the council's limited resources. In the current financial climate, we will be looking to support services that prevent, reduce or delay the need for more expensive interventions. The council will benefit through the contribution this service model will make to the council's corporate priorities and the priorities set out in the community plan.</td></tr>
<tr><td>4. Is the responsibility shared with another department, authority or organisation? If so, who are the</td><td>The Dementia Hub is funded via Public Health Grant and the contract is held by Adult Social Care. The contract also funds the Dementia Action Alliance co-ordinator post, which is part of the Dementia Action Alliance. This Alliance is overseen by the Dementia Friendly Communities Team, Alzheimer's Society.</td></tr>
</table>

partners and who has overall responsibility?	.

Stage 2: Collecting evidence/ data

5. **What evidence have you considered as part of this assessment?**
   Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

The proposal is based on detailed monitoring of the service and regular engagement with and feedback from stakeholders. It is also based on the experience of supporting people differently during the COIVD 19 pandemic, where we have found that people prefer more personalised support that comes to them. By the nature of the service the users tend to be older, although some are of working age, and may have multiple health problems and/or disabilities. Dementia affects all parts of our community. However, There are a number of issues around race inequality that may mean BAME groups may be impacted more by economic deprivation. We also know that residents from Black Caribbean and Asian backgrounds have higher rates of certain conditions such as hypertension and type 2 diabetes, which may be linked to cardiovascular dementia. There are other cultural factors including caring at home and recognition of dementia which may mean some BAME groups are less likely to access dementia services as a carer or get a diagnosis as someone living with dementia. Both can impact on quality of life and appropriate planning, such as power of attorney. Lack of diagnosis also linked to healthcare impact such as duration of stay in hospital, unplanned care etc. The proposal will be subject to an engagement exercise with relevant stakeholders.

Stage 3: Assessing impact and analysis

6. **From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?**

Protected characteristic (equality group)	Tick which applies Positive impact		Tick which applies Potential negative impact		**Reason** Briefly explain what positive or negative impact has been identified
	Yes	**No**	**Yes**	**No**	
Age	x		x		The service would operate differently. Instead of a physical hub, we would commission a virtual hub and outreach support linked to health ad voluntary sector services, Dementia affects all parts of our community. However, by its nature the service supports those who tend to be older. BAME communities are more likely to be impacted by economic deprivation, and health conditions that can lead to cardiovascular dementia.
Disability	x		X		
Gender Reassignment		X		X	
Marriage and Civil Partnership		X		X	
Pregnancy and Maternity		X		X	
Race		X	x		
Religion/ belief		X		X	
Sex (Gender)		X		X	
Sexual orientation		X		X	
Socio-economic status		x	x		Carers often struggle to maintain employment.

7. If you have identified a negative impact, how do you plan to mitigate it?

The Dementia Hub is a discretionary service that adds to statutory health and social care services. It mostly supports people post diagnosis. The proposal would result in the closure of the building. Users would be by outreach workers or directed to alternative services. The aim would also be to ensure that other generic services, particularly those provided by the voluntary sector, are better able to support people with a dementia diagnosis and their families. However, generic services may not meet the needs of the current Hub users in the same way and the support available would be reduced.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)
Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

	Outcome 1 – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed.
	Outcome 2 – The EA has identified adjustments to remove negative impact or to better promote equality.
x	**Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully.
	Outcome 4 – The EA shows actual or potential unlawful discrimination.

Stage 5: Improvement Action Pan

9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	**Action required to mitigate**	**How will you know this is achieved?** e.g. performance measure/ target)	**By when**	**Existing or additional resources?**	**Lead Officer**	**Action added to divisional/ team plan?**
Service users and families can be upset and anxious when changes to their daily arrangements are suggested.	Consultation to be carried out on specific proposals in plenty of time and by staff or agencies who are familiar to the people concerned.	By implementing any changes successfully with no changes to the individual's activities.	By 31 March 2021	External consultant/ group	Dagmar Zeuner	Yes
Alternative services will be supported to become more dementia friendly	Identify key support agencies and offer support and training	Monitoring of contracts and grant supported activities	ongoing	Internal	John Morgan	yes

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

This section can also be used in your decision making reports (CMT/Cabinet/etc) but you must also attach the assessment to the report, or provide a hyperlink

This Equality Analysis has resulted in an Outcome 3 Assessment
The proposal would change the model and result in the closure of the physical hub. Support would be through outreach work linked to other services, but the number of support workers supported by this contract would be fewer. The proposal would be subject to consultation before a decision is made. If the outcome of that exercise does not achieve the target saving then

alternatives savings would to be found. The Dementia Hub is a discretionary service that does not exist in many areas. The proposals would change the way people are supported.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Heather Begg, Commissioning Officer	**Signature: HB**	**Date: 22/10/20**
Improvement action plan signed off by Director/ Head of Service	John Morgan – Assistant Director Adult Social Care	**Signature: JM**	**Date: 22/10/20**

Capital Investment Programme - Schemes for Approval Annex 1

Department	Proposed Budget 2021-22	Proposed Budget 2022-23	Proposed Budget 2023-24	Proposed Budget 2024-25
Corporate Services	19,225	9,220	4,545	13,734
Community and Housing	1,828	1,429	652	280
Children, Schools and Families	8,520	1,900	1,900	1,900
Environment and Regeneration	15,789	8,382	7,516	5,324
Total	**45,362**	**20,931**	**14,613**	**21,238**

Department	Proposed Budget 2021-22	Proposed Budget 2022-23	Proposed Budget 2023-24	Proposed Budget 2024-25
Corporate Services				
Customer Policy and Improvement	2,218	0	0	0
Facilities	1,470	1,250	1,675	950
Information Technology	1,836	1,270	2,870	2,055
Resources	0	700	0	0
Corporate	13,701	6,000	0	10,729
Total Corporate Services	**19,225**	**9,220**	**4,545**	**13,734**
Community and Housing				
Adult Social Care	30	0	0	0
Housing	1,598	1,289	652	280
Libraries	200	140	0	0
Total Community and Housing	**1,828**	**1,429**	**652**	**280**
Children, Schools and Families				
Primary	3,065	1,900	1,900	1,900
Secondary	82	0	0	0
Special	5,153	0	0	0
Other	220	0	0	0
Total Children, Schools and Families	**8,520**	**1,900**	**1,900**	**1,900**
Environmental and Regeneration				
Public Protection and Development	1,918	480	0	60
Street Scene and Waste	496	664	324	324
Sustainable Communities	13,375	7,238	7,192	4,940
Total Environmental and Regeneration	**15,789**	**8,382**	**7,516**	**5,324**
Total Capital	**45,362**	**20,931**	**14,613**	**21,238**

Please Note

1. Excludes budgets relating to future year announcements of Better Care Fund
2. Includes indicative budgets relating to future year announcements of Transport for London Grant

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

FUNDING THE CAPITAL PROGRAMME 2020-25

Merton	Capital Programme £000s	Funded by Merton £000s	Funded by grant and capital contributions £000s
2020/21 Current Budget	**36,308**	**15,042**	**21,266**
Potential Slippage b/f	0	0	0
2020/21 Revised Budget	**36,308**	**15,042**	**21,266**
Potential Slippage c/f	(9,480)	(5,283)	(4,198)
Potential Underspend not slipped into next year	(1,509)	(1,321)	(189)
Total Spend 2020/21	**25,319**	**8,439**	**16,880**
2021/22 Current Budget	**45,362**	**25,897**	**19,465**
Potential Slippage b/f	9,480	5,283	4,198
2021/22 Revised Budget	**54,843**	**31,180**	**23,663**
Potential Slippage c/f	(7,235)	(3,972)	(3,262)
Potential Underspend not slipped into next year	(1,552)	(1,196)	(355)
Total Spend 2021/22	**46,056**	**26,009**	**20,045**
2022/23 Current Budget	**20,931**	**15,560**	**5,372**
Potential Slippage b/f	7,235	3,972	3,262
2022/23 Revised Budget	**28,166**	**19,532**	**8,634**
Potential Slippage c/f	(3,306)	(2,275)	(1,031)
Potential Underspend not slipped into next year	(1,426)	(1,128)	(298)
Total Spend 2022/23	**23,433**	**16,128**	**7,304**
2023/24 Current Budget	**14,613**	**11,168**	**3,445**
Potential Slippage b/f	3,306	2,275	1,031
2023/24 Revised Budget	**17,919**	**13,444**	**4,476**
Potential Slippage c/f	(1,735)	(1,231)	(504)
Potential Underspend not slipped into next year	(1,342)	(1,152)	(190)
Total Spend 2023/24	**14,842**	**11,060**	**3,782**
2024/25 Current Budget	**21,238**	**18,038**	**3,200**
Potential Slippage b/f	1,735	1,231	504
2024/25 Revised Budget	**22,973**	**19,269**	**3,704**
Potential Slippage c/f	(724)	(633)	(90)
Potential Underspend not slipped into next year	(429)	(334)	(95)
Total Spend 2024/25	**21,821**	**18,302**	**3,519**

Detailed Capital Programme 2010-25

Corporate Services	Scrutiny	Revised Budget 2021-22	Revised Budget 2022-23	Revised Budget 2023-24	Indicative Budget 2024-25
Customer, Policy and Improvement					
Customer Contact Programme	*OSC*	2,218	0	0	0
Facilities Management					
Other Buildings - Capital Building Works	*OSC*	650	650	650	650
Replacement Boilers	*OSC*	267	0	0	0
Civic Centre Lightning Upgrade	*OSC*	0	300	0	0
Combined Heat and Power (CHP) System Replacement	*OSC*	0	0	450	0
Absorption Chiller Replacement	*OSC*	0	0	275	0
Invest to Save schemes	*OSC*	498	300	300	300
Photovoltanics & Energy Conserv	*OSC*	55	0	0	0
Information Technology					
Aligned Assets	*OSC*	75	0	0	0
Environmental Asset Management	*OSC*	0	240	0	0
Revenue and Benefits	*OSC*	400	0	0	0
School Admission System	*OSC*	0	125	0	0
Planning&Public Protection Sys	*OSC*	341	0	0	550
Ancillary IT Systems	*OSC*	50	0	0	0
Youth Justice IT Systems	*OSC*	100	0	0	100
Replacement SC System	*OSC*	0	0	2,100	0
Project General	*OSC*	870	705	770	1,405
Network Switch Upgrade	*OSC*	0	200	0	0
Resources					
Financial Systems - e5.5 Project	*OSC*	0	700	0	0
Corporate					
Acquisitions Budget	*OSC*	0	0	0	6,985
Capital Bidding Fund	*OSC*	0	0	0	1,000
Multi-Functioning Device (MFC)	*OSC*	0	0	0	600
Westminster Coroners Court	*OSC*	0	0	0	0
Housing Company	*OSC*	10,558	6,000	0	0
Corporate Capital Contingency	*OSC*	0	0	0	2,144
Compulsory Purchase Order - Clarion	*OSC*	3,144	0	0	0
Total Corporate Services		**19,225**	**9,220**	**4,545**	**13,734**

Please Note

1. Excludes budgets relating to future year announcements of Better Care Fund

2. Includes indicative budgets relating to future year announcements of Transport for London Grant

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

Detailed Capital Programme 2010-25 **Annex 3** APPENDIX 6

Community and Housing	Scrutiny	Revised Budget 2021-22	Revised Budget 2022-23	Revised Budget 2023-24	Indicative Budget 2024-25
Adult Social Care					
Telehealth	HCOP	30	0	0	0
Housing					
Disabled Facilities Grant	SC/HCOP	827	827	507	280
Learning Dsbility Aff Housing	SC/HCOP	771	462	145	0
Libraries					
West Barnes Library Re-Fit	SC	200	0	0	0
Library Management System	SC	0	140	0	0
Total Community and Housing		**1,828**	**1,429**	**652**	**280**

Children, Schools and Families	Scrutiny	Revised Budget 2021-22	Revised Budget 2022-23	Revised Budget 2023-24	Indicative Budget 2024-25
Primary					
Hillcross - Schools Capital maintenance	CYP	53	0	0	0
Dundonald School Expansion	CYP	50	0	0	0
Garfield - Schools Capital maintenance	CYP	6	0	0	0
Poplar - Schools Capital maintenance	CYP	5	0	0	0
Wimb. Park - Schools Capital maintenance	CYP	40	0	0	0
Abbotsbury - Schools Capital maintenance	CYP	7	0	0	0
Malmesbury - Schools Capital maintenance	CYP	35	0	0	0
Gorringe - Schools Capital maintenance	CYP	50	0	0	0
Liberty - Schools Capital maintenance	CYP	34	0	0	0
Links - Schools Capital maintenance	CYP	137	0	0	0
St Marks - Schools Capital maintenance	CYP	85	0	0	0
Lonesome - Schools Capital maintenance	CYP	7	0	0	0
Sherwood - Schools Capital maintenance	CYP	24	0	0	0
William Morris - Schools Capital maintenance	CYP	28	0	0	0
Unallocated - Schools Capital maintenance	CYP	2,505	1,900	1,900	1,900
Secondary					
Rutlish - Schools Capital maintenance	CYP	12	0	0	0
Harris Academy Wimbledon New School	CYP	71	0	0	0
Special					
Perseid - Schools Capital maintenance	CYP	107	0	0	0
Perseid School Expansion	CYP	22	0	0	0
Melrose SEMH 38 Places (formerly Melrose Primary SEMH an	CYP	1,837	0	0	0
Harris Morden Sec Autism Unit	CYP	1,360	0	0	0
Further SEN Provision	CYP	186	0	0	0
Primary ASD base 1-20 places	CYP	18	0	0	0
Melbury College - Schools Capital maintenance	CYP	13	0	0	0
Secondary SEMH/medical PRU	CYP	1,340	0	0	0
New ASD Provision	CYP	270	0	0	0
Other					
Bond Road Family Centre Pmay Equip	CYP	50	0	0	0
Pollards Hill Digital Divide	CYP	170	0	0	0
Total Children, Schools and Families		**8,520**	**1,900**	**1,900**	**1,900**

Please Note
1. Excludes budgets relating to future year announcements of Better Care Fund
2. Includes indicative budgets relating to future year announcements of Transport for London Grant
OSC = Overview and Scrutiny, CYP = Children and Young People, HCOP = Heathier Communities and Older People
and SC = Sustainable Communities

APPENDIX 6

Environment and Regeneration	Scrutiny	Revised Budget 2021-22	Revised Budget 2022-23	Revised Budget 2023-24	Indicative Budget 2024-25
Public Protection and Development					
P&D machines for emission-based charging	SC	400	0	0	0
Pay and Display Machines	SC	0	0	0	60
Car Park Upgrades	SC	784	0	0	0
CCTV cameras and infrastructure upgrade	SC	699	480	0	0
Public Protection and Developm	SC	35	0	0	0
Street Scene and Waste					
Replacement of Fleet Vehicles	SC	417	300	300	300
Alley Gating Scheme	SC	24	24	24	24
Street Cleansing Sub Depot	SC	55	0	0	0
Replacement of Fleet Vehicles	SC	0	340	0	0
Sustainable Communities					
Street Tree Programme	SC	60	60	60	60
New street tree planting programme	SC	50	0	0	0
Street Lighting Replacement Pr	SC	290	290	290	290
Traffic Schemes	SC	150	150	150	150
Surface Water Drainage	SC	60	60	60	60
Repairs to Footways	SC	1,000	1,000	1,000	1,000
Maintain AntiSkid and Coloured Surface	SC	85	70	70	70
Borough Roads Maintenance	SC	1,200	1,200	1,200	1,200
Highways bridges & structures	SC	410	260	260	260
Bishopsford Bridge	SC	1,202	0	0	0
Cycle and Roadway Works around Bishopsford Bridge	SC	130	0	0	0
Culverts Upgrade	SC	508	0	0	0
Street Lighting Wimbledon	SC	670	0	0	0
Unallocated TfL	SC	1,300	1,300	1,300	1,300
Haydons Road Public Realm Improvements	SC	350	0	0	0
Wimbledon Public Realm Implementation	SC	500	500	0	0
Morden Town Centre Improvements	SC	200	0	0	0
Morden TC Regeneration Match Funding	SC	2,190	1,608	2,152	0
42 Graham Road	SC	50	0	0	0
Lost Rivers Repairs	SC	100	100	100	0
Wimbledon Park Lake Reservoir Safety	SC	1,157	0	0	0
Leisure Centre Plant & Machine	SC	410	250	250	250
Parks Investment	SC	363	300	300	300
Resurface Tennis Courts (Wimb Pk)	SC	75	0	0	0
Morden Rec Hockey Pitch	SC	135	0	0	0
Paddling Pools (borough wide) OPTION 1	SC	135	90	0	0
Paddling Pools (borough wide) OPTION 2	SC	113	0	0	0
Total Environmental and Regeneration		**15,789**	**8,382**	**7,516**	**5,324**
Total Capital		**45,362**	**20,931**	**14,613**	**21,238**

Please Note

1. Excludes budgets relating to future year announcements of Better Care Fund

2. Includes indicative budgets relating to future year announcements of Transport for London Grant

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

Annex 4

Growth/(Reductions) against Approved Programme 2021-24 and Indicative Programme 2024-25

Department	Proposed Budget 2021-22	Proposed Budget 2022-23	Proposed Budget 2023-24	Proposed Budget 2024-25
Corporate Services	0	0	(10,129)	10,129
Community and Housing	0	0	0	0
Children, Schools and Families	0	0	0	0
Environment and Regeneration	0	0	0	1,300
Total	**0**	**0**	**(10,129)**	**11,429**

Department	Proposed Budget 2021-22	Proposed Budget 2022-23	Proposed Budget 2023-24	Proposed Budget 2024-25
Corporate Services				
Customer Policy and Improvement	0	0	0	0
Facilities	0	0	0	0
IT Infrastructure	0	0	0	0
Resources	0	0	0	0
Corporate	0	0	(10,129)	10,129
Total Corporate Services	**0**	**0**	**(10,129)**	**10,129**
Community and Housing				
Adult Social Care	0	0	0	0
Housing	0	0	0	0
Libraries	0	0	0	0
Total Community and Housing	**0**	**0**	**0**	**0**
Children, Schools and Families				
All Sectors	0	0	0	0
Secondary	0	0	0	0
Special	0	0	0	0
Other	0	0	0	0
Total Children, Schools and Families	**0**	**0**	**0**	**0**
Environmental and Regeneration				
Public Protection and Development	0	0	0	0
Street Scene and Waste	0	0	0	0
Sustainable Communities	0	0	0	1,300
Total Environmental and Regeneration	**0**	**0**	**0**	**1,300**
Total Capital	**0**	**0**	**(10,129)**	**11,429**

Capital Programme 2025-30 - October 2020 Monitoring

APPENDIX 6

	Department		Department		Indicative Budget 2025-26	Indicative Budget 2026-27	Indicative Budget 2027-28	Indicative Budget 2028-29	Indicative Budget 2029-30
71	Corporate Services	71	Corporate Services		4,186	9,089	3,280	8,580	3,130
72	Community and Housing	72	Community and Housing		630	280	420	280	280
73	Children, Schools and Families	73	Children, Schools and Families		1,900	1,900	1,900	1,900	1,900
74	Environment and Regeneration	74	Environment and Regeneration		7,962	3,999	3,964	3,964	4,304
	Total		**Total**		**14,678**	**15,268**	**9,564**	**14,724**	**9,614**

Indicative Capital Programme 2025-30 **Annex 5**

			Corporate Services		**Indicative Budget 2025-26**	**Indicative Budget 2026-27**	**Indicative Budget 2027-28**	**Indicative Budget 2028-29**	**Indicative Budget 2029-30**
			Customer, Policy and Improvement						
710001	Customer Contact Programme	00000006	Customer Contact Programme	*OSC*	1,000	1,000	1,000	0	0
			Facilities Management						
710101	Works to other buildings	00000627	Other Buildings - Capital Building Works	*OSC*	650	650	650	650	650
710130	Invest to Save schemes	00000000	Invest to Save schemes	*OSC*	300	300	300	300	300
			Information Technology						
710002	Business Systems	00000005	Aligned Assets	*OSC*	0	0	75	0	0
710002	Business Systems	00000008	Environmental Asset Management	*OSC*	0	0	250	0	0
710002	Business Systems	00000009	Revenue and Benefits	*OSC*	400	0	0	0	0
710002	Business Systems	00000010	Capita Housing	*OSC*	100	0	0	0	0
710002	Business Systems	00000013	ePayments Project	*OSC*	125	0	0	0	0
710002	Business Systems	00000053	School Admission System	*OSC*	125	0	0	0	125
710002	Business Systems	00000698	Planning&Public Protection Sys	*OSC*	0	0	0	0	550
710002	Business Systems	00000729	Kofax Scanning	*OSC*	100	0	0	0	0
710002	Business Systems	00000763	Spectrum Spatial Analyst Repla	*OSC*	200	0	0	0	0
710002	Business Systems	00001377	Parking System	*OSC*	126	0	0	0	0
710002	Business Systems	00001505	Ancillary IT Systems	*OSC*	0	50	0	0	0
710004	Social Care IT System	00000011	Replacement SC System	*OSC*	0	0	0	2,100	0
710202	Planned Replacement Programme	00000000	Project General	*OSC*	1,060	970	1,005	770	1,405
			Resources						
710301	Financial System	00001370	Financial Systems - e5.5 Project	*OSC*	0	0	0	700	0
			Corporate						
710404	Multi-Functioning Device (MFC)	00000000	Multi-Functioning Device (MFC)	*OSC*	0	0	0	600	0
71040?	Compulsory Purchase Order	????????	Compulsory Purchase Order - Clarion	*OSC*	0	6,119	0	3,460	0
Corporate Services			**Total Corporate Services**		**4,186**	**9,089**	**3,280**	**8,580**	**3,130**
			Community and Housing		**Indicative Budget 2025-26**	**Indicative Budget 2026-27**	**Indicative Budget 2027-28**	**Indicative Budget 2028-29**	**Indicative Budget 2029-30**
			Housing						
720100	Disabled Facilities Grant	00000000	Disabled Facilities Grant	SC/HCOP	280	280	280	280	280
			Libraries						
720201	Major Library Projects	00000040	Library Self Service	SC	350	0	0	0	0
720230	Libraries IT	00000039	Library Management System	SC	0	0	140	0	0
Community and Housing			**Total Community and Housing**		**630**	**280**	**420**	**280**	**280**
			Childrens, Schools and Families		**Indicative Budget 2025-26**	**Indicative Budget 2026-27**	**Indicative Budget 2027-28**	**Indicative Budget 2028-29**	**Indicative Budget 2029-30**
730099	Unlocated Primary School Pro	00000880	Unallocated - Schools Capital maintenance	CYP	1900	1900	1900	1900	1900
Children, Schools and Families			**Total Children, Schools and Families**	**0**	**1,900**	**1,900**	**1,900**	**1,900**	**1,900**

			Environment and Regeneration		Indicative Budget 2025-26	Indicative Budget 2026-27	Indicative Budget 2027-28	Indicative Budget 2028-29	Indicative Budget 2029-30
			Public Protection and Development						
740040	Public Protection and Developm	00000000	Public Protection and Developm	*SC*	0	35	0	0	0
			Street Scene and Waste						
740101	Fleet Vehicles	00000643	Replacement of Fleet Vehicles	*SC*	300	300	300	300	300
740152	Alley Gating Scheme	00000000	Alley Gating Scheme	*SC*	24	24	24	24	24
740154	Waste SLWP	00000000	Waste SLWP IT & Premises	*SC*	42	0	0	0	0
740154	Waste SLWP	00000643	Replacement of Fleet Vehicles	*SC*	3,956	0	0	0	340
			Sustainable Communities						
740300	Street Trees	00000642	Street Tree Programme	*SC*	60	60	60	60	60
740308	Highways & Footways	00000101	Street Lighting Replacement Pr	*SC*	290	290	290	290	290
740308	Highways & Footways	00000117	Traffic Schemes	*SC*	150	150	150	150	150
740308	Highways & Footways	00000144	Surface Water Drainage	*SC*	60	60	60	60	60
740308	Highways & Footways	00000634	Repairs to Footways	*SC*	1,000	1,000	1,000	1,000	1,000
740308	Highways & Footways	00000638	Maintain AntiSkid and Coloured Surface	*SC*	70	70	70	70	70
740308	Highways & Footways	00000639	Borough Roads Maintenance	*SC*	1,200	1,200	1,200	1,200	1,200
740308	Highways & Footways	00000645	Highways bridges & structures	*SC*	260	260	260	260	260
740504	Sports Facilities	00000640	Leisure Centre Plant & Machine	*SC*	250	250	250	250	250
740552	Parks Investment	00000635	Parks Investment	*SC*	300	300	300	300	300
Total Environmental and Regeneration			**Total Environmental and Regeneration**		**7,962**	**3,999**	**3,964**	**3,964**	**4,304**
Total Capital			**Total Capital**		**14,678**	**15,268**	**9,564**	**14,724**	**9,614**

Local Government Association
2020 Spending Review: On the Day Briefing
25 November 2020

Local Government Association

Briefing

The 2020 Spending Review outlines the Government's spending plans for 2021/22 by setting budgets for each central government department. The full set of documents is available on the Treasury website.

The LGA has published a media statement responding to the announcements. We have also published press releases on the following:

- LGA responds to Spending Review rough sleeping and homelessness funding
- LGA responds to Spending Review children's services funding
- LGA responds to Spending Review social care and public health announcements
- LGA responds to Spending Review housing funding announcement
- LGA responds to additional Spending Review funding for road repairs
- LGA responds to Spending Review Levelling Up Fund
- LGA responds to Spending Review Restart programme for long term unemployed
- LGA responds to Spending Review UK Shared Prosperity Fund announcement

Key messages

- This year's Spending Review provides more certainty for councils next year, but the long-term outlook remains unclear. Public finances will undoubtedly be under huge strain in the years ahead but investment in our local public services is critical to our national recovery next year and beyond.

- It is good that the Spending Review has provided a potential increase of 4.5 per cent in council core spending power to support vital local services. However, this assumes that council tax bills will rise by 5 per cent next year, and this will place a significant financial burden on households in a year of economic uncertainty.

- We welcome new funding for adult and children's social care which have been particularly impacted by the pandemic. This will help address some - but not all - of the pressures these services face next year as councils will still have to find savings to already stretched budgets. In addition, council tax rises – particularly the adult social care precept – have never been the answer to the long-term pressures faced by councils, particularly in social care and is not the long-term solution which is desperately needed.

- For children's social care, significant additional funding will be needed if we are to provide the support children, young people and their families need. This includes early help funding to avoid families reaching crisis point, and sufficient funding for those children and families who need more intensive child protection responses. As a starting point, the £1.7 billion removed from the Early Intervention Grant since 2010 should be reinstated.

Lee Bruce, Head of Public Affairs and Stakeholder Engagement
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- We have warned about record numbers of households already claiming a discount on their council tax, so we are pleased the Government will provide funding to help councils provide vital support for those on low incomes who may struggle to pay.

- It is disappointing that the Spending Review did not include additional funding for public health. This runs contrary to addressing the stark health inequalities exposed by COVID-19 and levelling up our communities. Keeping people healthy and well throughout their lives reduces pressure on the NHS and social care.

- Council services have been critical in the fight against COVID-19 and it is good that the Chancellor has provided further funding for councils to manage the cost pressures they face as a result of the pandemic.

- Councils will continue to face demand pressures on day-to-day services - some pre-existing and others made more significant by the impact of COVID-19 – amid substantial income losses. The Chancellor's pledge to compensate for 75 per cent of irrecoverable council tax and business rates income and to extend the scheme to fund a portion of councils' lost income from fees and charges during the early part of the next year provides some much-needed stability but will need to be kept under review and probably extended.

- It is good that the Government is introducing a new Levelling Up Fund which will help to tackle our complex and fragmented funding system for local areas, which we have long warned about. Councils are concerned about the prospect of a competitive bidding process at a time when they are focused on protecting communities and businesses from the impact of the pandemic. Decisions about local investments are best made by working with councils, who know the needs of their areas best. Government should ensure that this fund produces the best possible outcomes by working closely with councils and local communities. The cut in the Public Works Loan Board lending rate, which councils and the LGA have campaigned for, is also positive.

- We recognise that in addressing the urgency of the support needed for councils and their communities, Government has used many existing centralised processes and funding streams to ensure speed. In the coming months, we must refresh the debate on English devolution. We have stated that Brexit cannot result in a centralisation of powers in Whitehall and we must take the opportunity to devolve real power to our diverse communities through local government. We offer to work with the Government to co-produce the delayed White Paper on devolution.

- The Government's investment of £1.6 billion for local road repairs is also positive as it will help councils support their communities and help tackle our local road repairs backlog. Going forward, it is important for councils to have more long-term certainty of funding support so they can make the most of this new infrastructure strategy.

- The announced funding for building safety remediation will be helpful however, it will not be enough to protect leaseholders. The cladding crisis affects hundreds of thousands of leasehold residents who are utterly blameless. Not only will the costs of fixing buildings often be beyond their means, but leaseholders face the cost of waking watches and insurance hikes, while trapped in flats they are unable to sell or remortgage. Government should act soon to avoid this crisis spreading throughout the housing market and damaging the economy.

- We welcome the additional funding from the Government to tackle rough sleeping which will help councils to continue their ongoing efforts to support people at risk. Councils have done an incredible job getting people sleeping rough off the streets and have accommodated more than 29,000 people who have faced homelessness since the start of the year.

- We also urge the Government to temporarily remove the No Recourse to Public Funds condition. This would reduce public health risks and ease the pressure on homelessness services by enabling vulnerable people to access welfare benefits, who are currently unable to do so because of their immigration status. We continue to call for a long-term shift towards investing in homelessness prevention services and for councils to be given powers to kickstart a post-pandemic building boom of 100,000 new social homes for rent each year, including reform of Right to Buy.

- Only with the right funding and freedoms, can councils lead local efforts to level up the stark inequalities the pandemic has exposed and level up the economy so that it benefits everyone.

The Spending Review in detail

Public finances and general funding for local government

The Chancellor announced that:

- The Government has set Total Revenue Departmental Spending in 2021/22 at £384.6 billion, a 4 per cent increase in cash terms from 2020/21. *(Page 43, paragraph 4.3)*

- Local authority core spending power is projected by the Government to rise by 4.5 per cent in cash terms, or £2.2 billion in 2021/22. This increase is largely due to the ability of social care authorities to increase their council tax bills by up to 5 per cent (this is covered in more detail elsewhere in the briefing). Revenue Support grant will increase in line with inflation. *(Page 6, paragraph 31; Page 75, paragraph 6.66)*

- The underlying general funding to local government (also known as the local government Departmental Expenditure Limit (LG DEL)) will rise by £0.5 billion, or 5.8 per cent in cash terms. This compares to a 4.8 per cent cash terms increase to NHS England, a 4.3 per cent cash terms increase to education and a 2.6 per cent cash terms increase to defence.

Measure	**2020/21, £bn**	**2021/22, £bn**	**Change, £bn**	**% change, cash terms**
Local government core spending power*	49.0	51.2	2.2	4.5%
Local Government Department Expenditure Limit	8.6	9.1	0.5	5.8%

NHS England, day-to-day	129.9	136.1	6.2	4.8%
Department for education, day-to-day	67.8	70.7	2.9	4.3%
Defence, day-to-day	30.7	31.5	0.8	2.6%
Total Revenue Departmental Spending	369.9	384.6	14.7	4.0

Note: The figures in the table are for core funding and do not include COVID-19 funding.
* Subject to data changes, the final figures will be published in the 2021/22 local government finance settlement
Source: (LGA analysis of Spending Review book figures: page 6, paragraph 31; table 1.2, page 19; table 6.3, page 61; table 6.11, page 67; table 6.16, page 74; table C.3, page 106-107.)

LGA view

- It is good that that today's Spending Review provides a potential increase of 4.5 per cent in council core spending power next year to support vital local services. However, this assumes council tax bills will rise by 5 per cent next year which will place a significant burden on households.

- Councils will still have to find savings to already stretched budgets in order to plug funding gaps and meet their legal duty to set a balanced budget next year.

- Council tax rises have never been the answer to the long-term pressures faced by councils, particularly in social care, raising different amounts of money in different areas, unrelated to need. It is not the long-term solution which is desperately needed. We have warned about record numbers already claiming a discount on their council tax due to the pandemic and are pleased the Government will provide funding to help councils provide vital support for those on low incomes who may struggle to pay.

- Overall, the Spending Review provides more certainty for councils next year but the long-term outlook remains unclear. Public finances will undoubtedly be under huge strain in the years ahead but investment in our local public services is critical to our national recovery next year and beyond. Only with the right funding and freedoms, can councils lead local efforts to level up the stark inequalities the pandemic has exposed and level up the economy so that it benefits everyone.

<u>Funding for local authority COVID-19 pressures</u>

The Chancellor announced that:

- To support local authorities in England with COVID-19 pressures next year, the Government expects to provide over £3 billion in additional support. The additional support includes £1.55 billion to meet additional expenditure pressures as a result of COVID-19, £670 million to support households that are least able to afford council tax payments, £762 million to compensate for 75 per cent of irrecoverable loss of council tax and business rates revenues in 2020/21, and extending the existing COVID-19 sales, fees and charges reimbursement scheme for a further 3 months until the end of June 2021 *(Page 75, paragraph 6.65)*

LGA view

- Council services have been critical in the fight against COVID-19 and it is good that the Chancellor has provided further funding for councils to manage the cost pressures they face as a result of the pandemic.

- The Chancellor's pledge to compensate for 75 per cent of irrecoverable council tax and business rates income and to extend the scheme to fund a portion of councils lost income from fees and charges during the early part of the next year provide some much-needed stability but will need to be reviewed and probably extended.

Fair Funding Review

The Chancellor confirmed that:

- As announced earlier this year, the implementation of the fair funding review has been delayed. (*Page 75, paragraph 6.70)*

- The Spending Review does not specify when the review will be revisited.

LGA view

- The impact of the pandemic has not changed the way general Government grants are distributed between councils and remains complex, opaque and out of date. It is not possible to succinctly explain why the funding allocations for different councils are what they are. However, it is also clear that any review of distribution arrangements puts a multi-year local government finance settlement at risk, with an impact on certainty.

- We are calling on the Government to resume the Fair Funding Review, but with a guarantee that the transitional mechanisms ensure that no councils experience a loss of income.

- Councils had to revisit and revise many of their services to react to the impact of the pandemic and it is yet to be seen how permanent some of those shifts are. This means that, when the Fair Funding Review is relaunched, the Government needs to review progress made to date to ensure that it is still fit for purpose, or flexible enough to deal with any such shifts in council service models.

Business Rates

The Chancellor announced that:

- The Government is undertaking a fundamental review of the business rates system and is currently considering responses to the call for evidence. A final report setting out the full conclusions of the review will be published in spring 2021. *(Page 75, paragraph 6.69)*

- The Government has decided to freeze the business rates multiplier in 2021/22, saving businesses in England an estimated £575 million over the next five years. Local authorities will be fully compensated for this decision. *(Page 75, paragraph 6.69)*

- The Government is also considering options for further COVID-19 related support through business rates reliefs. In order to ensure that any decisions best meet the evolving challenges presented by COVID-19, the Government will outline plans for 2021/22 reliefs in the New Year. *(Page 26, paragraph 2.10)*

- Earlier this year, the Government announced that it would delay the move to 75 per cent Business Rates Retention and the implementation of the fair funding review. This decision allowed local authorities to focus on meeting the public health challenge posed by the pandemic. In order to provide further stability to the sector, the Government has decided not to proceed with a reset of business rates baselines in 2021/22 and will maintain the existing 100 per cent business rates pilots for a further year. *(Page 75 paragraph 6.70)*

LGA view

- We welcome the fact that local government will be fully compensated for the freezing of the business rates multiplier in 2021/22. However, this decision reduces buoyancy in the business rates system, and without alternative means of funding, council income would reduce.

- In our response to the Call for Evidence for the Business Rates Review, we stated that although property continues to provide a good basis for a local tax on business, we cannot look to business rates to form such a substantial part of local government funding in the future and alternative means of funding councils will be needed instead or as well as a reformed business rates system.

- The move to 75 per cent business rates retention should only be revisited, if appropriate, once the business rates review concludes. We call on the Government to take early and decisive steps to provide councils with as much certainty as possible after the conclusion of the Business Rates Review in Spring 2021.

- Not resetting the business rates baseline will provide councils with some of the funding certainty and stability they need for next year.

Council tax

The Chancellor announced that:

- Local authorities will be able to levy a three per cent adult social care precept. *(Page 75, paragraph 6.67)*

- The referendum threshold for increases in council tax will remain at two per cent in 2021/22. MHCLG will set out full details of the council tax referendum principles and adult social care precept flexibility as part of the consultation on the detailed methodology for the Local Government Finance Settlement for 2021/22. *(Page 75, paragraph 6.68)*

- Police and Crime Commissioners (PCCs) in England will have the flexibility to increase funding in 2021/22 with a £15 council tax referendum limit on a Band D property. *(Page 64, paragraph 6.23)*

LGA view

- Whilst it is good that there will be flexibility for councils to raise the adult social care precept by a further 3 per cent in 2021/22, this is not a sustainable solution.

- An increase in council tax of up to 5 per cent will place a significant burden on households. In addition, increasing council tax raises different amounts of money in different parts of the country, unrelated to need.

- We have always maintained that the council tax referendum limit should be abolished so councils and their communities can decide how local services are paid for, with residents able to democratically hold their council to account through the ballot box.

New Homes Bonus

The Chancellor announced that:

- The Government will maintain the existing New Homes Bonus scheme for a further year with no new legacy payments *(Page 75, paragraph 6.66)*

- The Government will consult on reforms to the New Homes Bonus shortly, with a view to implementing reform in 2022/23. *(Page 75, paragraph 6.70)*

LGA view

- The New Homes Bonus makes up a considerable part of funding for some councils, particularly shire district authorities. The Government needs to work closely with councils as part of its review of housing incentives in order to ensure it helps us deliver more homes and works for local government. It is important that sufficient clarity about the outcome of the review, is provided to councils as soon as possible to allow them to plan their 2022/23 budgets and beyond.

Public Sector Pay and the National Living Wage

The Chancellor announced that:

- In order to protect jobs and ensure fairness, pay rises in the public sector will be restrained and targeted in 2021/22. Given the unique impact of COVID-19 on the health service, and despite the challenging economic context, the Government will continue to provide for pay rises for over 1 million NHS workers. In setting the level for these rises the Government will need to take into account the challenging fiscal and economic context. The NHS Pay Review Body and Doctor and Dentist's Review Body will report as usual next spring, and the Government will take their recommendations into account. The Government will also prioritise the lowest paid, with 2.1 million public sector workers earning less than £24,000 receiving a minimum £250 increase. *(Page 21, paragraph 1.31)*

- For the rest of the public sector the Government will pause pay rises in 2021/22. The pay bill represents around 25 per cent of total Government expenditure. Pausing headline pay awards next year for some workforces will allow the Government to protect public sector jobs and investment in public services to respond to spending pressures from COVID-19. It will also avoid further expansion of the gap between public and private sector reward. *(Page 21, paragraph 1.32)*

- The Government also remains committed to continuing to support the low-paid. Therefore, following the recommendations of the independent Low Pay Commission (LPC), the Government will increase the National Living Wage (NLW) for individuals aged 23 and over by 2.2 per cent from £8.72 to £8.91, effective from April 2021. This follows the Government's acceptance of a previous recommendation from the LPC that the NLW apply to those 23 and over from April 2021. *(Page 21, paragraph 1.33)*

- The Government has also accepted the LPC's recommendations for the other National Minimum Wage (NMW) rates to apply from April 2021, including increasing the rate for apprentices by 3.6 per cent from £4.15 to £4.30 per hour. *(Page 22, paragraph 1.35)*

LGA view

- The Government has no formal role in the decisions around annual local government pay increases which are developed through negotiations with the trade unions.

- Calculations around the affordability of pay increases take full account of the financial settlement given overall to local government but this is not the only factor involved. Thus, the Government cannot automatically impose a pay freeze in local government unless it uses a legislative route to do so.

- This means also that the announcement of an increase of £250 for employees earning less than the national median wage of £24,000 per annum does not apply automatically for local government staff (30 per cent of whom earn below this salary), as was made clear after a similar announcement by the then Chancellor in 2010/11.

- If applied in local government, an increase of £250 to each employee earning £24 thousand or less would cost in the region of £100 million.

- A pay claim for 2021/22 is expected from the trade unions very soon and the negotiations will need to take account of a variety of factors, including the redundancy programmes that have already begun as a result of the financial effects of the pandemic.

- The LGA will be seeking clarity on which groups of local authority employed staff such as health visitors and school nurses, if any, will be covered by the announced pay increase for health staff including nurses.

- Pay for teaching staff is set by a pay review body following a remit set by the Government. Teachers have been a key part of the community response during the pandemic, ensuring schools remained open for key workers, providing a safe haven for priority children and finding innovative ways to keep children learning. A pay freeze for teachers may exacerbate existing recruitment and retention challenges, particularly for teachers in key subject areas.

- The LGA will work with partners to understand the costs in social care of the announced increase in the National Living Wage (NLW) as around 50 per cent of social care workers are paid around the NLW level.

Adult social care

The Chancellor announced that:

- Announcements at SR20 enable local authorities to access over £1 billion of spending for social care through £300 million of social care grant and the ability to levy a 3 per cent adult social care precept. This funding is additional to the £1 billion social care grant announced last year which is being maintained. The Government expects to provide local authorities with over £3 billion to address COVID-19 pressures, including in adult social care. This will support councils to maintain care services while keeping up with rising demand and recovering from the impact of COVID-19. *(Page 44, paragraph 4.10)*

- In the longer term, the Government is committed to sustainable improvement of the adult social care system and will bring forward proposals next year. *(Page 44, paragraph 4.10)*

- £2.1 billion provided to local authorities through the improved Better Care Fund which will be pooled with the NHS to help meet adult social care needs and reduce pressures on the NHS. *(Page 48, paragraph 4.29)*

- SR20 will support the delivery of the Long Term Plan for the NHS. It also provides significant funding for the adult social care sector. This spending disproportionally benefits older individuals. *(Page 94, paragraph A.7)*

LGA view:

- As welcome as the measures are for enabling councils to have access to additional funding for adult social care, and the continuation of improved Better Care Fund funding, only £300 million appears to be genuinely new grant funding and is for both children's and adult social care. The social care precept provides limited means to raise additional funding, but it is not sustainable; it raises different amounts of money in different parts of the country, is unrelated to need and adds an extra financial burden on households.

- Much of it will also be immediately used to fund care providers to enable them to fund increases in the National Living Wage and National Minimum Wage (see Workforce section for further commentary).

- Adult social care faces cost pressures of £4.8 billion in 2021/22, including £533 million pressures arising just from COVID-19, which continue into 2021/22. And a one-year deal provides absolutely none of the certainty social care desperately needs to be able to plan for beyond the next twelve months. This will make it difficult for the NHS and local government to invest jointly in integrated services aimed at improving health outcomes, reducing health inequalities and increasing the resilience and wellbeing of our communities.

- This is a continuation of the sticking plaster approach to funding adult social care. The Prime Minister promised to 'fix social care' in July 2019 and everyone connected to social care is frustrated by the lack of progress on this crucial agenda; there must be no further delays to the process of reform.

- The pandemic has demonstrated to the public the immense value of adult social care to lead the life they want to lead, and it is disappointing that the Spending Review has not recognised the crucial role it plays. The pandemic has also demonstrated the enormous contribution made by our committed and dedicated care workforce. The Spending Review has missed the opportunity to recognise this contribution and to deliver parity of esteem with the equally invaluable workforce of the NHS.

Health (NHS)

The Chancellor announced:

- £52 billion for frontline health services to tackle the pandemic including £22 billion for the Test and Trace programme, over £15 billion for the procurement of personal protective equipment (PPE) and £2.7 billion to support the development and procurement of vaccines. *(Page 27, paragraph 2.12)*

- The Government will provide an additional £3 billion next year to support the NHS recovery from the impacts of COVID-19. This includes around £1 billion to begin tackling the elective backlog, enough funding to enable hospitals to cut long waits for care by carrying out up to one million extra checks, scans and additional operations or other procedures. The remainder of the funding will address waiting times for mental health services, give more people the mental health support they need, invest in the NHS workforce and help ease existing pressures in the NHS caused by COVID-19. The Government also remains committed to providing PPE to frontline workers to protect them from COVID-19 and reduce transmission. On top of over £15 billion for PPE purchases and logistics already provided in this financial year, SR20 provides £2.1 billion to purchase and store PPE, sufficient funding to meet expected demand and maintain a 4 month stockpile across 2021/22. *(Page 28, paragraph 2.18)*

- £4.2 billion for NHS operational investment next year to allow hospitals to refurbish and maintain their infrastructure, and £325 million of new investment in NHS diagnostics equipment to improve clinical outcomes. *(Page 33, paragraph 3.4)*

LGA view:

- We welcome the additional resources to support frontline health services to continue to respond effectively to the pandemic, and to rapidly roll out an extensive vaccination programme. However, it is crucial that this is planned and delivered in partnership with local councils, who will also need additional resources.

- We welcome the additional funding to the NHS in order to get back on track with the treatment backlog that has built up since March 2109. However it is important to note the starkly different funding context for the NHS, compared with local government, before SR20.

- The settlement for the NHS from 2019/20 to 2023/24 represented an annual average 3.4 per cent real terms increase when it was announced in

2019. In addition, in April 2020, the Government announced that NHS debt affecting over 100 hospitals and amounting to £13.4 billion would be written off to allow them to invest in maintaining services and longer-term infrastructure improvements. In comparison, no such concessions have been made to local government, despite having to face the same demanding situation as the NHS.

- We welcome investment in NHS infrastructure, but this needs to be matched with investment in community support, including adult social care, to ensure that all people requiring care and support get the right care, in the right place, at the right time. This should be in, or as close to, their own homes as possible. Investing in hospitals will not achieve the NHS Long Term Plan objective of rebalancing investment towards community and primary care.

Public Health

The Chancellor announced that:

- SR20 confirms an additional £25.8 million to increase the value of Healthy Start Vouchers to £4.25 in line with the recommendation of the National Food Strategy. *(Page 60, paragraph 6.9)*

- Local authority spending through the public health grant will also continue to be maintained and the Government will set out further significant action that it is taking to improve the population's health in the coming months. *(Page 60, paragraph 6.9)*

LGA view

- We are pleased that the Government has recognised the importance of improving access to vitamins, milk and fresh fruit and vegetables, for disadvantaged and low-income families. The Government should now commit to accelerating the digitalisation of the voucher scheme to ensure the vouchers are accessible and non-stigmatising for those that need them most.

- It is positive that the Government has issued its firm commitment to improving the health of the nation as part of the COVID-19 recovery. It is, however, extremely short-sighted to accompany this with no increase to the public health grant.

- Despite councils' good work, the current funding model for public health is not sustainable. We have warned repeatedly that local authorities' public health grant funding has reduced by over £700 million in real terms between 2015/16 and 2020/21. The lack of new funding for public health runs contrary to the aim of addressing the stark health inequalities exposed by COVID-19 and levelling up our communities. It is also out of step from increases in funding for the NHS. Keeping people healthy and well throughout their lives reduces pressure on the NHS and social care.

- Over the coming months the Government should consult in detail with local public health systems to ensure the correct capacity and resource to continue to provide essential public health services.

Disabled Facilities Grant and Care and Support Specialised Housing Fund

The Chancellor announced that:

- SR20 includes an investment of £573 million in Disabled Facilities Grants and £71 million in the Care and Support Specialised Housing Fund, supporting people to live independently. *(Page 60, paragraph 6.11)*

LGA view:

- We are pleased that Government has listened to our call to increase Disabled Facilities Grants which will go some way towards meeting demand for adaptations. The funding will enable councils to adapt more of the existing housing stock to help older people and disabled adults and children to live independently in their own homes for longer, improving wellbeing and preventing further pressure on social care and health systems. We continue to encourage Government also to consider improvements other aspects of people's homes that help people to live healthier lives, such as tackling damp and cold homes.

- Today's boost to the Care and Support Specialised Housing Fund is a step in the right direction for improving the supply of affordable of specialist housing for older people and adults with disabilities or mental health problems. The provision of suitably designed housing that meets people's practical and care needs is a vital part of ensuring that more people can live well in communities. Whilst our population continues to age, we also need to continue supporting people with disabilities or mental health needs, so it is vital that the capital and revenue costs of different types of supported housing are fully funded.

Mental Health

The Chancellor announced that:

- The additional £3 billion to support the NHS's recovery from the impact of COVID-19 includes around £500 million to address waiting times for mental health services, give more people the mental health support they need, and invest in the NHS workforce. *(Page 60, paragraph 6.4)*

- The DHSC settlement provides further investment in the NHS workforce. This includes £260 million for Health Education England to continue to grow our NHS workforce and support commitments made in the NHS Long Term Plan. This includes training more new nurses and doctors, delivering some of the biggest undergraduate intakes ever, and funding to increase the mental health workforce and deliver training to highly valued NHS staff. *(Page 60, paragraph 6.8)*

LGA view

- Additional funding for NHS mental health services should ensure that more people with higher levels of mental health needs can access timely support. Key to tackling the COVID-19 pandemic has been how to support the public's mental wellbeing, and maintaining the funding focus on treating mental ill-health means a missed opportunity to develop locally-led approaches to helping people stay mentally well as we emerge from the pandemic and throughout their lives. Councils' statutory children's and adults mental health services and wider public health responsibilities need parity of esteem with NHS mental health services, so that councils can help the whole population to be mentally healthy, prevent the escalation to clinical services and work with health colleagues to support people of all ages who are mentally unwell.

- It is important to recognise that a significant proportion of the mental health workforce, in particular professionals working in early intervention and community support, are employed in local government. It is crucial that the whole of the mental health workforce is properly supported, whether employed by local government, by private and voluntary providers and the NHS. Therefore, the LGA is calling for equivalent investment in the mental health of social care staff. Creating workplaces and working cultures where care staff are supported, motivated and nurtured to thrive is essential to supporting their wellbeing and mental health.

Preparations for the end of the Transition Period

The Chancellor announced that:

- £363 million to recruit 1,100 Border Force officers to deliver transit customs arrangements and to continue supporting law enforcement cooperation with EU member states from 1 January 2021. *(Page 53, box 5.1)*

- £572 million to the Department for Environment, Food and Rural Affairs to seize the opportunities resulting from environmental, regulatory and economic independence for the UK, including ambitious regulatory reforms which will enable the UK to take ownership of its own agenda. *(Page 53, box 5.1)*

LGA view

- Councils face many challenges this winter, including the priority to support and protect their communities during the COVID epidemic. Councils' capacity and resources are fully stretched. Additional work resulting from the end of EU transition must be seen in this context.

- Through their regulatory work at ports, councils will be on the frontline of changes to import and export controls following the end of the transition period, but additional funding has only been provided until March 2021. It is vital that the Government commits to extending funding beyond this period, given that the greatest impact of these changes will be in July 2021, and that this funding ensures councils do not experience funding shortfalls until additional revenue can be generated to support additional work.

- There will also be increased demands on councils to support businesses navigating their way through a changing regulatory environment. COVID-19 has highlighted the vital work local regulatory services do, and the capacity issues these services are already experiencing, with a shortage of existing trained officers and limited pipeline of new officers coming through to support additional work linked to transition.

- Maintaining sufficient capacity and resilience in local regulatory services to enable councils to support local businesses must therefore be a fundamental part of post-transition planning.

UK Shared Prosperity Fund (UKSPF)

The Chancellor announced that:

- The Government is supporting the regeneration of towns and communities by targeting further investment at places most in need by supporting places, such as former industrial areas, deprived towns and coastal communities, by setting out what the UK Shared Prosperity Fund (UKSPF) will invest in and how it will be targeted (see Box 3.1) *(Page 36, paragraph 3.16 and page 37, box 3.1)*

- SR20 sets out how the UK Shared Prosperity Fund (UKSPF) will help to level up and create opportunity for people and places across the UK and provides £220 million additional funding to help local areas prepare over 2021/22 for the introduction of the UKSPF *(Page 73, paragraph 6.60)*

LGA view

- Since the referendum, the LGA has been lobbying Government to ensure that there was a domestic replacement for EU funds. The SR contains the "Heads of Terms" for the UKSPF (the Government's replacement of the European Structural and Investment Funds) and confirms that the fund will be at least £1.5 billion a year. We welcome the clarity this announcement has brought to local government, and we look forward to further detail.

- Local government has made an offer to co-design the programme with Government and the investment framework for local areas that sits behind this. The investment proposals and specific outcomes defined in the UK-wide investment framework need to be locally determined by councils and combined authorities, who have a democratic mandate to represent their communities, as well as respect current local decision making and devolution agreements.

- The additional £220 million to help local areas transition to the UKSPF in 2021/22 by running pilots and new approaches is welcomed and prevents a financial cliff edge. The Government must now work with all local areas to ensure there is a smooth transition to the new funding regime.

- We will be working with the Welsh LGA to ensure that the new funds meets the needs of councils in Wales.

Digital Connectivity

The Chancellor announced:

- Over £260 million for transformative digital infrastructure programmes, including the Shared Rural Network for 4G coverage, Local Full Fibre Networks, and the 5G Diversification and Testbeds and Trials Programmes. *(Page 33, paragraph 3.4)*

- £1.2 billion to subsidise the rollout of gigabit-capable broadband, as part of the Government's £5 billion commitment to support rollout to the hardest to reach areas of the UK. *(Page 34, paragraph 3.5)*

LGA view

- As the last few months have highlighted, access to fast and reliable digital connectivity is a necessity for communities and businesses across the country and will be essential to keeping pace with developments across the globe as we emerge from the pandemic.

- We welcomed the previously announced Shared Rural Network as good news for our communities. It is now vital that mobile network operators and the Government work with local authorities to deliver this ambitious programme.

- It is positive that the Government has confirmed the first four years of funding for the £5 billion Gigabit Broadband programme. We continue to be concerned by the Government's intention to manage this programme centrally from Whitehall. We believe that the success of the Superfast Broadband Programme demonstrates how councils' local knowledge and expertise can make all the difference to a well-managed roll out. We remain committed to working with Government to help design an approach to roll out that will benefit from the local expertise of councils.

- Finally, we note the Government has revised down its target of rolling out 100 per cent gigabit-capable broadband by 2025. It will now aim for a minimum of 85 per cent gigabit capable coverage, but will seek to accelerate roll-out further to get as close to 100 per cent as possible. We had previously outlined our reservations as to whether the Government's original 100 per cent ambition was achievable by 2025.

Freeports

The Chancellor announced that:

- The Government is supporting the regeneration of towns and communities by targeting further investment at places most in need by delivering 10 Freeports across the UK – at least one in each of England, Scotland, Wales and Northern Ireland – to bring jobs, investment and prosperity to some of the most deprived communities. The programme aims to establish Freeports as national hubs for global trade and investment across the UK, promote regeneration and job creation and create hotbeds for innovation. *(Page 36, paragraph 3.16)*

LGA view

- Following our calls to Government, we welcomed its commitment in the Freeports Bidding Prospectus to consider more than 10 freeports if bids are particularly strong. It is also positive that seed capital will be provided to winning areas to address local infrastructure constraints. It will be vital that freeports create new jobs and opportunities for local people. We have therefore asked that Government remains alive to the risk of domestic economic displacement of UK domestic businesses in its assessment of bids and as it progresses with winning areas.

Levelling Up Fund

- The Government is launching a new Levelling Up Fund worth £4 billion for England. Moving away from a fragmented landscape with multiple funding streams, this new cross-departmental fund for England will invest in a broad range of high value local projects up to £20 million, or more by exception, including bypasses and other local road schemes, bus lanes, railway station upgrades, regenerating eyesores, upgrading town centres and community infrastructure, and local arts and culture. *(Page 36, paragraph 3.16)*

- It will be open to all local areas in England and prioritise bids to drive growth and regeneration in places in need, those facing particular challenges, and areas that have received less Government investment in recent years. Spending Review 2020 makes available up to £600 million in 2021/22. The Government will publish a prospectus for the fund and launch the first round of competitions in the New Year. *(Page 72, paragraph 6.57)*

LGA view

- Councils across the country work hard to invest in improvements in their local communities so it is good that the Government is introducing this new Levelling Up Fund.

- It is good news that this fund moves to tackle our complex and fragmented funding system, which we have long warned about. However, we are concerned by the prospect of a competitive bidding process at a time when councils want to be fully focused on protecting communities and businesses from the impact of the pandemic.

- The best way to make decisions about local investment is by working with councils, who know the needs of their areas best. We want to work with the Government to ensure this fund produces the best possible outcomes for local communities.

National Infrastructure Strategy

The Chancellor announced that:

- Increased infrastructure investment is supported by a new National Infrastructure Strategy, which sets out the Government's plans to transform the UK's economic infrastructure. It is based around three central objectives: economic recovery, levelling up and unleashing the potential of the Union, and meeting the UK's net zero emissions target by 2050 *(Page 4, paragraph 22)*

LGA view

- We welcome the Government clearly setting out its infrastructure strategy in response to the National Infrastructure Assessment carried out by the National infrastructure Commission.

- We supported the Commission's recommendation, as set out in their National Infrastructure Assessment, that all transport authorities, including those without metro mayors, should have long term funding settlements in order to clearly plan their own infrastructure programmes. It is disappointing that the Government has not implemented this recommendation.

Borrowing framework and Public Works Loans Board

The Chancellor announced that:

- The Government will reform the Public Works Loan Board (PWLB) lending terms, ending the use of the PWLB for investment property bought primarily for yield. (*Page 76, paragraph 6.71*).

- The Government will cut PWLB lending rates to gilts + 100 base points for Standard Rate and gilts + 80 base points for Certainty Rate. (*Page 76, paragraph 6.71*)

- The Government has also announced the outcome of the Local Infrastructure Rate competition. Six authorities will benefit from £336 million in discounted lending for local infrastructure priorities *(Page 76, paragraph 6.71)*

- Alongside the Spending Review, the Government is publishing revised lending terms for the PWLB and guidance to support local authorities to determine if a proposed project is an appropriate use of PWLB loans. These new terms will apply to all loans arranged from 9am on 26 November. *(Outcome of PWLB consultation)*

LGA view

- The cut in the PWLB lending rates reverses the increase in rates made in October 2019. This is something we have called for since the rate was increased and is welcomed.

- Under the revised lending terms, in order to qualify for any PWLB loans, council Finance Directors will be required to certify that that there is no intention to buy investment assets primarily for yield at any point in the next three years. It is disappointing that this restriction applies on a 'whole plan' basis rather than linking specific spending with specific loans. There is a danger that this will make it difficult for local authorities to continue to access PWLB borrowing to support service delivery including housing and regeneration, or to refinance existing debt.

Road maintenance funding

The Chancellor announced:

- £1.7 billion in 2021/22 for local roads maintenance and upgrades to tackle potholes, relieve congestion and boost connectivity *(Page 77, paragraph 6.74)*

LGA view

- We welcome the Government delivering this boost to roads maintenance spending by including last year's additional pothole fund top up into the baseline for ongoing maintenance funding.

- Going forward, it is important for councils to have more long term certainty of funding support so they can make the most of this new infrastructure strategy.

Electric Vehicle Charging Infrastructure

The Chancellor announced:

- £90 million to fund local electric vehicle (EV) charging infrastructure to support the roll out of larger on-street charging schemes and rapid hubs in England. *(Page 39, paragraph 3.26)*

LGA view

- We welcome the Government's continued commitment to fund charging infrastructure which is crucial in order to meet our net zero targets.

- In order to accelerate uptake to meet the Government's new phase out date of petrol and diesel vehicles, we need a step change in the pace of delivery. We offer to work with Government to develop a much clearer role for councils in delivery and ensure that as well as grants for physical infrastructure, support and resources are given to build skills and capacity for local delivery.

Active Travel Infrastructure

The Chancellor announced that:

- To encourage more active travel, the Government has provided £257 million for cycling and walking in 2021/22, part of the Prime Minister's £2 billion commitment to cycling and walking across the parliament *(Page 39, paragraph 3.27)*

LGA view

- The long-term commitment of £2 billion across the Parliament to walking and cycling was a step in the right direction. The £257 million announced earlier this month is a welcome step for increasing walking and cycling provision.

- Councils need maximum flexibility and certainty in order to ensure that this money is spent quickly and effectively and to support engagement and consultation with local residents.

Review of Green Book appraisals

The Chancellor announced that:

- Alongside SR20 the Government has published a review of the Green Book (*page 48, paragraph 4.31*)

LGA view

- The new Green Book introduces changes to the way that business cases for projects are appraised. While the process remains mostly centralised, it is good that there will be a new requirement that business cases should be developed to align with relevant local strategies and major interventions in the area. This is something we called for in our CSR submission and represents a step in the right direction.

Children's services

The Chancellor announced that:

- SR20 additionally provides capital investment in the education estate to support levelling up education across England, including £24 million in 2021/22 to start a new programme to maintain capacity and expand provision in secure children's homes. *(Page 63, paragraph 6.18)*

- The underlying core settlement for local authorities in 2021/22 includes £300 million of new grant funding for adult and children's social care, in addition to the £1 billion announced at SR19 that is being maintained in 2021/22 in line with the Government's commitment. *(Page 75, paragraph 6.66)*

- £165 million for local authorities through the Troubled Families programme, providing intensive support to families facing multiple interconnected problems. Funding is distributed by the Ministry of Housing, Communities and Local Government, with input from the Department for Education, the Department of Health and Social Care, the Ministry of Justice, HM Treasury and the Home Office. *(Page 48, paragraph 4.29)*

LGA view:

- The LGA has been highlighting the challenges facing councils in finding suitable homes for children with complex or challenging needs for some time, so the additional funding to maintain capacity and expand provision in secure children's homes is very welcome.

- It will be important for the Government to work closely with local authorities on the programme of expansion to ensure that settings are established where they are most needed and provide the best possible care for children and young people. It is also important to note that placement sufficiency is a challenge across the children's social care system and we are keen to work with the Government to find solutions to ensure all children in care have the homes they need.

- While it is positive that additional funding has been allocated for adult and children's social care, this will not be enough to tackle the challenges facing children's social care, which was already under strain prior to the pandemic as a result of increasing demand and long-term funding reductions. Significant additional funding for children's social care is urgently required, including for early help to avoid families reaching crisis point, and for those children and families who need more intensive child protection responses. As a starting point, the £1.7 billion removed from the Early Intervention Grant since 2010 should be reinstated.

- We are pleased that funding is being maintained for the Troubled Families programme. The programme has delivered real outcomes, demonstrating the benefits of cross-departmental support for a preventative, council-led approach to support.

- It is vital that we use this year to build on the learning and outcomes from the programme so far to further embed a locally-led and integrated approach to addressing multiple problems.

- The programme has demonstrated that investing in early help leads to genuinely improved outcomes and reduces pressure on frontline crisis support. This year provides an opportunity to review and develop the evidence base for sustained investment in 2022 and beyond.

Day-to-day school funding

The Chancellor confirmed that:

- At SR19 the Government set out a commitment to increase the core schools budget by £7.1 billion by 2022/23, compared to 2019/20 funding levels. SR20 reaffirms this commitment, with the Government's three-year investment representing the biggest school funding boost in a decade. The schools budget will increase from £47.6 billion in 2020/21 to £49.8 billion in 2021/22 – an uplift of £2.2 billion. *(Page 44, paragraph 4.12)*

LGA view

- The LGA welcomes the Government's announcement to increase schools budgets by £7.1 billion by 2022/23. The Government must now urgently confirm council high needs block allocations for 2021/22 and use the on-going review of Special Educational Needs and Disability (SEND) to give councils the powers and long-term certainty of funding to support children and young people with SEND.

- It is however disappointing that additional funding has not been made available to help cover the exceptional costs incurred by schools in responding to COVID-19 since they reopened in September.

School capital

The Chancellor announced that:

- SR20 additionally provides capital investment in the education estate to support levelling up education across England, including further detail on the Government's ten-year school rebuilding programme. The programme will launch with a commitment to 50 new school rebuilding projects a year across England. *(Page 63, paragraph 6.18)*

- Investment of £1.8 billion in 2021/22 to maintain and improve the condition of school buildings *(Page 63, paragraph 6.18)*

- £300 million in 2021/22 for new school places for children with special educational needs and disabilities, almost four times as much as the Government provided to local authorities in 2020/21 *(Page 63, paragraph 6.18)*

LGA view

- The LGA welcomes the announcement of funding for school rebuilding projects and an investment of £1.8 billion to maintain and improve the condition of school buildings during 2021/22. To ensure this funding is easily accessible to those schools that need it, the Government must replace the existing, fragmented school capital funding arrangements with a single, local school capital fund.

- The LGA welcomes the £300 million for new school places for children with SEND during 2021/22. This funding recognises that councils continue to struggle to meet the year-on-year increase in demand for SEND support and we await further detail on how these places will be created.

- The DfE's review of SEND must deliver legislative reforms that increase levels of inclusion in mainstream schools and reduce the use of special and independent and non-maintained special school places, which are more expensive.

Early years

The chancellor announced:

- £44 million for early years education in 2021/22 to increase the hourly rate paid to childcare providers for the Government's free hours offer. *(Page 63, paragraph 6.19)*

LGA view

- The LGA has repeatedly raised concerns about the underfunding of the early entitlements, so additional funding is welcome.

- However, with many early years providers struggling in the light of COVID-19, it is disappointing that this is not a more significant and immediate investment to support providers during this time. It is crucial we retain the good quality early education and childcare that improves children's outcomes and reduces the disadvantage gap.

Youth services

The chancellor announced:

- Almost £100 million to deliver the National Citizen Service (NCS) and invest in youth facilities. The Government will review its programmes to support youth services including the NCS in the spring. *(Page 81, paragraph 6.88)*

LGA view

- COVID-19 has shown the importance of youth services and young people having safe spaces to go to, so we welcome additional funding to invest in youth facilities. However, more than 4,500 youth work jobs have been lost since 2010/11 due to funding reductions, therefore funding for staff and training is urgently needed in addition to funding for facilities.

- Local government and local youth services need confirmation of the £500 million promised to youth services in 2019 which will provide essential investment into the sector and support young people to achieve good outcomes.

- The LGA has repeatedly called for devolution of some NCS funding to local youth services, which can provide the year-round support that many young people need rather than a time-limited programme. We will look to work with the NCS Trust to consider how the NCS works with councils, and with Government on its review of programmes to support youth services, ensuring that funding is targeted towards areas it will be most effective.

Supporting jobs

The Chancellor announced that:

- £2.9 billion Restart programme will provide intensive and tailored support to over 1 million unemployed people and help them find work, with approximately £0.4 billion of funding in 2021/22 *(Page 29, paragraph 2.20)*

- Funding the £2 billion Kickstart scheme which will create hundreds of thousands of new, fully subsidised jobs for young people at risk of long-term unemployment across Great Britain. The SR20 settlement includes £1.6 billion in 2021/22 which will ensure funding for over 250,000 Kickstart jobs. *(Page 29, paragraph 2.20)*

- Investment of £375 million from the National Skills Fund in 2021/22, which will provide £138 million for the Government's commitment to fund in-demand technical courses for adults, equivalent to A level, and to expand the employer-led boot camp training model. *(Page 62, paragraph 6.17)*

- On Apprenticeships, the Government is:
  - making available £2.5 billion of funding for apprenticeships and further improvements;
  - allowing levy paying employers to transfer unspent levy funds in bulk to Small and Medium-sized Enterprises (SMEs) with a new pledge function from August 2021.
  - confirming unspent Levy funds will continue to expire after 24 months;
  - introducing a new online service to match levy payers with SMEs that share their business priorities for the purposes of Levy transfer from August 2021;
  - allowing employers in construction and health and social care to front-load training for certain apprenticeship standards from April 2021 and explore whether this offer can be extended to other sectors;
  - testing approaches to supporting apprenticeships in industries with more flexible working patterns in 2020/21, including considering how to best support apprenticeship training agencies;
  - extending incentive payments for hiring a new apprentice introduced in the Plan for Jobs to 31 March 2021.
    (Page 62, paragraph 6.17)

LGA view

- The Chancellor has rightly prioritised jobs in this Spending Review. With millions displaced from the labour market and needing to find work and reskill due to the COVID-19 crisis, we need to align job creation and employability measures including skills, so no community is left behind.

- The economic and social challenges facing our communities will vary across the nation. National and local government should combine resources and expertise to deliver for people and businesses hard hit by the crisis and co-design the solutions.

- Investment in the low-carbon economy provides an opportunity to create further employment opportunities. In 2030 across England there could be as many as 694,000 direct jobs employed in the low-carbon and renewable energy economy, rising to over 1.18 million by 2050.

Restart

- We face a growing and stark unemployment challenge. Support for people who are long term unemployed is urgently needed and Restart must be delivered in the right way to reduce the scarring effect of unemployment on communities. There is strong evidence that localised and devolved programmes deliver more sustained outcomes and that centralised employment and skills schemes struggle to deliver for the economy, employers or individuals.

- Support to the long-term unemployment needs to be as close as possible to local communities and the local services they rely on including housing, health, training and debt management. Local government offers to work with the Government to plan, commission and deliver Restart so it can align with local services and training opportunities. Councils are in the unique position locally to bring together a range of local organisations including charities, housing associations, councils, and training providers as well as Department for Work and Pensions (DWP) prime providers.

- Local government stands ready to make this happen with the right level of resource. The Government should work with us to plan Restart so it is delivered to optimal impact for people and places.

Kickstart

- Local government is already working hard to make a success of and coordinate the Kickstart scheme locally, working with providers and Jobcentre Plus. The first phase excluded 16-17 year olds at risk of unemployment. We believe this next phase of Kickstart should be extended to this group, and that local government should be able to refer this group into the Scheme.

- Kickstart will work best for young people, businesses and communities if it is planned and delivered in partnership locally. That requires real collaboration at a local authority level between national Government and its agencies, local government, employers and providers to ensure the offer is coordinated, promoted, signposted, targeted and delivered. DWP must build local government into the further iterations of the Scheme as we have already set out.

In-demand technical courses for adults

- Using the National Skills Fund to fund free Level 3 courses for adults not yet qualified to these levels is welcome. We encourage the Chancellor to go further by devolving and localising this support so that it is customised to local need and can offer a clear pathway to further learning and work in places where people live.

- We continue to recommend the Government at least doubles funding for the Adult Education Budget to increase support for the nine million people across England that lack basic literacy and numeracy skills.

Apprenticeships

- The Government has listened to employers and is introducing some long overdue reforms to the apprenticeship levy. The extension of the £2,000 apprenticeship incentive payments and the introduction of a new service to match levy payers with SMEs that want to receive a transfer of funds should both help to create more apprenticeship opportunities.

- We continue to urge the Government to go further and deliver the root and branch reform of the apprenticeship levy. Local government should be offered more local freedom and flexibility to maximise the use these funds, for example to widen participation to disadvantaged groups. We look forward to receiving more information on the Government's plan to allow employers to make levy transfers to SMEs and we hope that it will provide the opportunity for local government to work with employers to take a more strategic approach to apprenticeships locally and pool funds so we can maximise support to our communities.

- It is disappointing that the Government has confirmed that the 24-month expiry policy for unspent levy funds will remain in place. We urge the Treasury to reconsider and pause this policy to prevent employers from losing funds through no fault of their own. The Government should also introduce a levy payment holiday of up to six months for businesses struggling with cashflow problems.

Building Safety

The Chancellor announced that:

- SR20 confirms £1.6 billion of capital to remove unsafe cladding from high rise buildings. *(Page 73, paragraph 6.61)*

LGA view

- The LGA has been asking the Government to address this issue for over three years. Although these Government funds for remediation will be helpful, the Housing Communities and Local Government Select Committee, the Public Accounts Committee and the LGA have all said that the current level of funding (£1.6 billion) will not be enough to protect leaseholders.

- The LGA wants the Government to meet remediation costs upfront, taking a building-wide, risk-based approach to remedial works. They should then pursue those responsible for shoddy products or workmanship in order to protect the taxpayer.

- The cladding crisis affects hundreds of thousands of leasehold residents who are utterly blameless; not only will the costs of fixing buildings often be beyond their means, but leaseholders face the cost of waking watches and insurance hikes, while trapped in flats they are unable to sell or remortgage. The Government needs to act soon to avoid the effects of this crisis spreading throughout the housing market and damaging the economy.

Housing

The Chancellor announced that:

- SR20 also provides nearly £20 billion in multi-year capital investment to underpin the Government's long-term housing strategy:
    - a National Home Building Fund (NHBF), with initial funding of £7.1 billion over the next four years to unlock up to 860,000 homes, including:
        - confirming £4.8 billion of capital grant funding, including for land remediation, infrastructure investment, and land assembly
        - delivery of the Brownfield Fund, announced at Budget 2020 for Mayoral Combined Authorities (MCAs)
        - an additional £100 million for non-Mayoral Combined Authorities in 2021/22 to support housing delivery and regeneration, including unlocking brownfield sites, regenerating estates and releasing public sector land – including serviced plots for self and custom builders
        - £2.2 billion of new loan finance to support housebuilders across the country. This includes delivering Help to Build for custom and self-builders, and funding for SMEs and modern methods of construction
        - further funding for the NHBF will be confirmed at the next multi-year spending review, delivering on the Government's commitment to provide £10 billion to unlock homes through provision of infrastructure
    - reconfirming £12.2 billion for the Affordable Homes Programme (AHP). The new AHP will deliver up to 180,000 new homes for affordable homeownership and rent, with a greater proportion outside of London than the previous programme.
      (Page 73, paragraph 6.59)

LGA view

- It is positive to see further Government investment to support the building of new homes. We welcome the additional funding for non-Mayoral Combined Authorities to support housing delivery and regeneration. In our view, all councils should have access to funding to support their ambitions to bring forward brownfield sites, estate regeneration projects and the release of public sector land.
- With more than one million households on council waiting lists, and now more than 98,000 households in temporary accommodation, it is vital that the Affordable Homes Programme is re-focused towards support for truly affordable homes, including those for social rent. Councils also need to be

able to retain all Right to Buy receipts, combine them with other funding sources and set discounts locally, to support them in building homes to meet the needs of local communities.

Planning

The Chancellor announced that:

- SR20 provides an additional £12 million to take forward the Government's radical planning reform agenda and £4 million towards its ongoing Oxford-Cambridge Arc programme, building on the Government's commitments to accelerate housing and infrastructure delivery. (*Page 74, Paragraph 6.61*)

LGA view

- The LGA's response the Planning White Paper is: https://www.local.gov.uk/parliament/briefings-and-responses/lga-submission-ministry-housing-communities-and-local-2

- Additional investment will be vital in taking forward any proposed reforms to the planning system. We await further details on how the £12 million will be allocated.

- Councils need to have the resources, tools, powers and flexibilities required to make locally-led planning decisions for their current and future residents. This includes having the ability to set planning fees locally. These fees should also help to cover the cost of wider planning functions. This will ensure that these can continue to support the decision and plan-making process.

- The Government will also need to ensure that councils have access to the right capacity, skills and training support to implement any changes to the planning system. Any new burdens should also be fully funded.

Homelessness

The Chancellor announced that:

- SR20 also provides £254 million of additional resource funding, including £103 million announced earlier this year for accommodation and substance misuse, to support rough sleepers and those at risk of homelessness during COVID-19. This takes total resource funding in 2021/22 to £676 million, a 60 per cent cash increase compared to SR19. This additional funding will support frontline services through the Rough Sleeping Initiative and enable local authorities to fund their statutory duties to prevent homelessness. The Government will also provide new funding to support prison leavers at risk of homelessness into private rental tenancies and will commit £87 million of capital funding in 2021/22 primarily to support the delivery of long-term accommodation for rough sleepers. *(Page 72, paragraph 6.58)*

LGA view

- Councils have done an incredible job getting people sleeping rough off the streets and have accommodated more than 29,000 people who have faced homelessness since the start of the coronavirus pandemic. It is good the Government has recognised this with additional funding today, which will help councils to continue their ongoing efforts to support people at risk of rough sleeping and homelessness.

- As we fight a second wave of coronavirus, we would also urge the Government to temporarily remove the No Recourse to Public Funds condition, which would reduce public health risks and ease the pressure on homelessness services by enabling vulnerable people to access welfare benefits, who are currently unable to do so because of their immigration status.

- In the longer-term, it is also important that there is a shift towards investing in homelessness prevention services. With council housing waiting lists set to potentially nearly double as a result of COVID-19, we are calling for councils to be given powers to kickstart a post-pandemic building boom of 100,000 new social homes for rent each year, including reform of Right to Buy.

Welfare support

The Chancellor confirmed that:

- A £20 per week increase to the Universal Credit (UC) standard allowance and Working Tax Credit basic element for 2020/21. This means that for a single UC claimant (aged 25 or over), the standard allowance has increased from £317.82 to £409.89 per month until April 2021. *(Page 26, paragraph 2.8)*

- There was an increase in the Local Housing Allowance (LHA) rates for UC and Housing Benefit claimants so that it covers the lowest third of local rents. This increase will mean nearly £1 billion of additional support for private renters claiming UC or Housing Benefit in 2020/21 and benefits over 1 million households, including those in work. Claimants will gain on average an additional £600 per year in increased housing support. *(Page 26, paragraph 2.8)*

LGA view

- We welcomed the £20 per week increase in Universal Credit, which is providing vital support to many people whose livelihoods have been affected by the pandemic. However, it is clear that the economic impact of COVID-19 on low income households will be with us for some time to come, and that additional support in the employment system will take time to deliver. It is therefore disappointing that the Government did not take this opportunity to offer councils and communities much-needed certainty by committing now to sustaining vital uplifts in the benefits system.

- The LGA has long campaigned for Local Housing Allowance rates to be maintained at least at the 30th percentile of market rents. We were therefore pleased when Government restored LHA rates earlier this year. We recognise that, at present, the uplift in LHA rates will be retained in cash terms (as laid out in point 22, table 1.1 on page 12). This means, however, that LHA rates will once again begin to fall in real terms, as rents continue to rise. This is likely to present challenges for households renting in the private sector at a time when increasing numbers of people are struggling to meet their housing costs and may in turn place pressure on councils' housing and homelessness services.

Flooding and coastal erosion

The Chancellor announced that:

- A doubling of flood and coastal investment across England investing £5.2 billion over six years. *(Page 82, paragraph 6.92)*

- This includes a £200 million six-year flood and coastal erosion resilience innovation programme which will support over 25 local areas to take forward wider innovative actions that improve their resilience to flooding and coastal erosion, and up to £155 million to accelerate 22 shovel-ready flood defence schemes announced earlier this year. (*Page 82, paragraph 6.92)*

LGA view:

- The LGA has welcomed the investment, which has been announced previously.

- Councils are well placed to lead a local approach to managing the risks from flooding and coastal erosion. Funding for flood defences needs to be devolved to local areas and sit within a new national framework for addressing the climate emergency.

- We will be seeking further information on funding for the role of councils as Lead Local Flood Authorities (LLFAs). Grant funding runs out at the end of this financial year and councils need clarity on how this critical statutory role will be funded.

The natural environment

The Chancellor announced that:

- Investment will include £90 million for the Nature for Climate Fund – to increase tree planting and peatland restoration in England. *(Page 41, paragraph 3.41)*

- A doubling of the Green Recovery Challenge Fund with a further £40 million to fund a second round of natural capital projects next year. *(Page 41, paragraph 3.41)*

- £7 million to improve public access to green space by taking forward the Coast to Coast National Trail and England Coast Path and more than £75 million in funding for National Parks and Areas of Outstanding Natural Beauty. *(Page 41, paragraph 3.41)*

- The Government is also funding the implementation of key Environment Bill measures including biodiversity net gain for development, Local Nature Recovery Strategies and the Office for Environmental Protection. *(Page 41, paragraph 3.42)*

LGA view

- The investment in natural capital is welcome. We will be seeking further information on how councils can access this funding for their communities.

- We have raised concerns about the impact of disease and climate change on mature trees in public spaces. Dealing with tree disease is a cost pressure on councils and we will continue to press for this to be fully funded.

- The LGA has highlighted the need for councils to be given funding and capacity to carry out the new biodiversity functions set out in the Environment Bill. We will be working with the Department for Environment, Food and Rural Affairs to ensure that the new burdens are fully funded.

Green investment and infrastructure

The Chancellor announced that:

- The NIS, published alongside SR20, is rooted in the expert advice of the highly respected National Infrastructure Commission (NIC), and responds to its ground-breaking 2018 assessment of the country's infrastructure needs. The NIS sets out how we will deliver the greener infrastructure that is fundamental to the Ten Point Plan, and as part of this announces the creation of a UK-wide bank focused on infrastructure and headquartered in the North of England. The bank will support private infrastructure projects to help meet the Government's objectives on economic growth, levelling up, and transitioning to net zero. *(Page 39, paragraph 3.22)*

- The Ten Point Plan mobilises £12 billion to give industry the certainty it needs to invest, supports up to 250,000 green jobs and saves 180 megatonnes of carbon dioxide equivalent. *(Page 39, paragraph 3.23)*

LGA view

- The LGA welcomes the investments and support to develop the low carbon and green infrastructure economy in the Government's Ten Point Plan. Councils share the ambition for a green revolution and with at least 230 councils declaring a climate emergency, are well placed to support Government to meet its net-zero carbon ambitions by 2050.

- We want to work with Government and business to establish a national fiscal and policy framework for addressing the climate emergency, supported with long term funding.

Low carbon solutions

The Chancellor announced that:

- £1 billion for a Carbon Capture and Storage (CCS) Infrastructure Fund and will help establish four CCS clusters by 2030. These clusters will bring jobs and investment to industrial heartlands in areas of North East and North West England, the Humber, Scotland and Wales. *(Page 40, paragraph 3.30)*

- £240 million Net Zero Hydrogen Fund and £81 million for pioneering hydrogen heating trials. *(Page 40, paragraph 3.31)*

- By 2030 the Government plans to quadruple offshore wind capacity to 40 GW and maximise the opportunities this presents for jobs and investment. To grow the UK manufacturing base, the spending review invests £160 million into modern ports and manufacturing infrastructure, providing high quality employment in coastal regions. *(Page 40, paragraph 3.32)*

- The Government will spend nearly £500 million in the next four years for the development and mass-scale production of electric vehicle batteries and associated EV supply chain. *(Page 40, paragraph 3.33)*

- It is providing over £125 million for nuclear technologies in 2021/22, as part of up to £525 million set out in the Ten Point Plan, including £385 million for an Advanced Nuclear Fund. *(Page 40, paragraph 3.34)*

- It is committing £200 million for Net Zero Innovation Portfolio in 2021/22 to support new decarbonisation solutions and bolster emerging technologies such as direct air capture and low carbon hydrogen. *(Page 41, paragraph 3.35)*

- SR20 provides over £280 million in 2021/22 for net zero Research and Development, including an £81 million multi-year commitment for pioneering hydrogen heating trials. *(Page 56, paragraph 5.26)*

LGA view

- The LGA has been calling for investment in renewable energy and is pleased with the commitment and investment in low carbon energy. There are significant opportunities in the green growth sector if the approach to delivery is flexible and designed around place.

- Councils want to support the local implementation of low carbon solutions necessary across every sector, industry and place and, support the creation of local green skills and jobs. Councils want to play a key role in developing a flexible, resilient energy supply that realises the full economic benefits that are felt across all parts of the country.

    - Councils are well placed to test transformational solutions and we will work with Government to understand how councils can use funding for research and development to support place-based low carbon action.

    - We will now be working with Government to ensure that councils have the tools and powers they need to play a lead role in harnessing this investment and supporting a locally led green economic recovery.

Warmer homes and buildings

The Chancellor announced that:

- SR20 allocates £475 million to make public buildings greener, £150 million to help some of the poorest homes become more energy efficient and cheaper to heat with low-carbon energy, and a further £60 million to retrofit social housing. It also extends the popular Green Homes Grant voucher scheme with £320 million of funding in 2021/22. The Government is committed to spending £3 billion on building decarbonisation, and will review this allocation in the spring, together with how it can best deliver this agenda over the course of this parliament. *(Page 41, paragraph 3.38)*

- SR20 also confirms £122 million in 2021/22 to support creation of clean heat networks. This, together with the measures to be set out in the Government's forthcoming Heat and Buildings Strategy, will help meet the target of installing 600,000 heat pumps by 2028, and scale up the other low carbon heating and energy efficiency measures necessary to make buildings fit for net zero. *(Page 41, paragraph 3.39*)

LGA View

- We support investment to allow councils to help Government achieve its aim for the UK to become a net zero carbon economy in 30 years' time. Councils await further details to understand how to access the funding for public buildings.

- It is positive that the Government is investing a shift to greener, more efficient buildings and housing. The Government should work with councils to urgently bring forward its commitment for a £3.8 billion capital Social Housing Decarbonisation Fund. This would provide a national stimulus to kick start the deep energy retrofit of all homes by investing in an energy revolution in social housing.

- Heat networks will continue to play an important role in national and local ambitions to reduce carbon and cut heating bills for domestic and commercial customers. It will be vital that the Government continues to work with local authorities to address capability and capacity challenges to heat network deployment.

Fire and Rescue Services

The Chancellor announced that:

- The Home Office (HO) settlement provides a £881 million cash increase in core resource funding from 2020/21 to 2021/22, delivering a 4.9 per cent average real terms increase per year since 2019-20. *(Page 64, paragraph 6.21)*

LGA view

- It is disappointing that the Spending Review does not include any information about funding for the crucial fire and rescue services (FRS).

- LGA is seeking clarity from the Home Office on what the settlement will mean for FRS. The LGA has been working with the Home Office to make the case for further funding to answer the cost pressures felt by the service due to risk and demand.

- The LGA is also asking for clarity on funding from the Home Office for pensions costs arising from remedying court judgments such as age discrimination for the fire service.

Reducing offending and serious violence

The Chancellor announced that:

- SR20 also commits an additional £200 million from 2021/22 to fund a second round of pilots under the Shared Outcomes Fund (SOF). This continues progress made on funding join-up across Government through the SOF launched at SR19, which funded a wide range of pilot projects that cut across multiple departments. The projects will be subject to thorough evaluation to inform future policy development and programmes. *(Page 48, paragraph 4.30)*

- Prison leavers (£20.0 million – MoJ, Department for Work and Pensions (DWP), MHCLG, Department for Digital, Culture, Media & Sport (DCMS), DHSC, Department for Education DfE), NHS England): The project will work closely with service users and stakeholders from across Government, and the third and private sectors to test ways to improve the social inclusion of people leaving prison, and reduce reoffending. (*Page 97, paragraph B.1)*

- Creating opportunities forum for tackling serious violence (£3.7 million – HO, DWP, DCMS, DHSC, DfE): This pilot will work with the private and third sectors to generate employment opportunities and wraparound support packages for vulnerable young people at risk of serious violence. (*Page 97, paragraph B.1)*

- Early intervention (£1.8 million – MoJ, HO, MHCLG, DHSC): This pilot will work with police and health specialists to better join up services for police forces to manage offences outside of court, understand which interventions are effective, and improve data on the impact of the interventions on reoffending. (*Page 97, paragraph B.1)*

LGA view

- The Shared Outcomes Fund projects which focus on reducing reoffending and tackling serious violence are positive. However if we are to tackle the underlying causes of offending, including serious violence, we need to see long-term and sustainable funding in local public sector and voluntary services, particularly in early intervention and prevention initiatives.

Domestic abuse

The Chancellor announced that:

- SR20 also provides £98 million of additional resource funding, bringing total funding to £125 million, to enable local authorities to deliver the new duty to support victims of domestic abuse and their children in safe accommodation in England *(Page 74, paragraph 6.61)*

LGA view

- Domestic abuse can have a long-term and devastating impact on families and particularly children. The announcement of £98 million of additional resource funding to enable local authorities to deliver the new duty to support domestic abuse victims and their children in safe accommodation is therefore welcome. However, it is not yet clear how this figure has been calculated and whether it will meet the full costs of the new proposed duty.

- The new funding needs to fully account for any increases in demand for services, and any additional burdens identified by local needs assessments when the duty comes into force in April 2021. Children have been added into the statutory definition of domestic abuse, so it will be important to assess whether additional provision is required and therefore whether councils need additional funding to meet the new proposed duty.

- One-off, short term grants do not allow for long-term planning or consistency in service, which is why long-term and sustained investment is needed. Transitional funding is also required to provide support for current domestic abuse services due to close at the end of the next financial year.

- In order to transform the response to domestic abuse, a joined-up approach is needed, providing a broad range of support packages to assist victims of domestic abuse and intervene with perpetrators to change and prevent their behaviour. This is why we have called for greater investment in early intervention and prevention programmes and wider community-based domestic abuse support, as well as greater investment in perpetrator programmes.

- It was disappointing to note that no funding has been allocated to the National Female Genital Mutilation (FGM) Centre, despite its vital work in supporting and protecting victims of FGM in the UK. We will continue to work with the Government on securing funding to help tackle this crime.

Asylum, refugee resettlement and modern slavery

The Chancellor announced that:

- The settlement provides £66.4 million in resource funding to the Home Office and £459.5 million in Official Development Assistance (ODA) resource funding to support and protect vulnerable people in the asylum system, to deliver refugee resettlement, and to support victims of modern slavery. *(Page 65, paragraph 6.26)*

- The cross-government refugee transitions outcomes fund will provide £10 million to the Home Office, Department of Work and Pensions, the Ministry for Housing, Communities and Local Government and councils for a pilot aimed at supporting the self-sufficiency of newly granted refugees across the UK by delivering employment support and housing support. *(Page 98, paragraph B.1)*

LGA view

- Councils play a valuable role supporting new arrivals who are starting a new life in the UK. The LGA will continue to work with Government to build a joint understanding of local government's key role in asylum, resettlement and supporting victims of modern slavery, and to address the costs to councils of that support. It is not clear whether these announcements will tackle the lack of funding which has been a barrier to participation, and hinders our joint efforts to reduce the pressures in areas with large numbers of asylum-seeking adults and children.

Counter-terrorism

The Chancellor announced that:

- SR20 provides the UK Intelligence Community (UKIC) with a £173 million funding increase in 2021/22, representing a 5.4 per cent average annual real-terms increase since 2019/20. It also includes over £1.3 billion of capital investment from 2021/22 to 2024-25. *(Page 56, paragraph 5.32)*

LGA view

- Local authorities will continue to do what they can to help keep communities safe from the threats from terrorism and extremism. However, it is not enough to tackle the symptoms of terrorism alone, whilst ignoring the underlying causes. It is vital that there is continued investment in prevention work at a local level, to aid wider efforts to protect the public and build resilience, including initiatives to support integration and counter extremism and prevent radicalisation.

- The Government has withdrawn funding for the Special Interest Group on Countering Extremism (SIGCE), which has been a significant and agile force in supporting both local and national Government's efforts to counter extremism, tackle hate crime and help counter the ideology that can draw individuals into terrorism and criminality. We believe the SIGCE remains key to addressing rising tensions in many areas, and in supporting wider efforts to prevent terrorism. We urge Government to continue to invest in the SIGCE to support local authorities to build resilience and help stop division and polarisation from taking hold.

Online harms

The Chancellor announced:

- £45 million for programmes to drive growth through digital technologies and data, while improving online safety and security. (*Page 81, paragraph 6.86)*

LGA view

- Councils have important statutory responsibilities in supporting those exposed to online harms, including in relation to child sexual exploitation, mental ill-health (particularly children and young people), suicide prevention, radicalisation, and the online abuse and harassment experienced by councillors and senior local government officers. We therefore welcome the Government's recognition of the importance of improving online safety and security as the digital environment continues to innovate and grow in scope and scale.

Local Government Cyber Security

The Chancellor announced that:

- The underlying core settlement for local authorities in 2021/22 includes…providing £16 million to support modernisation of local authorities' cyber security systems. *(Page 75, paragraph 6.66)*

- SR20 also provides continued investment in the National Cyber Security Programme, funding transformational cyber security projects to support departments, the private sector and wider society. This investment will enable the UK to stay at the forefront of global action to secure a safe digital future and successfully adopt new technology to drive resilience and economic growth. *(Page 69, paragraph 6.44)*

LGA view

- The LGA welcomes the announcement of specific local government cyber security funding in this review. £16 million for the next financial year is a sizeable step in the right direction.

- It is currently unclear as to how the Treasury intend to allocate this money and whether or not further funding from the National Cyber Security Programme will also be directed toward reducing cyber security risk in local government.

- It is critical that local government receives sufficient funding for councils to address the cyber security risk they currently face, and meet the competing assurance demands of different central Government departments and agencies.

- We look forward to meeting with the Cabinet Office and the Ministry of Housing Communities and Local Government to understand how this £16 million will be allocated, and how any further funds from the National Cyber Security Programme will be spent.

Culture, tourism and sport

The Chancellor announced that:

- This settlement includes the following priority outcomes:
    - Increase economic growth and productivity through improved digital connectivity
    - Grow and evolve our sectors domestically and globally, in particular those sectors most affected by COVID-19, including culture, sport, civil society, and the creative industries. *(Page 81, paragraph 6.90)*

LGA view

- Culture and the creative industries, tourism and sport services are among those that have been hardest hit by COVID-19, yet have the potential to contribute significantly to economic recovery and personal resilience over the forthcoming years. The recognition throughout the Spending Review of their importance is a positive sign, including their explicit inclusion in the objectives for the UK Shared Prosperity Fund and Levelling Up Funds.

- However, leisure services are in need of an immediate injection of funding if they are to keep services going and to enable them to benefit from the capital investments announced today. It is important that Government announces a second investment on top of the £100 million already announced.

Holiday Activities Fund

The Chancellor announced that:

- The Government will also provide £220 million for the Holiday Activities and Food programme to provide enriching activities and a healthy meal for disadvantaged children in the Easter, Summer and Christmas holidays in 2021. This provides funding up to the end of 2021-22 and supports the Government's commitment to establish a Flexible Childcare Fund to increase the availability of high quality and affordable flexible childcare. *(Page 45, paragraph 4.14)*

LGA view

- We are pleased that the Government has recognised the vital role of councils in providing consistent health and wellbeing support for children in disadvantaged and low-income families. To secure better outcomes it is vital that this support is provided in the context of a properly recognised and resourced local safety net and a genuinely preventative approach to addressing multiple disadvantage.

- We hope that when further detail emerges on the coming year's approach to the Troubled Families programme it enables vital links to be made between this support and wider preventative approaches to improving children's health and wellbeing.

- It is disappointing that there are no proposals for putting local welfare funding on a more sustainable footing to ensure a consistent approach to locally-led support to address financial hardship and economic vulnerability.