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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 18 January 2021

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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<https://www.youtube.com/user/MertonCouncil>.

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Cabinet Agenda

18 January 2021

1	Apologies for absence	
2	Declarations of pecuniary interest	
3	Minutes of the previous meeting	1 - 6
4	Climate Change Delivery Plan - Year 1	7 - 42
5	Reference from the Sustainable Communities Overview and Scrutiny Panel: Emissions based parking charges- a strategic approach	43 - 46
6	Emission based vehicle charging Review of consultation.	To Follow
7	Heritage Strategy 2021 - 2025	47 - 68
8	Public consultation on Merton's draft Borough Character and small sites draft supplementary planning documents	69 - 74
9	Exemption report for Public Health commissioned services	75 - 82
10	Business Plan 2021-25	To Follow
11	Financial Monitoring report 2020/21 - November 2020	83 - 146
12	Exclusion of the public To RESOLVE that the public are excluded from the meeting during consideration of the following report on the grounds that it is exempt from disclosure for the reasons stated in the report.	
13	Exemption report for Public Health commissioned services - Exempt appendix	147 - 148

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 matter and must not participate in any vote on that matter. For further advice please speak with the Managing Director, South London Legal Partnership.

Agenda Item 3

All minutes are draft until agreed at the next meeting of the committee/panel. To find out the date of the next meeting please check the calendar of events at your local library or online at www.merton.gov.uk/committee.

CABINET

7 DECEMBER 2020

(7.15 pm - 7.52 pm)

PRESENT: Councillors Councillor Mark Allison (in the Chair),
Councillor Agatha Mary Akyigyina, Councillor Tobin Byers,
Councillor Caroline Cooper-Marbiah, Councillor Natasha Irons,
Councillor Rebecca Lanning, Councillor Owen Pritchard,
Councillor Marsie Skeete, Councillor Eleanor Stringer and
Councillor Martin Whelton

ALSO PRESENT: Councillor Peter Southgate

Ged Curran (Chief Executive), Hannah Doody (Director of Community and Housing), Caroline Holland (Director of Corporate Services), Chris Lee (Director of Environment and Regeneration), Louise Round (Managing Director, South London Legal Partnership and Monitoring Officer), Matt Burrows (Head of Communications and Customer Experience), David Keppler (Head of Revenues and Benefits), 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 9 November 2020 are agreed as an accurate record.

The Chair advised that item 5 would be taken first, with items 4, 6 and 7 being considered together. For ease of reference the minutes are listed below in the order they appeared in the agenda.

4 REFERENCE FROM THE OVERVIEW AND SCRUTINY COMMISSION - BUSINESS PLAN 2021-25 (Agenda Item 4)

At the invitation of the Chair, Councillor Peter Southgate, Chair of the Overview and Scrutiny Commission presented the report which set out the reference from the Commission in relation to the Business Plan 2021-25. He acknowledged the difficult circumstances in which the report had been written and the number of late stage

announcements. He set out the proposed savings which the Commission had concerns about and asked that the Cabinet proceed with caution and urged the Cabinet to continue to press for compensation from the Government for the costs incurred by protecting residents during the pandemic. He thanked the Director of Corporate Services and looked forward to looking at the second round of savings.

The Chair thanked Councillor Southgate and agreed with his comments regarding compensation from the Government.

The Cabinet Member for Finance echoed the thanks made to officers and to the Chair and Commission Members for their oversight and comments and addressed the comments made during his presentation of the Business Plan item.

RESOLVED:

That the reference of the Overview and Scrutiny Commission set out in paragraphs 2.8 to 2.13 of the report be taken into account when making decisions on the Business Plan 2021-25.

5 LOCAL RESTRICTIONS BUSINESS SUPPORT GRANT SCHEME (Agenda Item 5)

The Cabinet Member for Finance presented the report which set out proposals for a local restrictions business support grant scheme over two phases. He thanked the officers involved in drafting the scheme and the Chairs of MVSC and Merton Chamber of Commerce who had agreed to sit on the panel with Council officers to administer the scheme. A review would be undertaken at the end of phase one which would inform the criteria for phase two which would come back to Cabinet for a separate decision.

The Director of Corporate Services advised that dates had already been set up in January to process the applications.

The Chair echoed the thanks and welcomed the recognition by central government for the Council's efforts in distributing money quickly to local businesses earlier on in the pandemic.

RESOLVED:

That the Additional Restrictions Grant Policy for Phase one be agreed.

6 FINANCIAL MONITORING REPORT 2020/21 - OCTOBER 2020 (Agenda Item 6)

The Cabinet Member for Finance presented the report which set out the Council's financial monitoring information for month 7, thanking officers for their efforts in controlling the budgets and highlighting the key issues for Cabinet's consideration. The forecast net adverse variance had reduced slightly due to the receipt of £3.6m of funding from the Government, which was welcomed although the net cost of Covid

was still £12.5m and therefore it was important to keep pressing for full reimbursement from the Government. Another area of concern was the Dedicated Schools Grant and the Government needed to properly fund this also. It was clear that the pandemic had impacted most areas of the Council and this would need to be closely monitored in light of ongoing uncertainty.

The Director of Corporate Services advised that there had been adverse variances, particularly in Environment and Regeneration, and there could be further implications for income streams depending on what tiers the Borough was placed in by the Government. Officers were in the process of making their claim for this and the results would likely be known in February.

RESOLVED:

- A. That 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 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 2022-23	Narrative
<u>Corporate Services</u>	£	£	£	
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
<u>Children, Schools and Families</u>				
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
<u>Environment</u>				

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 £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) be approved. This is in addition to £40,000 already drawn down from the same reserve to fund an external IT review.

7 BUSINESS PLAN 2021-25 (Agenda Item 7)

The Cabinet Member for Finance presented the report which set out the draft Business Plan 2021-25 and thanked the Chair and Members of the Commission for their response and their flexibility. He welcomed the endorsement of the approach to separate the last of the “austerity” cuts from those savings the Council may be forced to make as a result of Covid. The Council would not know the extent of the savings to be made until just before Christmas when the financial settlement would be announced.

The Cabinet Member addressed the savings raised by the Chair of the Overview and Scrutiny Commission in his presentation and advised that the Equality Analyses of those savings were now available. There were no new savings proposed in the business plan due to strategy to separate out Covid and non-Covid savings, however there were draft Equality Analyses for all savings appended to the Plan. Officers were still assessing the impact of the recent Government spending review. The overall gap had reduced to just under £12m however this would have a significant impact on services if the Council was required to make those savings and the Council would await the final settlement figure due just before Christmas. There had been a slight change in the timetable to reflect that further savings would not be known until that final settlement figure had been announced and therefore additional meetings of both scrutiny and Cabinet had been scheduled to ensure full oversight.

The Chair thanked the Cabinet Member for his presentation and the officers involved.

The Director of Corporate Services advised that further detail was expected with the financial settlement and the assumptions would be revised with further work carried out on the impacts of any savings proposed. Further advice was awaited on the public sector pay freeze and which staff would be affected.

The Chair echoed the comments and emphasised that Council officers should be paid the same as other public sector workers in recognition of their work on the front line in the pandemic.

The Cabinet Member for Children's Services and Education welcomed the discussion on the proposed savings at the Children and Young People Scrutiny Panel and advised that the impact on partners would be looked at but residents must be prioritised and the emphasis should be maintaining and protecting services to vulnerable parents and children.

The Cabinet Member for Adult Social Care and Health recognised that the proposed savings could cause concern and hoped that the Equality Analyses helped to address some of those concerns. The review of day centre provision would be subject to consultation and an assessment of need and the dementia service would be recommissioned with less of a focus on a physical building and more on how the service can best be delivered in the community, with more of a focus on outreach, subject to consultation.

The Director of Community and Housing advised that the children centres saving was proposed for 2022/23 which would give time to review the buildings and service offer; and the income generating capacity of those buildings. In respect of the day centres, there had been a decline in take-up and there was a need to review how those services are delivered across the community. In respect of in-house provision for those with learning difficulties, there was potential to deliver the services in a different way and officers were keen to engage strategic partners.

The Chair thanked all for their contributions and reiterated the Cabinet's commitment to proper scrutiny and the provision of Equality Analyses as requested.

RESOLVED:

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

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Committee: Cabinet

Date: 18/01/2020

Wards: All Wards

Subject: Climate Delivery Plan – Year 1

Lead officer: Director of Environment and Regeneration, Chris Lee

Lead member: Cabinet member for Regeneration, Housing and Climate Change, Martin Whelton

Contact officer: Katie Halter, katie.halter@merton.gov.uk, 0208 545 3821

Recommendations:

- A. That Cabinet adopts the Climate Delivery Plan – Year 1
 - B. That delegated authority is given to the Director of Environment and Regeneration, Chris Lee in consultation with Cllr Martin Whelton, the Cabinet member for Regeneration, Housing and Climate Change to make minor amendments.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This Delivery Plan sets out how Merton Council will work towards a reduction in greenhouse gas emissions and adapt to the effects of climate change, within the borough and within the Council's buildings and services in 2021.

2 DETAILS

- 2.1. Merton's Climate Strategy and Action Plan [1] was adopted by Council in November 2020. Cabinet was appointed to oversee its implementation.
- 2.2. One of the commitments in Merton's Climate Strategy and Action Plan was the formation of a Delivery Plan which is updated annually and is able to monitor progress. *Section 1* of the Delivery Plan sets the scope of the plan, which covers major activities that the Council intends to do to support emissions reductions within the borough, and within the Council's buildings and services in 2021. *Section 2* considers the Council's progress in meeting its part in Merton's Climate Strategy and Action Plan in relation to the pace and scale of change needed. It uses a set of indicators to serve as a baseline from which future years can be compared. *Section 3* takes wider factors into account, to assess the likelihood of meeting the net-zero targets.
- 2.3. To support delivery, 8 workstreams have been set up within the Council. These cover all areas, and actions are benchmarked against progress needed to be in keeping with our net-zero targets. *Section 4* sets out the priority actions that we intend to take within these workstreams. It demonstrates our intention to expand climate considerations to every part of the Council. The main focus of Year 1 is to set firm foundations, from which action can grow both within the Council and within the borough.

- 2.4. Where action to reduce carbon emissions is already occurring, the plan seeks to accelerate action in keeping with the scale of change that is needed to meet our carbon reduction commitments. Examples where accelerated action has already taken place since the declaration of a climate emergency includes securing a 100% renewable electricity tariff for the Council, the consultation for 26 school streets this autumn, and the consultation for Merton's Local Plan; where key policies have been reviewed based on emerging evidence to support a net-zero carbon borough.
- 2.5. Where there has been an absence of activity to date, the Delivery Plan commits to investigate options for taking stronger action, and gain additional resource through lobbying or application for external funding. An example is our commitment to considering options to reduce emissions from existing and future procured services.
- 2.6. National Government, through the last 2 budgets, and the Government's newly announced 10 Point Environment Plan [2], have committed significant spend to boost low carbon activities and kick-start an economic recovery following the impacts of Covid. These include c£1bn to decarbonise public sector buildings [3] and £1.3bn to support electric charging infrastructure. These new funding opportunities tend to come with extremely short delivery deadlines, presenting new challenges for fully stretched staff to develop and deliver substantial capital projects at short notice without additional resource.
- 2.7. Because delivery of our net-zero targets is so dependent on the action of others, the plan seeks to significantly ramp up engagement through a comprehensive communications plan and the formation of a community-based Climate Action Group. To date, our success at engaging with under-represented groups has been lower than expected.
- 2.8. It may be appropriate to make minor changes to the Delivery Plan, for example to ensure TBC indicators are put in place, and where there are changes to delivery risks throughout the year. We seek delegated authority to the Director of Environment and Regeneration, Chris Lee in consultation with Cllr Martin Whelton, the Cabinet member for Regeneration, Housing and Climate Change to make these minor amendments.

3 ALTERNATIVE OPTIONS

- 3.1. Option 1 - No Delivery Plan: This option would undermine a key commitment set out in Merton's Climate Strategy and Action Plan. Without a delivery plan, it would be harder to understand whether activity to reduce carbon emissions undertaken by Merton Council is focused where it will have the greatest impact.

Option 2 - A more ambitious plan: This is not a realistic option because the Delivery Plan presented represents the most ambitious plan that can be achieved within the Council's current resources, focused on the major transitions needed to achieve the net-zero carbon targets. Making a more ambitious plan would require additional staff and funding that is not currently available.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. The Delivery Plan operates under the long term framework of Merton's Climate Strategy and action plan, and uses the extensive consultation and evidence review that was undertaken through its development in 2019 and 2020.
- 4.2. The Delivery Plan is limited to fulfilling the Council's part of the Climate Strategy and Action Plan, so has been discussed extensively with Council officers and the Environment Subgroup of the Sustainable Communities and Transport Partnership.

5 TIMETABLE

- 5.1. Whilst the net-zero targets may take decades to achieve, the Delivery Plan aims to operate within a single year, enabling delivery to be responsive to the many changes in funding, policy, innovation and markets. It is expected that priority actions set out in the Delivery Plan will be complete by December 2021.
- 5.2. The Delivery Plan will be reviewed and updated on an annual basis. The updated plan will use the indicators and wider evidence to focus efforts which make the most significant impact towards meeting out net-zero targets.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. *Annex 4* of the Delivery Plan sets out all priority actions that the Council intends to take over the first year of implementation of the Climate Strategy and Action Plan. Officers responsible for the individual actions have confirmed that these can be carried without additional resources; notwithstanding the delivery risks identified.
- 6.2. *Section 4.1* of the Delivery plan considers the extent to which the actions committed to by the Council are sufficient with respect to the Council's responsibilities set out in the Climate Strategy and Action Plan. This is straightforward when considering the Council's action to reduce its own carbon emissions, but harder to judge when considering the Council's actions to support emissions reductions that need to be undertaken by others. This section does identify gaps in activity and /or funding that will need to be met in future years, but in most cases, the scale and timing of the funding need has not yet been identified; nor how these funding needs will be met.
- 6.3. *Section 3.1* also acknowledges funding gaps that the Council is not expected to fill but will be needed by others to meet the 2050 net-zero target. These include the additional capital costs to support low carbon retrofit of Merton's homes and non-residential buildings.
- 6.4. *Section 2.1* of the Delivery Plan estimates that £2.1m of Council spend was allocated to projects that reduced emissions inside and outside the Council in 2019/2020. Despite challenging financial conditions, spend on climate projects is predicted to increase in this financial year.

- 6.5. New capital schemes and additions to any existing capital schemes in relation to the climate change delivery plan will only be added to the approved capital programme as additional funding is identified.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. There is no statutory requirement for Local Authorities to set climate targets, or produce a Climate Strategy or an Action Plan set out in the Climate Change Act 2008. Local Authorities are, however, obliged to be in keeping with the objectives of policies implemented by the Greater London Authority and National Government through obligations set out in grant funding agreements, under regulatory arrangements such as through air quality reviews and monitoring under the Environment Act 1995 and national planning law including the Planning Act 2008 and in development of local plans under the Planning and Compulsory Purchase Act 2004, where the local planning authority must have regard to national policies.
- 7.2. In order to carry out the investments and actions required of this report the Council must follow, where appropriate, the Council's contract standing orders and the Public Contracts Regulations 2015 in relation to entering into public contracts. From December 31st 2020 this may include call-off contracts from existing frameworks and if tendered after 31st December 2020 will require publication of relevant notices on the new government service Find a Tender Service (FTS).
- 7.3. Conditions attaching to the letting of public contracts should be non-discriminatory and compliant with any applicable grant conditions.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. *Section 2* highlights that intended actions are consistent with the strategic approach set out in the Climate Strategy and Action Plan. These embody an ambition for action on climate to have wider community benefits and ensure that neither the effects of climate change, nor the costs of reducing emissions disproportionately affect the vulnerable or those less able to pay.
- 8.2. Workstream 8, considers Communication, outreach and LBM corporate procedure. Within this workstream, *Section 4.1* sets out our intention to support and empower communities to take action on climate through the development of a climate action group; in keeping with the key aims of Merton's community plan to increase social capital.
- 8.3. The spread of activity within the Delivery Plan makes it difficult to undertake a meaningful equality assessment of the plan as a whole. Individual equality assessments will be undertaken as individual actions form key policies and decisions.

9 CRIME AND DISORDER IMPLICATIONS

9.1. None for the purposes of this report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. Delivery risks relating to annual priority actions have been assessed both at an individual level (*Annex 4 of the Delivery Plan*) and for the workstream as a whole (*in section 4.1*). These consider the likelihood that the action will take place and the impact this might have in the Council meeting its obligations set out in Merton's Climate Strategy and Action Plan.

10.2. *Section 3.1*, assesses the likelihood that the net-zero targets will be met, taking into account of the 2% of emissions that are the direct responsibility of the Council, actions taken by the Council to enable emission reduction for the borough target, and the wider financial, political, behavioural and market forces in play.

10.3. Risk management and health and safety measures for individual actions will be undertaken by the Officer responsible for the action.

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

- Climate Change Delivery Plan – Year 1

12 BACKGROUND PAPERS

12.1. [1] Merton Climate Change Strategy and Action Plan

<https://www.merton.gov.uk/assets/Documents/Draft%20Climate%20Strategy%20and%20Action%20Plan%20-%20Council%20V2.pdf>

[2] Government's 10 point Environment Plan (November 2020)

<https://www.gov.uk/government/publications/the-ten-point-plan-for-a-green-industrial-revolution>

[3] Public Sector Decarbonisation Scheme (October 2020)

<https://www.gov.uk/government/publications/public-sector-decarbonisation-scheme-psds>

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CLIMATE CHANGE DELIVERY PLAN – YEAR 1

1. INTRODUCTION

1.1 Purpose

This Delivery Plan sets out how Merton Council will work towards a reduction in greenhouse gas emissions and adapt to the effects of climate change, within the borough and within the Council's buildings and services in 2021.

1.2 About this document

Merton's Climate Strategy and Action Plan¹ adopted in November 2020, sets a strategic approach and long term actions needed to meet the borough's net-zero carbon targets¹ and adapt to the effects of climate change. It recognised the need for a delivery plan that was agile to changing circumstances; within the Council, in national policy and funding opportunities, and wider innovation and market factors. It also recognised the need to monitor and report progress on a regular basis. The Delivery Plan is intended to fulfil this role.

There are three main components of the Delivery Plan that will be updated on an annual basis. The first (**section 2**) monitors the Council's approach and progress against the actions that were identified in the Merton's Climate Strategy and Action Plan. 8 workstreams have been formed to fulfil the Council's role in delivering Merton's Climate Strategy and Action Plan. This includes a plan to reduce the 2% of emissions that the Council is directly responsible for, and undertake the enabling actions to support others to tackle climate change. **Annex 1** sets out how these workstreams were formed and their governance structure. An explanation of the indicators and emissions are set out in **Annex 2**.

The second (**section 3**) assesses wider factors which give an indication of the likelihood of meeting the net-zero carbon targets.

The third (**sections 4**) sets out how the Council intends to progress action in the following year (January to December 2021); highlighting delivery risks. Delivery actions within each workstream have been identified in discussion with officers and benchmarked against the pace and scale of action required by the Council to effectively support delivery. **Annex 3** sets out key considerations that were made when forming delivery actions. **Annex 4** summarises all priority actions for the following delivery year.

¹ Borough target, net-zero by 2050. Council target, net-zero by 2030

2 THE COUNCIL'S PERFORMANCE IN DELIVERING ITS PART OF MERTON'S CLIMATE STRATEGY AND ACTION PLAN

"A Strategy to Combat Climate Change" sets out the Council's overall approach to delivering its role in Merton's Climate Strategy and Action Plan; summarised in the points below.

- Leading by example through delivery of the 2030 Council target, and considering climate impacts at an early stage in all that the Council does.
- Using our unique position as a Local Authority to empower and influence others to act.
- Focusing our limited resources in areas most likely to deliver a tangible reduction in emissions; maximising funding opportunities where possible.
- Supporting projects which have wider environmental and social outcomes as well as carbon reduction benefits; recognising the need to balance competing objectives.
- Continuing to measure and monitor borough and Council emissions, and the impact of individual actions where possible.

"Green Economy", "Buildings and Energy", "Transport", "Greening Merton" and the "Council 2030 target" are the five sections in which long term actions have been set for residents, businesses, landlords and organisations. It also sets out actions that the Council intends to take to reduce emissions from its own buildings and services, and enabling actions to support others to tackle the impacts of climate change. This section monitors Council's performance in relation to the overall approach to tackling climate change and progress against direct and enabling actions assigned to the Council, set out in Merton's Climate Strategy and Action Plan.

"Y0" is the baseline year, showing the set of indicators as seen in 2020; the year Merton's Climate Strategy and Action Plan was adopted. More information on the workstreams and indicators is set out in **Annex 1 and 2**. Some indicators are still in development.

2.1 – Overall performance Y0 (Baseline assessment)

Merton's Climate Strategy and Action Plan can only be successful if progress is transparent and publically accountable, if climate considerations are fully embedded into all Council activities, and there is a degree of public confidence, engagement and empowerment amongst Merton Citizens. The Indicators intended to monitor these overarching success factors will be put in place in early 2021.

Indicators for the Delivery Plan's overall performance	Unit	Value at Y0
Public perception of Council leadership and commitment to the Climate Change agenda	TBC	-
Public feeling on engagement and empowerment to act on climate change issues	TBC	-
Spend on projects which deliver Climate Strategy objectives	£	£2.1M

Public perception of Council leadership and commitment to the Climate Change agenda: An indicator will be developed to monitor public perception through the Council's bi-annual residents' survey. We note that the declaration of a climate emergency by the Council and the Climate Strategy and Action Plan has received unanimous support by all political groups. Climate Change Officers have observed support from highly engaged groups and individuals through the development of the Climate Strategy and action Plan. These organisations and individuals are now looking for evidence that the Council will put in place strong action to combat climate change and have consistently high standards in all areas of the Council.

Public feeling on engagement and empowerment to act on climate change issues: An indicator will be developed to monitor public perception through the Council's bi-annual residents' survey. So far, it has not been possible to gauge the level of action individuals, businesses and organisations that have not yet engaged with the Council are taking to tackle climate change. This applies to the majority of residents and almost all businesses. Those that have engaged with the Council through the Climate Change consultation survey (around 550 residents and 50 businesses and organisations) and on individual matters generally convey a sense that many actions they would like to see happen are not possible without Council or wider Government support. A few organisations and individuals are highly engaged and have already taken concerted action to combat climate change, but we consider that there is significant scope to increase the numbers of residents, organisation and businesses that can be positively engaged on the climate change agenda.

Spend on projects which deliver Climate Strategy objectives: Information on Council spend includes capital, revenue and externally-sourced funding. Around £2M over the year 2019/2020 was allocated; most of which supported the Council's improvement of cycling and walking routes, and cycle training, and improving the energy efficiency of public buildings (including libraries) and schools through the Council's invest to save programme. A summary of climate change spend is set out in the table below.

Sector	Green economy	Buildings and energy	Transport	Greening Merton	2030 target	Other/ cross cutting	Total
Spend in 2019/2020	£7,300	£4,500	£1,215,900	£47,700	£786,400	£54,100	£2,115,900

Perception of LBM staff on the opportunities and barriers to delivering actions in their work area: The development of Merton's Climate Strategy and Action Plan, and this Delivery Plan, involved a high level of engagement in all Departments. Council officers have observed that generally, staff were enthusiastic about incorporating climate change into their agendas and had a good understanding of the actions that need to take place in order to make progress. Staff will be surveyed to highlight resource and training needs.

2.2 Performance indicators for workstreams – Y0 (Baseline assessment)

The Climate Strategy and Action Plan identifies three major transformations that need to take place in order to achieve our net-zero carbon targets; in the economy, in buildings and energy, and in transport. In addition, it recognises the importance of greening Merton and to progress the decarbonisation of the Council's own buildings and services.

"Measuring Success" sets out a series of metrics which indicate the speed at which transformation is expected. These have been mapped onto the eight workstreams set up to deliver the Council's part of Merton's Climate Strategy and Action Plan. Some indicators are still in development, but will be put in place as soon as appropriate information can be sourced.

The indicators are not a direct reflection of the Council's performance, because the emission reduction activity in most cases must be done by others. It does help us to understand where the Council should focus its efforts to support decarbonisation activity in future years.

WS	Workstream Indicators	Unit	Value at Y0	Annual rate of change
WS1: Sustainable consumption and low carbon economy	Number of businesses involved in Merton's business network for climate action	Number	TBC	N/A
	Local Authority Collected Waste	t/y	6,8009	-1,700
WS2: Retrofit of homes, businesses and non-residential building stock	Homes with "good" insulation (EPC A-C)	Homes	18,879	+2,300
	Proportion of total energy use that is local renewable energy	%	10	0.3
	Homes with low carbon heating	Homes	~0	+2,900
WS3: Future new build and regeneration	Number of buildings which is capable of operating at net-zero carbon by 2050 without significant retrofit.	TBC	TBC	TBC
WS4: Transport infrastructure and modal shift	Merton ownership of fossil fuel vehicles	Vehicles	75,614	-2,700
	Merton ownership of ULEVs	Vehicles	1,166	N/A
	Proportion of active travel journeys	%	58	+0.7
	EV Charge points	Charge point	145	100
	Electric or hydrogen bus routes	Routes	0	N/A
WS5: Green infrastructure	LBM annual mileage claims for petrol and diesel	TBC	TBC	TBC
	Canopy cover	%	28%	+0.1%
	Tree numbers on private land	Trees	137,000	+540
	Tree numbers on public land	Trees	80,000	+260

	Change from “grey to green”	TBC	TBC	N/A
WS6: LBM Estate and fleet management	LBM Operational buildings emissions	KtCO2eq	3.70	N/A
	Community Schools emissions	KtCO2eq	4.10	N/A
	LBM Non-operational buildings emissions	KtCO2eq	Not known	N/A
	LBM fleet emissions	KtCO2eq	0.56	N/A
WS7: LBM Procurements and investments	Emissions from LBM procurements	KtCO2eq	1.75	N/A
	Emissions from LBM investments	TBC	TBC	N/A
WS8: Communication, outreach and LBM corporate procedure	See indicators relating to the Council’s overall performance	N/A	N/A	N/A
	Number of projects delivered by the climate action group	Number	0	N/A

2.2 Progress against workstreams

In future years this section will contain a summary of the progress that the Council has made in progressing individual actions as compared to the previous year’s delivery plan. The baseline for this progress report are the intended actions set out in **Section 3** and **Annex 4**.

3. PROGRESS TOWARDS MEETING THE NET-ZERO CARBON TARGETS

“A Strategy to Combat Climate Change” recognises that Merton cannot achieve our climate ambition in isolation, and we are dependent on many wider factors, such as a supportive national policy framework, additional funding and behaviour changes of many individuals, business and organisations.

This section considers the likelihood that the net-zero carbon targets and other aspects of the Merton’s Climate Strategy and Action Plan will be met. The main measure is through an annual estimate of greenhouse gas emissions, for which this table represents Y0. Further detail of how the emission estimates were formed are set out in **Annex 2**. Considering the pace and scale of action, both inside and outside of the borough, we also assess the likelihood that progress is sufficient to achieve our net-zero targets.

3.1 – Assessment of emissions and likelihood of meeting net-zero targets – Y0 (Baseline assessment)

Emissions	Unit	Value at Y0	Likelihood of meeting net-zero targets
Total Borough Emissions	Kt CO2eq	708	Low
2050 Green Economy	Kt CO2eq	- ²	Low
2050 Buildings and Energy	Kt CO2eq	571	Low
2050 Transport	Kt CO2eq	138	Medium
2050 Greening Merton	Kt CO2eq	0.593	N/A
2030 Council Emissions	KtCO2eq	11	Low/Medium

Total borough emissions: Sectors that have the greatest significance in terms of emissions (the green economy, buildings and energy) are also areas where delivery challenges are greatest, the Council has the least control and the resource gaps are widest. Within the current government policy and funding framework it is unlikely that the net-zero targets can be met.

Green Economy: The sustainability of products and services is complex with many impacts occurring outside the borough. Residents and businesses of Merton generally have low influence on the sale and purchase of low carbon products and services. A move to a green economy requires mass behaviour change in purchasing habits for which the Council has a low level of influence. Major economic impacts from Covid could reduce demand of more expensive sustainable options. Promotion of cheaper options (up-cycling/ low meat diets) may have greater effect in the current economic climate.

² A greenhouse gas emissions estimate has not been included for the green economy, but is estimated to be roughly four times higher than the total borough estimated emission.

LBM has a strong track record and forward plan on recycling and for local authority collected waste which makes up about half of all waste collected in the borough. Separated waste collection helps residents to recycle, but does little to prevent waste arising; which would have the greatest impact on emissions. The recent change in waste processing from landfill to energy from waste is consistent with the waste hierarchy, but greenhouse gas emissions from energy recovery are still uncertain. The means of collection and treatment of commercial and industrial waste in Merton is divided amongst commercial contracts between businesses and waste disposal companies, over which the council has no control.

Business engagement on the climate agenda appears relatively low at present, in part due to the focus on dealing with the ongoing impacts and potential aftermath of Covid19. There is a significant skills gap in the low carbon economy; particularly in relation to low carbon building and retrofitting which provides a major opportunity to build local jobs within the green skills sector.

Building and energy: Barriers to retrofitting building stock within Merton with low carbon measures (mainly insulation and replacement of boilers with low carbon heating) remain very high, mainly due to high up-front costs, inconvenience of installation, low understanding and priority amongst most home owners and landlords. The exception is solar PV where suitably located efficient panels still offer a pay-back on investment, and the market has developed funding models which reduce up-front costs for consumers. There is no known track record for community energy in Merton.

There is a major policy and funding gap for retrofit at a National level that is needed in order to grow a sustainable transition to low carbon energy in buildings and a move away from gas heating. This has only now started to be filled by short-term funding opportunities such as the Green Homes Grant, the Social Housing Decarbonisation Fund and similar. The Council has low influence in this area that could only be significantly increased through active provision of energy services by the Council.

Ensuring that new build development is capable of operating with zero carbon emissions by 2050 without the need for expensive retrofit is a major opportunity to minimise Merton's retrofit burden. The recently reviewed local plan policies, if adopted, could make Merton the first Council in the UK to introduce policies which require new build development from 2025 to use energy systems and levels of energy efficiency which are compatible with achieving zero carbon emissions on site by 2050 without expensive retrofit. Higher local standards may have a short term impact on development if other London boroughs do not quickly follow suit. Wider national planning reform threatens to remove the power of Local Authorities to set more stringent measures.

Merton is a constrained area in terms of electricity supply. Further work needs to be done to establish the necessary changes to support a transition in energy infrastructure towards electric heating and vehicles.

Transport: Solutions to reducing motor vehicle traffic mainly rely on infrastructure changes to support an increase in walking, cycling and public transport. These are the joint responsibility of the Council and TfL, but tend to be challenging due to physical constraints of Merton's public realm and funding. Parking policy, air quality and Local Implementation Plan (LIP) targets are broadly consistent with a reduction in emissions, and National Government has

encouraged local authorities to accelerate plans for active and sustainable travel through the Covid pandemic. In addition to the progression of these policies, there is an opportunity to plan for a long-term transition of transport infrastructure fit for 2050 low carbon transport. TfL's business plan is consistent with decarbonising public transport in line with Merton's carbon targets, but TfL funding remains uncertain following the change in public transport use through the Covid pandemic. Mayoral elections next year may bring a shift in London-wide transport policies.

Whilst all of these policies are heading in the right direction, a wholesale transition also requires a substantial decrease in motor vehicle use, particularly private cars, where a significant behaviour shift is needed to reverse trends in car ownership. The Council's only major point of influence are the availability of parking spaces and emission-based parking charges.

The accessibility of charge points acts as a barrier to the uptake of electric vehicles. National funding announced in the Government's 10 point plan, accompanied by a move to ban new petrol and diesel cars and vans from 2030 sets a strong strategic direction which opens new opportunities to move from an "on demand" to a strategic and accelerated roll out of EV charge points. The roll out of charge points, whilst ahead of many London boroughs, falls below the number needed to anticipate future demand, and there are untapped opportunities to encourage businesses to add EV charging and bike parking to replace standard private parking bays. Concerns have been raised about the sustainability of battery technology and the "whole life" emissions associated with electric vehicles.

Greening Merton: Merton already has a high % tree cover and strong commitments to ensure protection of parks and open spaces through the open space strategy, local plan and GLA policies. The Council's management of green spaces and the streets is mainly focused on maintenance as opposed to an increase or enhancement of greenery in Merton. Tree planting is broadly consistent with the rate of planting needed to meet a 10% increase in tree cover in green spaces and on streets; in part due to a long-standing partnership with the voluntary sector, particularly Merton's volunteer Tree Wardens, who increase tree planting and support aftercare.

Further opportunities for tree planting in the public realm tend to be small and fragmented, making it challenging and not very cost effective for the Council to improve and maintain in isolation. The removal of funding for previous initiatives such as "Dig Merton" have resulted in spaces that were previously regenerated by volunteers to be neglected, despite potential to significantly increase community planting³. Opportunities to increase tree planting on private land are likely to be higher than in the public realm, but are much harder to initiate except where tree protection orders apply and where changes in land use impact on planning decisions. Opportunities to increase vegetation through "grey to green"⁴, are currently unknown.

³ 74% of respondents to the Climate Consultation survey indicated that they would be willing to plant a tree as part of a community planting effort.

⁴ "Grey to green" means the replacement of areas of hard standing such as paving, with natural vegetation, including the removal of paving, natural sustainable drainage or flood management, the additional of green walls and roofs,

The concept of natural capital brings together the potential benefits of using blue/green infrastructure⁵ to reduce the impacts of hot weather and flooding through shade and sustainable drainage, improve resilience of biodiversity and capture carbon to offset emissions. All of these, to some extent, have been progressed, and further opportunities can be realised through the identification of suitable sites. Benefits could be maximised through a more strategic and integrated approach.

Council 2030 Target: Through a 10 year “spend to save” investment programme, the Council have already reduced emissions on operational buildings and community schools, resulting in a 40% reduction in emissions across the whole LBM estate. This is an excellent achievement, but also makes the substantial shift to a net-zero carbon Council building stock harder to achieve because the most straight-forward and cost effective measures are already in place. The availability of short-term grant funding^{ii,iii} has the potential to accelerate works, but the extremely challenging timescales mean that only low level works can be funded unless projects are “shovel ready” and can deliver within a ~6 month timeframe. This is particularly true for Community schools, for which the Council has less control and pose greater delivery challenges.

This year the Council has moved to a 100% renewable electricity tariff, resulting in low carbon power supply across the LBM estate. Most cost-effective solar has been deployed, but there is further opportunity to maximise PV assets through battery storage. The Council has converted 80% of its existing street lighting columns to LED lanterns, and a further 12% are low energy usage. The remaining 8% of legacy will be phased out over the next 10 years through a combination of standard maintenance and CIL⁶ funding.

A review of the vehicle fleet has been undertaken to consider options for fleet reduction decarbonisation. Whilst the additional cost of electric vehicles may be compensated by the much lower fuel costs in cars and light goods vehicles, the business case to purchase heavy vehicles such as buses and refuse lorries is much more challenging both in terms of costs and an operational track record. A change will require additional EV charging infrastructure at the Civic Centre, Garth Road and other sites, the cost of which is currently unknown.

Sustainable pensions policy is in place that could serve as a vehicle for zero-carbon investments, but control of investment decisions are shared with other boroughs. Emissions from major procurements are largely unknown, and there is substantial scope to work with existing providers to reduce emissions. The updated Procurement Strategy will contain a commitment to sustainable procurement which serves as a platform to understand and reduce emissions from future procured goods and services.

⁵ Blue/Green Infrastructure: Comprises the network of parks, rivers, water covered spaces and green spaces, plus the elements of the built environment, such as street trees, green roofs, sustainable drainage systems, flood storage or water management corridors all of which provide a wide range of benefits and services.

⁶ Community Infrastructure Levy

Covid has radically changed patterns of travel for most staff. The greater degree of home working will reduce emissions from travel, but it is not known the extent to which increased fuel consumption from home-working will offset this impact. New staff travel policies provide an opportunity to encourage a greater degree of active and sustainable travel.

4. ANNUAL PRIORITY ACTIONS

The main focus of the actions prioritised for the first year of implementation (January – December 2021), is to set firm foundations from which low carbon policies, projects and programmes can grow within the Council, and to ensure that the Council is in an a position to partner with, support or empower Merton citizens to reduce carbon emissions.

This section summarises the main intended actions for the first year of implementing Merton’s Climate Strategy and Action Plan. A full list of priority actions for each workstream is set out in **Annex 4**, and includes a traffic light assessment of the likelihood of delivery each action.

This section also identifies where further actions may be necessary in future to fulfil the Council’s commitments under the Climate Strategy and Action Plan. The method of identifying priority actions has been set out in **Annex 1**, which benchmarks actions against expected progress towards net-zero carbon.

The assessment of actions and potential future gaps has resulted in a “RAG rating” for each workstream, showing the likelihood of successful delivery of actions to the scale required to fully support Merton’s Climate Strategy and Action Plan. The criteria that the risks were assessed against are set out in **Annex 2**.

4.1 Summary for intended Delivery in year 1

WS	Work stream risk assessment	RAG Rating at Y1
1	Sustainable consumption and low carbon economy	Red
2	Retrofit of the residential and non-residential building stock	Red
3	Future new build and regeneration	Amber
4	Transport infrastructure and modal shift	Amber
5	Green infrastructure	Amber
6	LBM Estate and fleet management	Red
7	LBM Procurements and investments	Amber
8	Communication, outreach and LBM corporate procedure	Amber

WS1: Sustainable consumption and low carbon economy (RAG rating Red): Delivering this work stream will require significant behaviour changes from Merton’s residents, businesses and organisations, to drive sustainable consumption habits and enable a transition to a low carbon economy. In 2021, the Council intends to deliver targeted communications and engagement to encourage behaviour change; the Council will look to work with local partners within the borough to maximise the impact and reach of this engagement. The level of public appetite for this across the borough is currently unknown, particularly amongst groups that have been typically harder to engage.

The Council will continue to deliver initiatives which promote a circular economy such as the Morden Library of Things and the Pollards Hill Circular Economy Hub. Community projects will also continue to be supported through the Neighbourhood Fund (e.g. Sustainable Merton's Community Fridge and Community Champions).

Limited council resources and funding fall short of the sort of action required to influence behaviour across the borough at the pace and scale of change required. In the context of current government funding, financial support for future projects is unlikely to increase within Merton, so increased focus will be put on finding external partners and applying for funding external to the Council. For example, in 2021 the Council will be supporting a recycling on-the-go campaign being delivered as part of the Wimbledon Championships to pilot new on-street waste infrastructure and behaviour change nudges, which could then potentially be implemented elsewhere in the borough. The Council will also look to foster community action through the Climate Action Group in 2021. The Council is also currently involved in cross-borough programmes via the South London Partnership and London Councils to lobby for faster change in promoting a low carbon economy, and to identify opportunities to drive a green recovery from Covid. These discussions will help identify priorities and what other mechanisms are needed to create a fully green and circular economy in Merton.

Understanding of low carbon skills, knowledge and behaviours in local businesses is currently limited. The Council will work with local partners to promote sustainable behaviours in local business through initiatives such as the Merton Business Network for Climate Action, Merton's Best Business Awards, the Climate Action Group and the South London Knowledge Exchange Project. The Council will also progress cross-borough discussions with London Councils and the South London Partnership to better understand the low carbon skills gap, and to identify the upskilling required to meet carbon reduction commitments, with a focus on the training needed to deliver retrofit across Merton using platforms such as the Mayor's Construction Academy for south London. Opportunities to embed low carbon behaviours, jobs and skills through Council regeneration projects such as the Morden town centre regeneration will also be considered. Work is ongoing within the South London Waste Partnership to baseline carbon emissions from the processing of local authority collected waste, and to consider mechanisms to reduce emissions from the collection and treatment of waste.

WS2: Retrofit of the residential and non-residential building stock (RAG rating: Red): The Council has a strong understanding of the need to decarbonise the building stock in Merton and will continue to connect homeowners and business owners with initiatives to encourage retrofit on a local (such as Ecofurb), regional (such as Solar Together) and National (building regulations, heat strategy and funding such as the Green Homes Grant) level. These initiatives reduce some barriers to help "able to pay" households afford low carbon measures. Whilst helpful, this action falls far short of stimulating the very substantial and sustained ramp up of retrofit required, both in terms of the number of buildings and depth of low carbon measures needed to achieve zero carbon homes by 2050. Lobbying for a national strategy for retrofitting existing homes, offices, schools etc. to be low carbon, followed by a supportive policy and long-term funding framework is a priority.

Besides lobbying, options for the Council to accelerate a change in the area are limited, but the Council will undertake to do the following: (1) consider options to take a more active role in energy service provision, (2) support community energy, which will be done through the Climate Action Group, and (3) consider options to enforce minimum energy efficiency standards in rented accommodation.

The Council is in a strong position to work with partners with substantial building assets, such as housing associations and public health. There is the potential to take a more strategic and proactive approach to supporting retrofit in fuel poor households who are less able to pay and work more actively with social housing providers and make the most of available funding such as the Green Homes Grant Local Authority Delivery Fund (application successful) and potentially through the Social Housing Decarbonisation Fund.

WS 3: Future new build and regeneration (RAG rating: Amber): Draft Local Plan policies are consistent with achieving the net zero targets for new builds but delivery is dependent on the outcome of the consultation and government policy; including Building Regulations and the impacts of government's fundamental reforms of the wider planning system. Funding is being sought to develop an energy masterplan to ensure that Merton has the capability to make a transition from gas heating to low carbon alternatives and fossil fuel transport to electric.

Technical advice on achieving regeneration projects that are future-proofed to be net-zero carbon has been sought through funding from the UK Green Building Council and the Heat Network Delivery Unit and incorporated into plans, but are as-yet untested in the market place.

WS 4: Transport infrastructure and modal shift (RAG rating: Amber): Transport policies already have a strong focus towards active and sustainable travel through the Local Implementation Plan (LIP3), the air quality action plan and emission-based parking charges. The Council will review short term funding priorities for LIP 3, but the availability and scope of TfL funding to support LIP priorities remains uncertain. The Council will continue with the air quality action plan. Programmes to support active travel, such as cycle training, "Pedal My Wheels" and "Walk 4 Life" will continue. The implementation of new emission-based parking changes will take place in spring/summer 2021, pending Cabinet approval. In addition, the Council will work towards a long-term transport plan to develop integrated cycling, walking and EV charging networks. Public Right of Way near to schools have been and will be subject to a review to encourage children to walk safely to school, subject to available funding.

The Covid-19 Transport Strategy has enabled an acceleration of action. Experimental traffic orders and new funding has enabled the implementation of 26 school streets and 4 low traffic neighbourhoods and improvements to a number of cycle lane which, if successful, could pave the way for an expansion of measures to reduce vehicle use. The Council will consider making these permanent where feasible and take advantage of funding opportunities that will allow a further expansion of active travel measures. Public Right of Way have been and will be reviewed to encourage children to walk safely to school, subject to available funding. The Council will continue to actively work with TfL to encourage low emission alternatives to motor vehicles, including low-emission capable taxis and car clubs. The Council's ambition to increase the deployment of EV charge points is currently limited by available funding.

The Council is developing new staff travel policies to support a reduction in motor vehicle use by Council staff in favour of active travel. These will be implemented next year, supported by increased capacity of the Civic Centre car park for bikes and electric vehicles.

WS 5: Green infrastructure (RAG rating: Amber): The maintenance of green spaces and tree replacement programme continues, with some additional CIL funding to plant street trees, and through the Neighbourhood Fund for community planting, including the Mitcham based “Growing Together” project. The Council will continue to support the development of community-based planting projects, seek suitable sites for planting and apply for external funding. The Council is intending to develop a tree strategy next year; a plan for managing trees within the Council’s administrative area. A consultation on Local plan policies, including those relating to green infrastructure, will conclude this year.

WS 6: LBM Estate and fleet management (RAG rating: Red): The Council is in the process of applying for grant funding to install decarbonisation measures in 8 operational sites and 2 community schools. If grant funding bids are successful, this short term funding will accelerate action to decarbonise the LBM estate, but overall falls significantly short of the pace needed to meet the Council’s 2030 target. The Council will be putting in place a plan to achieve net-zero carbon across the whole Council estate through the application of GLA funding (RA-W⁷). This will result in major decarbonisation proposals, including the Civic Centre, the delivery of which is likely to be dependent on the application for external funds such as the next round of public sector decarbonisation funding. The Council has moved to a 100% renewable energy tariff which supplies low carbon electricity to all operational buildings, street lights and many schools. Replacement of the remaining lamp columns with low energy lighting will continue. Options on fleet decarbonisation and charging infrastructure will continue to be considered, but are dependent on the business case and available funding. Expansion of cycle parking at the Civic Centre and York Close are expected to be completed by the end of 2021.

WS 7: LBM Procurements and investments (RAG rating: Amber): A review of major procured services has been carried out to identify which are most likely to have significant greenhouse gas impacts. The Council will seek to increase engagement with companies who hold existing contracts to understand their carbon impact and consider actions to reduce emissions on a voluntary basis. So far, active discussions are being undertaken with services providers for the maintenance of highways and green spaces, waste collection and processing, and for the planned letting of the school catering provision. For future contracted services, changes to policy and guidance will be considered to ensure that emissions associated with procured services can be estimated and reduced where feasible, balancing the need to reduce emissions with the potential additional costs of services.

Over the last few years, while ensuring the Merton Pension Fund investments deliver the expected returns to meet the members benefits and to keep the employers’ contribution stable, the Council has made sure as a Fund we move out of fossil fuels towards low carbon, sustainable and renewable energy sectors. This is part of our continues journey to decarbonise the portfolio in line with our carbon reduction target. Environmental, Social and Governance (ESG) and climate change factors have been incorporated into the Fund’s Investment Strategy and this is formalised in our Fund’s Investment Belief Statement.

⁷ Retrofit-Accelerator – Workplace Fund; formerly known as RE:FIT

WS 8: Communication, outreach and LBM corporate procedure (RAG rating: Amber): The establishment of a climate communication strategy and a Climate Action Group is ongoing to increase communications and outreach relating to all aspects of Merton’s Climate Strategy and Action Plan . There are further opportunities to progress the low carbon agenda through “Merton the Place” and the implementation of the recently adopted Community Plan. Despite this significant step up in engagement, we don’t yet know whether the engagement will reach groups which are typically under-represented such as the economically disadvantaged, vulnerable groups or BAME.

The Council will investigate mechanisms to ensure that climate change is considered when taking decisions on significant spend or policies, and training will be delivered to equip staff with the skills and knowledge to assess the impact of climate change in their areas of work. More broadly, efforts to encourage “sustainable staff behaviour through the “Green and Healthy Guardian’s” group has temporarily paused, as staff’s activities have significantly changed due to the Covid pandemic.

ANNEX 1: CLIMATE CHANGE WORK PROGRAMME

Workstreams

Eight workstreams cover all areas where carbon emission reductions are required, but are designed fit in with existing departmental structures and processes to make monitoring and oversight more efficient. The figure to the right shows how the eight workstreams map onto the key areas of the Merton’s Climate Strategy and Action Plan.

The aims of each of the workstreams are summarised in the table below. Aims that “encourage” action show where the Council does not have direct control on emissions, but is seeking influence or support others to reduce carbon emissions.

	GREEN ECONOMY	BUILDINGS/ ENERGY	TRANSPORT	GREENING MERTON
2050 BOROUGH TARGET	WS8: LBM procedure, Communication and outreach			
	WS1: Sustainable consumption and low carbon economy Public consumption of goods and services in Merton, supply chains and investments from businesses operating in Merton, commercial and industrial waste collection and processing, Local Authority waste processing.	WS2: Retrofit of the residential and non-residential building stock Owned, occupied and Private rented residential and non-residential Social / Council non-operational buildings' Buildings of emergency services and public health	WS4: Transport infrastructure and modal shift Vehicles registered in Merton, Vehicles from outside the borough driving into Merton, Public transport, Transport infrastructure	WS5: Green Infrastructure Green spaces on private land, Green spaces managed by organisations other than the Council, Green spaces managed by the Council, Public realm (e.g. street trees, sustainable
		WS3: Future new build and regeneration Major regeneration, Energy infrastructure, New buildings		
		WS6: Academies and Faith Schools		
2030 BOROUGH TARGET	WS6: LBM Estate and fleet management Council owned Local Authority waste collection vehicles			
	WS 7: LBM Procurements and investments Services procured by LBM, investments, Consumption in LBM operational buildings	SW6: Street Lighting	SW4: Street Staff Travel	

to

to

Summary of workstreams

Work stream	Key aims	Lead department
<p>Workstream 1:</p> <p>Sustainable consumption and low carbon economy</p>	<p>Encourage consumers to reduce their carbon footprint through the purchase of local and sustainable goods and services, preventing waste and reusing/ recycling where possible.</p> <p>Encourage businesses to provide local and sustainable products, minimise waste, reduce greenhouse gas emissions from supply chains and provide clear information to customers about sustainable products.</p> <p>Encourage businesses to foster low carbon practices from staff and corporate functions such as finances.</p> <p>Reduce emissions from the processing of Local Authority collected waste using the principles of a circular economy.</p>	<p>Environment and Regeneration</p>
<p>Workstream 2:</p> <p>Retrofit of homes, businesses and non-residential building stock</p>	<p>Encourage home owners and landlords to retrofit energy efficiency measures in existing homes and non-residential buildings across the borough.</p> <p>Encourage home owners and landlords to install locally produced renewable energy.</p> <p>Encourage residents and business to take up low carbon heating.</p>	<p>Environment and Regeneration</p> <p>Community and Housing</p>
<p>Workstream 3:</p> <p>Future new build and regeneration</p>	<p>Enable all new developments and LBM regenerated public spaces in Merton to be zero carbon capable without expensive retrofit by 2025.</p> <p>Ensure all new developments and LBM regenerated public spaces are designed to be adapted to the impacts of temperature change and support the major decarbonisation transitions in energy, transport and the economy.</p> <p>Ensure utility companies’ energy infrastructure supports a transition to low carbon energy use in the borough.</p>	<p>Environment and Regeneration</p>
<p>Workstream 4:</p> <p>Transport infrastructure and modal shift</p>	<p>Encourage consumers to decrease the number of petrol and diesel vehicles.</p> <p>Encourage people living, working and studying in Merton to increase active and sustainable travel.</p> <p>Develop walking, cycling and electric vehicle infrastructure.</p> <p>Encourage government and TfL to accelerate the decarbonisation of public transport.</p> <p>Encourage sustainable and active travel amongst LBM staff.</p>	<p>Environment and Regeneration</p>

Workstream 5: Green infrastructure	Encourage additional planting on private land. Increase tree cover on appropriate public land (in keeping with the open space strategy). Deliver green infrastructure projects. Encourage increased public participation in community planting.	Environment and Regeneration
Workstream 6: LBM Estate and fleet management	Decarbonise LBM operational buildings by 2030. Decarbonise LBM Community schools by 2030. Decarbonise all council owned non-operational buildings by 2050. Encourage the decarbonisation of all Academies and Voluntary-aided schools by 2050. Ensure all Council-owned buildings are adapted to the impacts of temperature change and support the major decarbonisation transitions in energy, transport and the economy. Decarbonise LBM's owned fleet (including waste collection fleet) by 2030.	All Departments
Workstream 7: LBM Procurements and investments	Reduce greenhouse gas emissions associated with goods and services procured by LBM on behalf of Merton residents. Reduce greenhouse gas emissions associated with LBM investments such as pensions.	Corporate Services
Workstream 8: Communication, outreach and LBM corporate procedure	Ensure that LBM staff and Councillors understand how to consider climate change in their work areas and feel empowered to act. Ensure effective communication of climate messages reach all residents, businesses and organisations in Merton especially in the east of the borough. Ensure that residents, businesses and organisations feel empowered to act to reduce emissions and adapt to the impacts of climate change.	All Departments

Governance

The Delivery Plan will be regularly reviewed by Cabinet and the Overview and Scrutiny Commission, who have responsibility for overseeing the delivery of Merton's Climate Strategy and Action Plan. The Sustainable Communities and Transport Partnership will form the main external stakeholder engagement and will be invited to review the plan on a regular basis.

ANNEX 2 – FORMING A BASELINE ASSESSMENT FOR MERTON’S CLIMATE STRATEGY AND ACTION PLAN, AND DELIVERY PLAN

Indicators for the overall delivery plan

There may not be a direct correlation between emission reductions and the success of the Delivery Plan, because the plan only covers actions undertaken by the Council; most of which are enabling and do not reduce emissions in themselves. The following indicators are being developed to test progress against the wider aims set out in the Climate Strategy and Action Plan, considered on an annual basis.

- Public perception of Council leadership and commitment to the Climate Change agenda, tested through the bi-annual survey (TBC).
- Public feeling on engagement and empowerment to act on climate change issues; tested through the bi-annual survey (TBC)
- Spend on projects which deliver Merton’s Climate Strategy and Action Plan objectives (internal and external), gathered from finance leads on an annual basis.

Performance indicators for workstreams

A set of indicators, set out in Merton’s Climate Strategy and Action Plan under “*Measuring Success*”, do not directly measure emissions but provide information about the rate of progress for important aspects of the plan. These provide more granular information relating to the speed at which change is taking place within Merton, compared to monitoring greenhouse gas emissions alone. It does not directly indicate the Council’s performance, but may indicate where Delivery Plan needs to be adapted to better support emissions reduction across the borough.

Progress against workstreams

Individual actions within each workstream will be assigned a RAG rating based on the likelihood of achieving this action within the resources and timescales available to the Council. These are used to indicate where resource or other barriers may prevent action being completed on time.

RAG definitions for individual actions

Green	High likelihood that the action will be completed. The completion of the action will be to the depth and quality expected to fulfil its part in the workstream.
Amber	Likelihood that the action will not be completed to the depth and quality needed to fulfil its part in the workstream.
Red	High likelihood that the action will not be completed, or fall well short of the depth and quality needed to fulfil its part in the workstream.

Using the score of individual actions Climate Change officers have undertaken a risk assessment over all workstreams, identifying where the sum of the likely activity will fulfil the obligations set out in the Climate Strategy and Action Plan.

The table below shows how the RAG ratings have been defined for the workstreams overall.

RAG definitions for workstreams

Green	Most council actions within this workstream are likely be sufficiently funded and progress well. The total of the actions within this workstream is sufficient for the Council to effectively reduce its own emissions in line with the net-zero target and/or support others to reduce emissions, consistent with meeting the obligations set out in Merton’s Climate Strategy and Action Plan.
Amber	Some or all actions within the workstream may not be progressed to their full extent, due to resource, policy or other barriers. This may result in the Council not reducing its own emissions in line with the net-zero targets, or not supporting others to reduce emissions, consistent with meeting the obligations set out in Merton’s Climate Strategy and Action Plan,
Red	It is highly likely that some or all actions within the workstream will not be progressed, due to resource, policy or other barriers. This is likely to result a significant shortfall in the Council not reducing its own emissions in line with the net-zero targets, or not supporting others to reduce emissions, consistent with meeting the obligations set out in Merton’s Climate Strategy and Action Plan.

Greenhouse gas emissions

The main measure of progress towards the net-zero carbon targets will be through an annual estimate of greenhouse gas emissions in relation to the 2050 and 2030 targets. Greenhouse gas estimates rely on national datasets which may be 1-2 years old, so cannot give a strong real-time indication of emission reductions or show the impacts of specific local actions.

For the 2050 target, the data is collected by fuel source and can therefore be used to individually track progress against energy use in buildings, transport and land use. The scope of the greenhouse gas inventories does not include emissions from consumption at present so cannot be used to track progress towards a green economy.

For the 2030 target, emissions data is collected from operational buildings, council-owned and operated vehicles, and emissions associated with contracted work in relation to waste collection, the maintenance of green spaces and highway maintenance. It cannot be used to track emissions from investments, other procurements and staff travel. The intention is to include all emissions where the data is available.

Progress against Net-zero targets

Climate Change officers will undertake an assessment of the strengths, weaknesses, opportunities and threats for the 5 areas set out in Merton’s Climate Strategy and Action Plan. This includes action taken by the Council but also wider factors. This will lead to a “high, medium or low” judgement about the likelihood that Merton is on track to deliver its greenhouse gas emission targets.

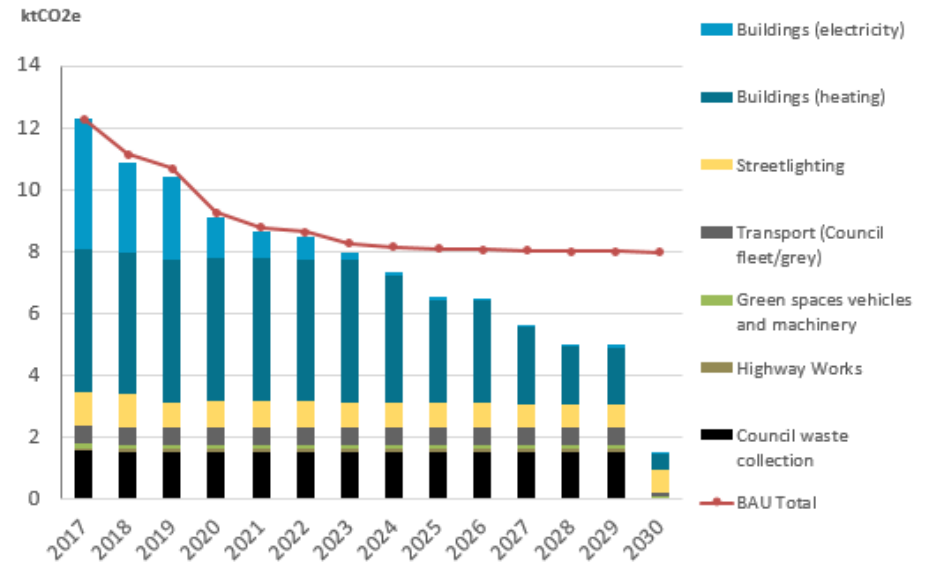
ANNEX 3 – IDENTIFICATION OF DELIVERY ACTIONS

Use of evidence in identifying delivery actions

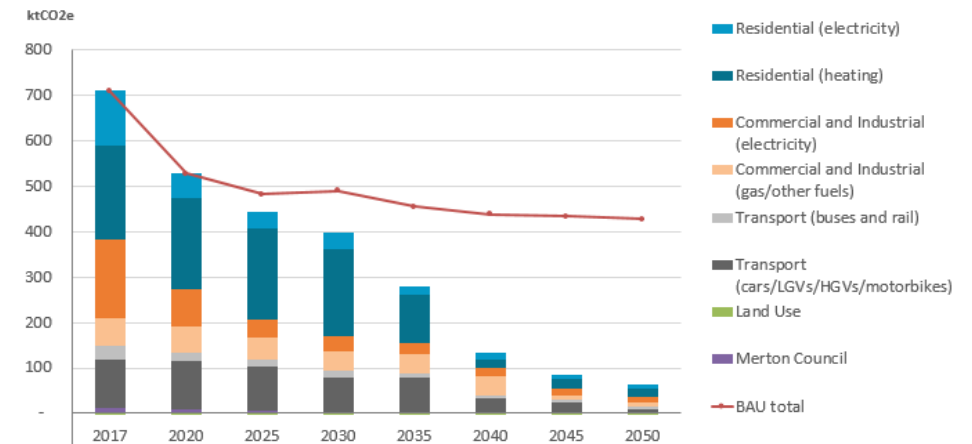
The London Borough of Merton Climate Action Support^{iv}, written by Aether, was commissioned to provide the main evidence and analysis that underpinned Merton’s Climate Strategy and Action Plan, and has been used to make informed judgements on how the Council might deliver its carbon reduction commitments. For emissions included in the Council’s greenhouse gas inventory, net-zero pathways inform the scale of emissions reduction needed, and the speed at which change is technically feasible.

The Strategy includes areas that were not part of the net-zero pathway analysis for Merton, where impacts cannot be accurately estimated, but where a wider evidence base shows that it is important to address the impacts of climate change. For the 2050 targets, these include emissions that occur outside the borough, arising from economic activities such as the provision of goods and services, and waste processing within the borough (mainly in the “Green Economy” section). It also includes adapting to and preparing for the impacts of climate change, such as prolonged and more intense spells of hot weather or flooding (mainly in the “Greening Merton” and “Buildings and energy” sections). For the 2030 target, it relates to the carbon footprint of investments and some of the goods and services procured by the Council. In these cases, other evidence has been used to identify the necessary actions needed.

Net-Zero Carbon Pathway for the Council 2017-2030



Net-Zero Carbon Pathway for the Borough 2017-2050



Direct versus enabling actions

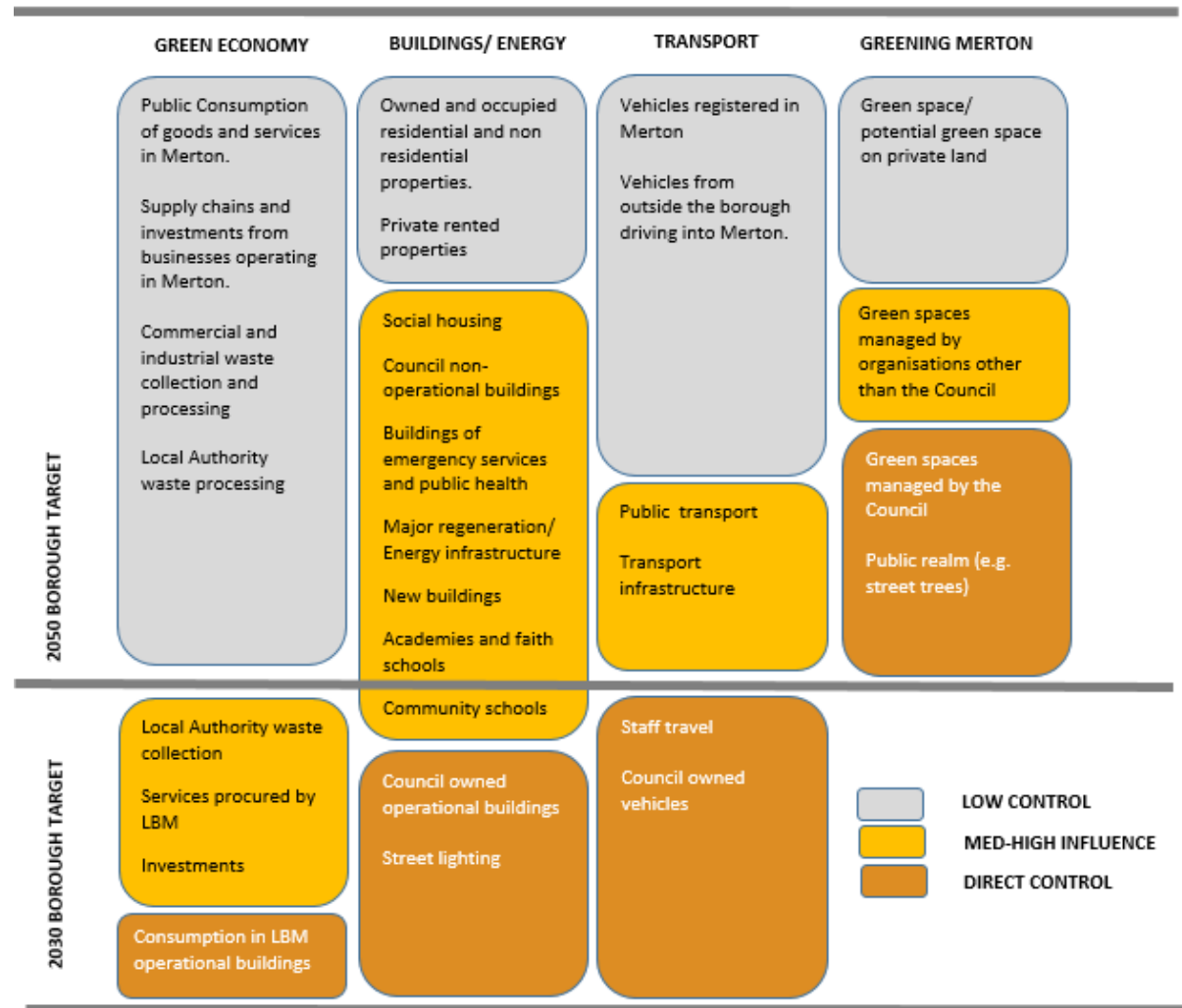
The figure on the right shows levels of Council control over areas of the Merton’s Climate Strategy and Action Plan.

Where the Council has direct control over emission reduction, it is straightforward to identify actions in any given year through the modelling outputs. This only applies to a small proportion of the actions, mainly in the “Council 2030 target” section.

In some areas of the Strategy, action owners outside of the Council can be clearly identified (for example TfL, housing providers, etc.). In these cases, the Council is usually in a position to influence or to work collaboratively with stakeholders to reduce emissions.

Where emission reduction is in the hands of individuals, businesses or other organisations, Council control tends to be low. In these cases, enabling actions have been identified, but their impact is harder to measure.

The diagram below gives an indication of where the Council has direct control, has medium to high influence, or has a low level of control.



ANNEX 4 – IDENTIFICATION OF DELIVERY ACTIONS

Workstream 1: Sustainable consumption and low carbon economy

Action number	Priority Actions in Y1	RAG	Team
1	Develop and deliver messaging for the Council's climate comms strategy to promote sustainable consumption, waste reduction and low carbon behaviours	G	CS Comms E&R Future Merton
2	Lobby for faster change in promoting a low carbon economy	G	E&R Future Merton
3	Identify opportunities to embed a green recovery in Merton's response to COVID-19	G	E&R Future Merton
4	Identify low carbon skills gaps and opportunities for upskilling	G	E&R Future Merton
5	Support local projects which promote sustainable consumption and a circular economy	G	E&R Future Merton E&R Waste Team E&R Regulatory Services
6	Support mechanisms that promote low carbon practices in local businesses	G	E&R Future Merton
7	Review on-street waste infrastructure to promote recycling and minimise waste	G	E&R Waste
8	Maximise opportunities to promote low carbon behaviours, jobs and skills through the regeneration of Morden town centre.	A	E&R Future Merton
9	Baseline greenhouse gas emissions from the processing of Merton's local authority collected waste and consider opportunities to minimise these emissions	A	E&R Future Merton E&R Waste
10	Develop up to date policies in the South London Waste Plan ^x to ensure the provision of sufficient local waste management facilities to ensure net self-sufficiency and that waste can be treated as high up the waste hierarchy as possible.	A	E&R Future Merton

Workstream 2: Retrofit of the residential and non-residential building stock

Action number	Priority Actions in Y1	RAG	Team
1	Lobby central Government to address the gap in funding and skills	G	E&R Future Merton
2	Develop and deliver messaging for climate comms strategy to encourage homeowners, landlords and tenants to retrofit their properties (including promotion of the Green Homes Grant)	G	CS Comms E&R Future Merton
3	Explore options to overcome high up-front costs of low carbon measures on homes	A	E&R Future Merton
4	Support community action looking to drive retrofit	A	E&R Future Merton
5	Support fuel poor households in accessing national funding	A	C&H Public Health
6	Engage with social housing providers to drive domestic retrofit	G	E&R Future Merton
7	Consider options to ensure that landlords meet energy efficiency requirements	R	C&H Housing Strategy
8	Incorporate net-zero targets into public health estates strategy	A	C&H Public Health E&R Future Merton
9	Engage with emergency services encourage to encourage carbon reduction activities across their estate	A	C&H TB Identified

Workstream 3: Future new build and regeneration

Action Number	Priority Actions in Y1	RAG	Team
1	Develop Climate Change policies in Merton's New Local Plan which are in keeping with Merton's 2050 target	A	E&R Future Merton
2	Secure a mechanism to ensure that all new Council regeneration/ development schemes are low carbon and capable of operating at net-zero carbon by 2050 without expensive retrofit	A	E&R Future Merton
3	Secure low carbon development through the Morden town centre regeneration	A	E&R Future Merton
4	Lobby for faster change in the building and energy sector	G	E&R Future Merton
5	Seek funding to develop an Energy Masterplan	A	E&R Future Merton

Workstream 4: Transport infrastructure and modal shift

Action Number	Priority Actions in Y1	RAG	Team
1	Lobby for further funding to reduce car use and accelerate decarbonisation of public transport	G	E&R Transport
2	Implement Covid Transport Strategy	G	E&R Future Merton
3	Review short term funding priorities for LIP/ Local Plan policies	A	E&R Transport
4	Plan for long-term strategic approach to walking, cycling and EV charge points	A	E&R Transport
5	Encourage dockless and electric vehicle hire schemes	A	E&R Transport
6	Ensure all new taxis are zero emission capable	G	E&R Transport
7	Implement new emission-based parking charges.	A	E&R Parking
8	Implement AQ action plan and active travel initiatives	G	C&H Air Quality
9	Support active travel projects	G	E&R Transport C&H Air Quality C&H Public Health
10	Develop staff travel policies	A	E&R Transport

Workstream 5: Green infrastructure

Action Number	Priority Actions in Y1	RAG	Team
1	Develop a tree strategy.	R	E&R Green Spaces
2	Plant 260 trees on Streets/ Green spaces	G	E&R Green Spaces
3	Encourage greater participation in tree planting to achieve c540 trees planted on private land	A	E&R Future Merton E&R Green Spaces
4	Prevent net loss of trees on public land through the continued tree replacement programme	A	E&R Green Spaces
5	Take opportunities to introduce sustainable drainage systems and "grey to green" projects	G	E&R Future Merton
6	Complete review of environment planning policies for the Local Plan	G	E&R Future Merton
7	Lobby and partner for faster change in green spaces sector	G	E&R Future Merton E&R Green Spaces

Workstream 6: LBM Estate and fleet management

Action Number	Priority Actions in Y1	RAG	Team
1	Apply for grant funding and undertake decarbonisation works on operational buildings and community schools by September 2021	A	CS Facilities CSF Commissioning
2	Prepare decarbonisation projects for a potential 2022 round of grant funding	G	CS Facilities CSF Commissioning
3	Form a strategy to decarbonise Merton's operational and non-operational building stock to meet net-zero targets	G	CS Facilities CSF Commissioning E&E Estates
4	Implement a mechanism to ensure that new Council buildings are net capable of operating at net zero carbon by 2030 without significant retrofit.	R	CS TB Identified
5	Continue to source to 100% green electricity tariff	G	CS Facilities
6	Consider business case for battery storage to improve performance of existing PV	G	CS Facilities
7	Form a strategy to decarbonise the Council's vehicle fleet	G	E&R Commissioning
8	Consider low carbon options for the next round of fleet replacement	G	E&R Commissioning
9	Undertake initial work to consider electric charge points for LBM vehicle fleet		E&R Commissioning CS Facilities
10	Carry out improvements to Council-owned sites to encourage active and electrified travel by staff	R	E&R Transport CS Facilities
11	Set up a staff-led action group to accelerate changes in culture and activities within all Council Departments	R	E&R Future Merton C&H Public Health
12	Continue streetlight LED replacement through standard maintenance.	A	E&R Highways

Workstream 7: LBM Procurements and investments

Action Number	Priority Actions in Y1	RAG	Team
1	Consider options to engage with service providers to reduce greenhouse gas emissions from existing contracts.	A	CS Procurement All Departments
2	Consider options to introduce new procurement policy and guidance to reduce greenhouse gas emissions from procured services	A	CS Procurement
3	Continue delivering responsible investment policy to decarbonise the Council's pension investments.	G	CS Investment
4	Consider ways to positively invest in low carbon business that can deliver carbon offsets.	A	CS Investment

Workstream 8: Communication, outreach and LBM corporate procedure

Action Number	Priority Actions in Y1	RAG	Team
1	Develop and implement a climate communications and engagement strategy	G	CS Comms E&R Future Merton
2	Set up a Climate Action Group to support the delivery of the action plan	G	E&R Future Merton
3	Develop a mechanism to consider the impact of climate change mitigation and adaption in all policy, spend and procurement proposals	A	CS Procurement
4	Consider options to develop carbon literacy in Council staff and Councillors	A	CS TB identified

ⁱ Merton's Climate Strategy and Action Plan, LBM, November 2020; <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change>

ⁱⁱ Public Sector Decarbonisation Scheme, HMG, 2020 <https://www.gov.uk/government/publications/public-sector-decarbonisation-scheme-psds>

ⁱⁱⁱ Low Carbon Skills Fund, 2020, <https://www.gov.uk/government/publications/public-sector-low-carbon-skills-fund>

^{iv} London Borough of Merton Climate Action Support, Aether, June 2020: <https://www.merton.gov.uk/planning-and-buildings/sustainability-and-climate-change>

^v [Merton Community Plan 2020-26, LBM, 2020: ref]

^{vi} Merton's Active and Healthy Travel Response to Covid -19, LBM, 2019: <https://www.merton.gov.uk/streets-parking-transport/lip3>

^{vii} Air Quality Action Plan 2018 – 2023, LBM, 2018: <https://www.merton.gov.uk/communities-and-neighbourhoods/pollution/air-quality-and-air-pollution/local-air-quality-management>

^{viii} Merton New Local Plan Stage 2 Consultation, LBM, 2018: <https://www.merton.gov.uk/planning-and-buildings/planning/local-plan/newlocalplan/local-plan-stage-2-consultation-results>

^{ix} Health and Wellbeing Strategy 2019 – 2024: A healthy place for healthy lives, LBM, 2019: <https://www.merton.gov.uk/healthy-living/publichealth/strategies>

^x Submission Version of the South London Waste Plan 2021-2036, LB Croydon, RB Kingston, LB Merton & LB Sutton, 2020: <http://www.sutton.gov.uk/currentconsultations>

Committee: Cabinet

Date: 18 January 2021

Wards: All

Subject: Reference from the Sustainable Communities Overview and Scrutiny Panel – Emissions Based Charging

Lead officer: Chris Lee, Director of Environment and Regeneration

Lead member: Councillor Aidan Mundy, Chair of the Sustainable Communities Overview and Scrutiny Panel

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

Recommendations:

-
1. The Sustainable Communities Overview and Scrutiny Panel recommends that Cabinet take into account its reference set out in paragraphs 2.11 to 2.19 below when making decisions on the Emissions Based Charges proposal.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. At its meeting on 8 December 2020 the Sustainable Communities Overview and Scrutiny Panel was asked to note the outcome of the consultation on the emissions based charging proposals and comment on the final proposals.
- 1.2. The Panel agreed to make a reference to Cabinet, as set out in paragraphs 2.11 to 2.19 below.

2 DETAILS

2.1. Scrutiny process

- 2.2. The Panel received a detailed report setting out background information, relevant data, consultation responses and impact assessments.
- 2.3. The Panel heard representations from the Residents Association of West Wimbledon and the Apostles Residents Association.
- 2.4. Full details of points made in the discussion will be published in the minutes of the meeting.

2.5. Scrutiny response

- 2.6. Councillor Daniel Holden raised a motion that recommended to Cabinet “This panel calls upon the Cabinet to abandon it’s proposed ‘Emissions Based Parking Charges’, due to the fact it discriminates against a small subsection of the population, of which whom the majority affected are in Raynes Park and Wimbledon”. This was seconded by Councillor David Dean. There were three votes in favour and five against. Motion fell.
- 2.7. Councillor Daniel Holden raised a motion that recommended to Cabinet “This panel requests the Cabinet to delay the implementation of the proposed ‘Emissions Based Parking Charges’ for 12 months (to begin no earlier than January 2022) to allow for sufficient time to alter the proposals to allow for suitable mitigations for the elderly and poorer residents of Merton to be worked up and incorporated prior to rollout of the policy. This is to lessen

the impact that a sudden change in charging regime would have on these specific groups of residents in particular”. The motion was seconded. There were three votes in favour and five against. Motion fell.

- 2.8. A motion proposing that Cabinet reconsiders the policy in its application to visitors e-permits and scratch cards (as summarised at paras 5.13–5.15 of the report), as the ‘mechanism’ envisaged to reduce the use of higher polluting vehicles (charging a resident based on the vehicle their visitor arrives in) seems diffuse and potentially ineffective. The motion was seconded. There were three votes in favour and five against. Motion fell.
- 2.9. A motion requesting that Cabinet consider a low mileage/low use discount or rebate, on the basis that it is the driving of vehicles that reduces air quality and increases carbon emissions. This would encourage less driving, and would particularly mitigate the impact of higher parking costs for those on low/fixed incomes who can’t afford to switch to newer and more environmentally friendly vehicles. The motion was seconded by Councillor Daniel Holden. There were two votes for, four votes against and two abstentions. Motion fell.
- 2.10. The Panel requests that, noting para 8.5 of the report, that Cabinet instead keep under review the assumptions made on the estimates of parking revenue raised, and that any increase in parking revenue be reported separately so that it can be more accurately be understood what additional surplus is linked to emissions based charging, with the aim that these monies be reinvested directly into the following measures: for the purposes of environmental improvement (as permitted under the 1984 Act); described at paras 7.3–7.11 of the report as well as others to financially incentivise residents to give up permits; and to support complementary sustainable transport schemes. There were three votes for and five against. Motion fell.
- 2.11. The Panel RESOLVED (six votes, two abstentions) to make the following reference to Cabinet;
- 2.12. “The Sustainable Communities Panel recommends that on implementation;
- 2.13. User feedback is collected
- 2.14. This feedback be made visible to the Sustainable Communities Panel at every meeting for a period of two years. Feedback should be provided at a high level with the ability to request further detail if needed.
- 2.15. After that period, that Cabinet utilise this feedback to test further improvements and/or enhancements to the parking scheme.
- 2.16. Furthermore the Panel RESOLVED (eight votes for, none against) that
- 2.17. The Panel calls on Cabinet to review the impact of Emissions Based Charging on air quality in the borough and that this policy also be reviewed after a two year period.
- 2.18. Additionally, the Panel RESOLVED (eight votes for, none against)
- 2.19. Request that Cabinet further expand upon their current reporting to show how the surplus money raised from parking revenue has been spent.

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. There 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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Committee: Cabinet

Date: 18 January 2021

Wards: All

Subject: Heritage Strategy 2021 - 2025

Lead officer: Anthony Hopkins; Head of Library, Heritage & Adult Education Service

Lead member: Councillor Caroline Cooper Marbiah; Cabinet Member for Commerce, Leisure and Culture

Contact officer: Anthony Hopkins; Head of Library, Heritage & Adult Education Service

Recommendations:

1. That Cabinet review the Heritage Strategy 2021 – 2025.
 2. That Cabinet approve the Heritage Strategy 2021 – 2025 for adoption by the Council.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The Heritage Strategy 2021 – 2025 sets out the borough's commitment to promoting and enhancing its rich heritage. Underpinning the Strategy are four key themes:
 1. Increasing the profile and public access to the borough's unique and diverse cultural heritage;
 2. Safeguarding the borough's varied heritage sites and resources;
 3. Making Merton's heritage provision more inclusive and working collaboratively to widen public engagement and participation;
 4. Increasing funding and investment in Merton's heritage through partnership work, external funding and sponsorship.
- 1.2. The Strategy summarises the achievements of the previous Heritage Strategy and outlines the objectives and key priorities of the Council and its partners over the next 5 years.
- 1.3. Underpinning the Heritage Strategy 2021 – 2025 will be a work plan that will be drawn up in collaboration with heritage organisations and community organisations and will monitor the key projects highlighted in the strategy.
- 1.4. The Heritage Strategy seeks to strengthen collaborative work further and has been devised with heritage stakeholders and in consultation with the voluntary and business sectors. A public consultation was also undertaken to gather wider views.
- 1.5. The Strategy seeks to address funding challenges by creating a more robust network of heritage enthusiasts and organisations.

2 DETAILS

- 2.1. Merton can boast many heritage attractions, services and organisations dedicated to preserving and raising awareness of the borough's past. Service provision is divided between the local authority and a number of heritage organisations and community groups.
- 2.2. The local authority plays a key part in safeguarding and raising awareness of the rich heritage of Merton. Roles and responsibilities can be divided into three areas:
 1. Protection of the built and natural environment including policy development;
 2. Collecting and recording material associated with Merton's past and provision of a skilled information service;
 3. Promoting and increasing access to Merton's diverse cultural heritage through exhibitions, publications, the arts and education.
- 2.3. The local authority is responsible for preserving the historic character of the borough by ensuring that development of historic buildings or areas is sympathetic and makes a positive contribution to the borough's historic environment. This work is guided by the borough's Core Planning Strategy and the National Planning Policy Framework 2019 (NPPF), which sets out government's policy on planning matters in England and Wales and highlights the need to understand the significance of the borough's built heritage.
- 2.4. The Heritage Strategy 2021 – 2025 will be used as a supplementary document for the Local Development Framework for harnessing development and ensuring that it is sympathetic towards historic sites.
- 2.5. Key to the success of the new Heritage Strategy is increased collaborative working with the view to enhancing external investment into heritage to support economic development and to preserve our collective heritage. In a period when local authority spending continues to reduce, we need to increase the way we work across the different sectors in the borough to deliver a shared, inclusive and cohesive plan that maximises external investment.

3 ALTERNATIVE OPTIONS

- 3.1. **Do nothing**
- 3.2. This would lead to no new Heritage Strategy being devised and adopted. Heritage stakeholders and community organisations would continue to deliver heritage projects in an ad hoc manner, which could lead to duplication and within a limited strategic context.
- 3.3. **Devise a local authority specific Heritage Strategy**
- 3.4. The first Heritage Strategy (2010 – 2014) was devised in this manner and whilst a useful catalyst to reflect key local authority objectives and outputs, it was less representative of the work delivered by community organisations. Current economic pressures make it extremely challenging for the local

authority to provide resources to support heritage work. Greater collaboration with the community will enable engagement and participation, in addition to opportunities for sourcing external funding.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. Consultation has taken place with heritage organisations through physical meetings and online conversations.
- 4.2. A public consultation on the new Heritage Strategy was run from 3 June to 1 July 2020. Due to Covid-19 restrictions the consultation was run online.
- 4.3. The consultation offered the chance to view and comment on the draft Heritage Strategy and to respond to three key questions regarding the major issues affecting local heritage, how to enhance public engagement and key objectives for local heritage.
- 4.4. There were 113 respondents to the online survey and a further six written responses submitted by Wimbledon Society Planning & Environment Committee, Friends of Wimbledon Town Centre, Museum of Wimbledon, Mitcham Cricket Green Conservation and Heritage (MCGC&H), Conservative Group (LBM) and a local resident.
- 4.5. For the first question in the consultation, respondents were asked to rank what they felt were the biggest challenges to Merton's heritage. The top 3 results were:
 1. Safeguarding local heritage / collections – 44%
 2. Funding and investment – 32%
 3. Covid-19 – 15%
- 4.6. In terms of how best you think we can enhance Merton's heritage and increase public engagement, respondents ranked these as their top 3 challenges:
 1. Sympathetic development and regeneration, to raise awareness of local heritage and maintain the historical character of a property / area where possible – 32%
 2. Enable people of all ages, backgrounds and abilities to participate in local projects, learn new skills and champion their own heritage – 26%
 3. Greater use of technology to make collections, resources and activities accessible online – 17%
- 4.7. In terms of key objectives for Merton's heritage over the next five years respondents ranked these as the top 3:
 1. It represents the borough's diverse population, enabling a wide range of people to engage in recording, presenting and safeguarding their history and culture – 30%
 2. There is a clear approach to safeguarding Merton's heritage collections and the historic character of the borough wherever possible – 27%

3. Local heritage is more publicly accessible thanks to use of new technology and outreach (public events, social media, online activities, new display formats) – 17%
- 4.8. Comments and feedback have been considered and the Heritage Strategy has been amended where practical and possible to take on board the views of the respondents.

5 TIMETABLE

- 5.1. The work plan included in the Heritage Strategy 2021 – 2025 details the key projects to be undertaken. A work plan will be devised, monitored and updated to track the progress of the projects highlighted.
- 5.2. The new Heritage Strategy is proposed to be submitted to Cabinet on 18 January 2020.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. There are no specific budgets assigned towards the delivery and implementation of the Heritage Strategy. All activities will either be delivered within existing resources or, where identified, will seek to obtain external funding.
- 6.2. The London Borough of Merton has a finite amount of money to spend on heritage and this will reduce. Increasing participation in our heritage would increase community awareness and ownership of our shared heritage. The Heritage Strategy will act as strategic guidance for future heritage projects and it seeks to bring in significant amounts of external investment.
- 6.3. Current heritage resource is limited to 1 FTE post of Heritage & Local Studies Centre Manager, a 0.5 FTE Conservation Officer and the use of the second floor of Morden Library for the Heritage & Local Studies Centre.
- 6.4. The London Borough of Merton has no local authority run museums and operates a small archive service via the Heritage & Local Studies Centre. The main bulk of the borough's archive material is stored at the Surrey History Centre in Woking.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. There are no legal implications at this stage. In due course the Council will need to follow the statutory procedure in Part 5 of The Town and Country Planning (Local Planning)(England) Regulations 2012 including further public participation before the Strategy is formally adopted as a supplementary planning document under Regulation 14 of the 2012 Regulations.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. One of the key objectives in the Heritage Strategy 2021 – 2025 is to increase participation and attendance in heritage activities amongst underrepresented groups. Underrepresentation is particularly prevalent amongst young people and BAME communities.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. None identified.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. None identified.

10.2.

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

- Appendix 1 – Heritage Strategy 2021 – 2025

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Merton Heritage Strategy 2021 – 2025



Merton Heritage Strategy: 2021 - 2025

Contents

1. Introduction	Page 1
2. The Merton Context	Page 2
3. Merton Heritage: An Overview	Page 3
4. Current Provision	Page 4
5. Key Achievements	Page 7
6. Issues affecting Merton's heritage	Page 10
7. Objectives: 2021 - 25	Page 13
8. Key Actions	Page 14

1. Introduction

Heritage defines who we are, gives us a sense of belonging and an understanding of our place in the world. It encompasses everything from architecture and cultural traditions, to religious beliefs, the arts, sport and industry. This complex blend not only influences our development as individuals but also shapes our environment and the society in which we live.

Heritage is constantly changing and evolving. We have a duty to preserve our heritage and to learn from the past, whilst balancing the needs of present and future generations. In doing so, we must consider public need, economic necessity, historical, cultural and artistic integrity, in addition to the happiness and wellbeing of Merton residents. No single factor is necessarily more important than any other when planning and promoting our heritage.

Merton's heritage is valuable not only for the story it tells but also for the contribution it makes to the quality of life and the economic prosperity of local residents and businesses. The Merton Heritage Strategy was devised to assess local service provision, to identify challenges facing the sector and key objectives for development.



In addition to giving an overview of current heritage activity within the borough, the Merton Heritage Strategy 2021-25 provides a framework for further collaboration between the Council and the wider community. Strategic objectives recognise the need to increase participation and public engagement with local heritage. The associated delivery plan will be established separately and will be community-led, following consultation with heritage providers and external stakeholders including the general public. Responsibility for the delivery of key actions will be shared between council services, heritage partners and

the wider community.

The coronavirus pandemic and its economic effects pose a particular threat to heritage providers. The impact on public access, staffing and budgets not only makes it difficult for the local authority to maintain service provision in its current form, but also affects its ability to provide ongoing financial support to community-based services.

Heritage providers across Merton face the same challenges of how to maintain public engagement, retain premises, deliver and promote services and keep abreast of modern technology, whilst also improving standards using increasingly limited resources. The Merton Heritage Strategy offers an important means for responding to these challenges, setting a framework for partnership work, resource sharing and investment that will be vital to safeguarding local heritage for future generations.

Note:

In the context of this document, the term “heritage” will refer to archaeological remains, historic buildings and structures, cultural artefacts and local history collections including documents, photographic and oral history material within the London Borough of Merton.

2. The Merton Context

Merton has a rich and varied history, with many heritage providers and visitor attractions. The borough holds 3 scheduled ancient monuments and 20 archaeological priority zones; 4 historic parks and gardens; 260 statutorily listed buildings; 28 conservation areas, plus over 3,000 locally listed buildings and structures of historical interest.



The London Borough of Merton is the author of this Heritage Strategy but shares the responsibility for its delivery with heritage organisations and the wider community. Heritage falls under the portfolio of the Cabinet Member for Community & Commerce and reports to the Sustainable Communities Overview & Scrutiny Panel. In addition to regular Panel updates, an annual report on heritage services is produced. This includes an overview on the delivery of the Heritage Strategy.

In order to successfully achieve the strategic objectives outlined in this document, a key focus must be increasing public engagement with local heritage – offering services in varied formats and using different platforms for awareness raising. It will be important to actively involve people of all ages and diverse backgrounds, in addition to broadening participation from the voluntary and business communities.

Heritage has a role to play in fulfilling the objectives of documents such as the National Planning Policy Framework 2019, the Mayor of London’s Plan, the Merton Sites and Policies Plan 2014-24 and emerging Local Plan, the annual Merton Business Plan and the Merton Community Plan 2020-26. Amongst the key themes for development are improving access to education and jobs, conserving and enhancing the historic environment; community cohesion and promoting cultural / heritage activities.

The local authority has limited resources with which to support heritage providers. There is a need to prioritise key tasks and initiatives in order to maintain public safety and balance capacity against community expectation. External funding, sponsorship, multi-agency

partnerships and resource-sharing are vital if Merton's heritage is to be given greater prominence and safeguarded for future generations. Increasing the borough's virtual heritage offer, including the range of services / digitised collections made available online by council and community heritage providers, will also be important if we are to continue to engage existing and new audiences, during the current pandemic and beyond.

3. Merton Heritage: An Overview

The heritage of Merton can be traced back over 10,000 years, including evidence of Neolithic hunter-gatherers, Iron Age defences and surviving sections of the Roman road, Stane Street.

Before the dissolution of the monasteries (1536-41), Merton Priory was one of the most powerful religious institutions in the south. The martyred archbishop, Thomas Becket, was educated there (1120s) and during the reign of Henry III, the Priory hosted the signing of one of the earliest statutes on which English law is based (1235/6). The remains of the Priory chapter house are preserved under Merantun Way and are the focus of an initiative to interpret and reveal their historic significance, supported by the National Heritage Lottery Fund and the Community Infrastructure Levy.

The pure waters of the River Wandle were once prized by the British textile printing industry. This led famous exponents, William Morris and Arthur Liberty, to establish thriving craft works in the Colliers Wood area in 1881 and 1904 respectively. Merton's numerous watermills also produced diverse goods from flour and snuff, to leather, copper products and dyestuffs.



Merton has strong links to the development of British horticulture from the 19th century cultivation of Mitcham lavender and watercress, to the pioneering work of the John Innes Horticultural Institution and Carter's Tested Seeds. At one time the borough held the world's largest toy factory - Lines Brothers Tri-ang works on Morden Road (1919-71). Merton is also associated with major landmarks in transport history including the world's first public railway – the Surrey Iron Railway, authorised in 1803 and the successful Croydon Tramlink, opened in 2000.

Merton has a number of sporting accolades. Wimbledon Football Club is the only team in modern times to have enjoyed F.A. Cup glory at both amateur (1963) and professional level (1988). Mitcham has one of the oldest surviving cricket grounds and the borough continues to host the world-famous Wimbledon Lawn Tennis Championship.

Linking the capital with leafy Surrey, Merton has been home to many famous names, from naval hero Lord Nelson, to anti-slavery campaigner William Wilberforce; suffragette Rose Lamartine Yates, journalist and social reformer W T Stead and the eminent engineer Joseph Bazalgette. The borough has also fostered a host of creative talent including the poet, John Donne, author

Edna O'Brien; actor, George Cole and pioneering silent filmmakers, George Cricks, Henry Sharp and John Martin.



The London Borough of Merton was formed in 1965 from the former boroughs of Mitcham, Wimbledon and the Urban District of Merton & Morden. The nature of Merton as a unified authority is reflected in the borough coat of arms, which features emblems linked to the heritage of its predecessor authorities. These include lavender sprigs associated with the famous Mitcham crop; a fret taken from the crest of Merton Priory; the black lion emblem used by the Garth family, lords of the manor of Morden and the Cornish chough, once the heraldic symbol of Thomas Cromwell, who was awarded the manor of Wimbledon by Henry VIII.

As a London Borough, Merton has a significant range of historic parks, gardens and common land. It also boasts many sites and buildings of architectural interest.

In the modern era growth and expansion has focussed around the borough's five town centres. These each have their own character and historic associations:

Colliers Wood: This area once lay at the heart of Merton's industrial heritage, from calico bleaching and paper production, to precision engineering, paint and varnish manufacture.

Morden: The site of the vast St. Helier estate, one of the first major housing developments (1928-36) designed as a garden suburb using Sir Ebenezer Howard's "garden city" principles.

Mitcham: Boasts Mitcham Status Fair - one of the oldest surviving fairs in the country, this is said to date from the reign of Elizabeth I (1590s).

Raynes Park: Holds the largest proportion of green space in south west London, including Cannon Hill Common which has Grade 1 listing for nature conservation.

Wimbledon: Linked to famous names from social reformer Josephine Butler and astronomer Norman Lockyer, to writer Robert Graves and actress Margaret Rutherford.



4. Current Provision

Merton can boast many heritage attractions, services and organisations dedicated to preserving and raising awareness of the borough's colourful past. Service provision is divided between the local authority and an impressive list of heritage organisations and community groups.

The local authority plays a key part in safeguarding and raising awareness of the rich heritage of Merton. Roles and responsibilities can be divided into three areas:

- a) protection of the built and natural environment including policy development;
- b) collecting and recording material associated with Merton's past and provision of a skilled information service
- c) promoting and increasing access to Merton's diverse cultural heritage through exhibitions, publications, the arts and education.

The local authority is responsible for preserving the character of the borough by ensuring that development of historic buildings or areas is sympathetic and makes a positive contribution to Merton's environmental heritage. This work is guided by the council's Core Planning Strategy 2011-26 and the National Planning Policy Framework 2019 (NPPF), which set out Government policy on planning matters in England and Wales, including the need to understand the significance of the borough's built heritage.

The Council recognises its responsibilities as the owner of land and historic buildings within Merton and will ensure the appropriate use of resources and skills, when maintaining the borough's heritage. The local authority has an important role in the management of conservation areas, the care and public awareness of statutory / locally listed buildings, historic parks and open spaces (the latter are maintained in accordance with the Merton Open Space Strategy, 2011-19).

Part of this work involves liaison with Historic England and the Royal Commission for Ancient & Historical Monuments. It includes the monitoring of 3 ancient monuments within the borough (Caesar's Camp on Wimbledon Common; the medieval remains of Merton Priory and the ancient mound in Morden Park).



Council services have a role in preserving and interpreting historic material (objects, illustrations and documents) for the benefit of future generations.

They have responsibility for the care and expansion of existing collections, the creation of educational resources and a local history enquiry service.

Merton Council has a responsibility for cultural heritage both practically and in an advisory capacity. By hosting exhibitions and events the authority promotes cultural diversity and extends public access both to the arts and social history. The Council also has a role in the development of new artistic work and initiatives increasing public engagement with heritage. This involves advising community groups and individuals on funding sources and supporting them through bidding processes.

Merton's heritage provision is further represented by a number of passionate individuals and organisations that work tirelessly to promote, research, champion, inspire and support the borough's heritage in both formal and informal ways.

There are 4 registered museums in the borough, including:

Case Study: Wandle Industrial Museum

The museum focus is raising public awareness of the rich industrial heritage of the River Wandle. In addition to housing unique displays, it stores and preserves relevant artefacts and offers an enquiry service supported by a small research collection.

The museum is currently based in the Vestry Hall Annexe, pending the availability of premises at Ravensbury Mill. Its profile and outreach programme have been greatly expanded over the past five years by a team of experienced volunteers who deliver walks, talks and printing workshops, both in-house and to community groups over a wide area.

- All England Lawn Tennis Museum
- Museum of Wimbledon
- Wimbledon Windmill

Along with 3 historic sites:

- Southside House, Grade II* visitor attraction **
- National Trust, Morden Hall / Watermeads
- Merton Abbey Mills

** The status of this property, as a publicly accessible visitor attraction, is now under review following the coronavirus pandemic

Local history societies, Heritage Trusts and organisations with heritage responsibilities / advocacy roles in the borough include:

Case Study: The John Innes Society

Dedicated to conservation and area enhancement, the Society reflects the vision of John Innes, the benefactor and property developer responsible for the Merton Park Estate. It encourages and monitors a high standard of building design and refurbishment, befitting one of the first garden suburbs in London.

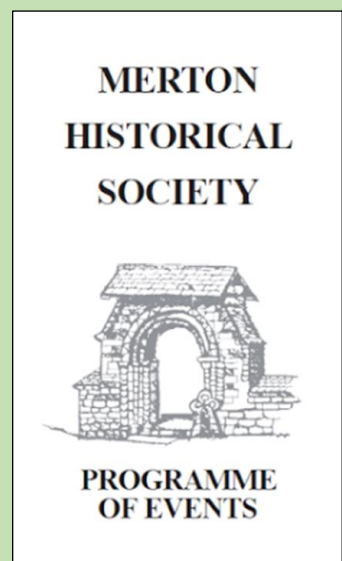
The Society is particularly keen to preserve the listed buildings and original Arts & Crafts features within the John Innes conservation area. It supports strong environmental awareness and aims to foster vital community and social values.



Case Study: Merton Historical Society

Founded in 1951, the Society was originally focused on Merton and Morden, but expanded its area of interest in 1965 following the formation of the current London Borough. Greatly respected for its wide-ranging publications on Merton's history, the Society also responds to public enquiries, making local history resources including research articles and photographic collections available via its website.

The Society offers monthly lectures in winter, plus regular visits and local guided walks during the summer months. It has some 120 members, several of whom actively research and publish on aspects of the Borough's history. Regular workshops are held to report and discuss their findings. The Society also seeks the preservation and protection of buildings, monuments and other items of local historical or architectural importance.



- The Capability Brown Society
- Merton Priory Trust
- Mitcham Common Conservators
- Mitcham Cricket Green Community & Heritage
- The Mitcham Society
- Wandle Heritage Ltd
- Wimbledon in Sporting Heritage (AFC Wimbledon)
- The Wimbledon Society
- Wimbledon & Putney Common Conservators



A number of Friends Groups make a significant contribution to Merton's cultural, social and environmental heritage.

Faith organisations also contribute collectively to our shared heritage. Local examples include:

- Al-Ahmadiyya mosque
- Durnsford Road mosque
- Bhuddapadipa Thai Temple
- Shree Ganapathy Hindu Temple
- Wimbledon Synagogue
- Anglican Churches: notably the parish churches (St. Lawrence's, Morden; St. Mary's, Wimbledon; St. Mary the Virgin, Merton and St. Peter & St. Paul's, Mitcham.) These have a rich and varied history, in addition to architectural status as listed buildings.
- Roman Catholic Churches: notably S.S.Peter & Paul, Mitcham; Sacred Heart, Wimbledon
- Local Free Churches (United Reform Church, Baptist, Methodist, Pentecostal, Elim and Salvation Army)



5. Key Achievements

There have been a number of positive outcomes with regard to the objectives set in the Merton Heritage Strategy 2015-20. These are testament to the hard work of local heritage organisations, the voluntary sector and the local authority working together. Achievements include:

5.1 Raising Merton's profile:

Merton's online profile has been boosted by increasing development of the successful Merton Memories website and a new linked site capturing the borough's First World War heritage. Both have enjoyed considerable local, national and international interest. Heritage organisations including Merton Historical Society, Wandle Industrial Museum, the Museum of Wimbledon and Cricket Green Community & Heritage have also greatly expanded their online presence, providing digital resources to increase public awareness of / access to local heritage. MCGC&H has also used social media to highlight heritage initiatives and concerns.

Participation in nationwide events, notably the unveiling of commemorative plaques to two Merton V.Cs (First World War centenary) and the presence of key suffragette descendants at library-based events (Women's suffrage centenary) has focussed media attention on the borough. Merton's annual Heritage Discovery Day now attracts over 2000 visitors and events such as London Open House and Mitcham Heritage Day help to showcase the borough's diverse culture

Merton heritage providers and initiatives have also received a number of accolades, including a CILIP award for the Local Studies Service; shortlisting for a GLA Team London award (Carved in Stone project); nomination for a national research award (Wandle Vistas project) and numerous local awards for heritage volunteering (MVSC and Merton Excellence Awards.) In 2018, the strength of Merton's heritage offer achieved further recognition, when the borough won a Cultural Impact Award in the Mayor of London's Borough of Culture initiative.

5.2 Safeguarding local heritage sites and resources.

Council officers and local organisations including the Wimbledon Society, the John Innes Society and Cricket Green Community & Heritage have worked hard to ensure that heritage is considered and represented within local authority service plans and projects, such as the Merton Local Plan.



Council staff, community groups and heritage stakeholders have worked together to preserve a range of historic sites and structures across the borough. This has included monitoring and treatment work to stabilise and protect the historic remains of the Merton Priory Chapter House and surviving portions of precinct wall; treatment of the Canons dovecote, the restoration of Mitcham clock tower and the waterwheel at Merton Abbey Mills. Specialist restoration of an historic horse trough and cricket memorial was undertaken as part of a lottery funded initiative by Mitcham Cricket Green Community & Heritage.

There were also repairs to the sails and upper fabric of Wimbledon's historic windmill, plus internal improvements to the Windmill Museum supported by a successful bid to Merton's Neighbourhood Fund.

Thanks to the efforts of local residents and community groups, four of the borough's war memorials (3 in Wimbledon, 1 in Mitcham) have now been statutorily listed. The council's Future Merton team has reviewed and extended the range of buildings and structures locally listed as historically significant. The compilation of appraisals, design guides and management plans has ensured greater awareness and safeguarding of the borough's conservation areas. Projects such as Carved in Stone have led to the conservation repair and digitisation of important First World War documents. Extensive photographic digitisation has also preserved and increased the accessibility of collections held by Merton Historical Society and Wandle Industrial Museum.

5.3 Working together to make heritage more inclusive and increase public engagement

Widespread participation and partnership work during major public events such as the annual Merton Heritage Discovery Day, Mitcham Heritage Day and Wandle Fortnight have increased public engagement with local heritage, from footfall at heritage sites, to volunteering and

membership of local societies. Open events, bringing together schools, churches, community groups and businesses to celebrate the history of a particular locality, have also helped to foster community pride and interest in Merton's heritage. Examples include the community arts and sporting heritage event staged by the Capability Brown Society/Friends of Wimbledon Park; a Merton Park open day coordinated by the John Innes Society and Merton Park Residents Association; and the annual Community on the Green event organised by Mitcham Cricket Green Community & Heritage.

Working in partnership with Merton museums, historical societies and community groups, the council's Heritage Service has staged a varied programme of exhibitions and events, helping to raise awareness of the borough's colourful past. Specialist programmes were staged to mark the First World War centenary, the centenary of women's suffrage, the Silver Jubilee of Merton Heritage Centre and Windrush Day.

In recent months the Heritage team has also worked with Public Health representatives to devise a unique range of sensory displays, activities and reminiscence materials to support people living with dementia (Merton Memory Bank project) and residents with sight/ hearing loss and autism (Common Sense project.)



The Canons project has staged a successful engagement programme, using open days, community archaeology and oral history; bringing together Mitcham residents, school and community groups to capture the story of the historic house, its grounds and the surrounding area.

The 28 projects organised by the Living Wandle Partnership (2013-18) were particularly successful at increasing public engagement and inclusivity. Over 39,000 people took part in activities ranging from river clearance and improvement works, to class sessions, guided walks, historic research and film-making. Participants not only helped to preserve and celebrate a key feature of Merton's heritage, they also achieved qualifications and acquired transferable skills.



5.4 Securing funding and investment.

Over the past five years the local authority, commercial partners, community and voluntary organisations have worked together to secure several million pounds worth of investment for local heritage. The majority of this is Heritage Lottery and Big Lottery funding. It includes £4.4 million, secured by the council and Mitcham Cricket Green Community & Heritage, to transform Canons House and the surrounding parkland into a heritage and community hub.

Part of a £2.7 million award enabled the Living Wandle partnership to support 28 different projects, from environmental conservation and educational programmes, to the celebration of landscape, film making and creation of the Merton Priory Chapter House Visitor Centre.



A further £81,000 funded the Carved in Stone project, enabling Merton Heritage Service to highlight the borough's First World War heritage through a specially designed website featuring unique family war stories, historic documents and the life stories of 800 local combatants. The Heritage Service has also helped organisations to secure lottery funding for diverse projects covering everything from women's suffrage and Bangladeshi culture, to combat stress, industrial history and life during World War II.

Restoring the historic fabric of the borough over different eras helps to enhance the public realm and a Community Infrastructure Levy, collected from developments, has been used to restore historic shopfronts. The Art Deco Morden Court Parade, Queens Road Wimbledon (part of the historic conservation area) and Edwardian shopfronts in Colliers Wood have now been completed. Further work is planned for the conservation area shopfronts in Bramcote Parade, Mitcham and at Haydons Road, Wimbledon.

6. Issues affecting Merton's heritage.

A number of issues affect the safeguarding of Merton's heritage and the provision of associated services. These are as follows:

Covid-19

The Covid-19 pandemic presents a significant challenge to the borough and in particular to Merton's heritage. It impacts on all aspects of service provision from public engagement and access to museums, historic sites and collections; to income generation and financial resilience amongst heritage providers. It also affects service capacity, notably the ability to maintain staffing and volunteer support. Merton museums, heritage attractions, local history societies and community organisations must all face the challenge of running and maintaining services in a Covid-safe, sustainable manner, whilst also addressing the economic pressures of a pandemic related recession.

Information, innovation and collaboration will be key to the recovery and durability of the borough's heritage sector.

By digitising collections and making greater use of technology, heritage providers have opportunities to increase public engagement, communicate more effectively with the wider Merton community and to make their services and collections more accessible. Web-based resources, social media initiatives and conferencing software have already been used by a number of local organisations and could be further deployed to stage virtual exhibitions, guided tours of heritage sites and talks. Local organisations can maximise resources by sharing expertise and equipment to stage joint activities from public events, to training sessions for volunteers.

There is potential to finance such work (including equipment purchase) through joint funding bids, particularly if they promote the sharing of best practice and increase engagement with young people, BAME groups and people with additional needs.

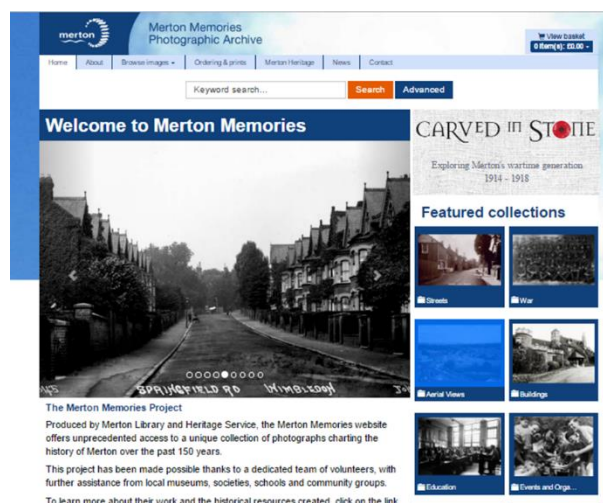
Technology can also be used to develop financial resilience, enabling heritage organisations to seek additional funding through online sales, merchandising opportunities, sponsorship, donation/ subscription schemes or crowdfunding initiatives.

Merton's heritage organisations can achieve more and command greater attention if they work together. Every effort should be made to encourage local organisations to work collaboratively to galvanise public support, generate income and maximise resources. The efficacy of this approach can be seen from the success of partnership events such as the Merton Heritage Discovery Day, Mitcham Heritage Day and Wandle Fortnight. These not only showcase the borough's heritage, they also generate income, boost membership, footfall and volunteer recruitment for participating organisations. Ensuring the ongoing delivery of such events, whether through shared online programmes, or Covid-safe activities will be key to the strengthening of Merton's heritage provision.

6.2: Raising the profile of heritage in the borough

There is a public perception that the borough's heritage and tourism focus is Wimbledon and more needs to be done to generate interest and attract visitors to all parts of the borough.

Initiatives such as the Merton Memories digitisation project and the Living Wandle project have enabled heritage organisations, schools and the wider community to work together successfully to share resources, good practice, marketing and outreach opportunities. It is important to keep this impetus going and to increase the range of collaborative work undertaken in order to maximise resources, develop relevant skill sets and promote the borough's heritage attractions and collections effectively.



Continuing to expand and deliver collaborative events such as the Merton Heritage Discovery Day, Mitcham Heritage Day and Wandle Fortnight will also be key to raising awareness of the borough's heritage offer.

6.3: Funding and investment

Merton's heritage providers face a challenging future, particularly in the current economic climate where funding constraints may hinder service provision, capital development and investment in conservation or new technology. Service providers need to generate income in order to maintain and develop services but must carefully consider whether charges might impact on public access to resources.

Capacity constraints not only provide challenges for the local authority but also for heritage organisations across the borough. Increasing external funding and generating sponsorship are key to promoting our heritage. There has been an increase in the number of external grants awarded by funding bodies such as the National Heritage Lottery Fund; however the number of funding applications submitted by local museums and community groups is still fairly low and should be increased. More needs to be done to identify and raise awareness of funding streams to encourage new bids.



6.4: Public engagement and participation

Heritage is unsustainable if it is kept for the pleasure of a small minority. Heritage properly shared, enjoyed and exploited is a source of prosperity and growth. We want our heritage, past and present, to be properly identified, made accessible and comprehensible to the widest possible audience.

If Merton's heritage is to be protected and the range of services expanded, provision must be more inclusive. This is important if local

heritage attractions and collections are to be relevant and appealing to the wider community and in particular to underrepresented groups such as young people and those from BAME backgrounds.

There is a particular need to broaden public engagement with local heritage whether as service users / visitors, staff (paid and voluntary), through community forums, or as donors of historic objects / documents. Linked to this is the need to increase the range and opportunities for collaborative work between different heritage providers and community groups in order to maximise resources, share expertise and increase the profile of Merton's heritage. This may be key to the survival of individual heritage attractions and services during the current pandemic when resources are severely stretched.

6.5: Safeguarding local heritage

Merton has a number of properties on the Historic England Buildings at Risk register. In the current economic climate there is a growing threat that important artwork, historic documents, objects and structures may be taken out of the borough; or left to deteriorate due to lack of resources (staff and funding) for appropriate conservation work. It is important to have a clear strategy for protecting vulnerable and significant aspects of local heritage, from important documentary collections, to the historic environment and buildings of local interest. We will continue to



improve the monitoring and reporting of heritage at risk; opportunities for challenging unsympathetic development; funding streams for conservation / emergency protection and work to maintain the integrity of local conservation areas.

In order to ensure that Merton's heritage providers are meeting standards regarding customer care, equalities and collections management, it is important to ensure ongoing access to professional development opportunities. (In the current climate this may necessitate online programmes and support, in addition to / instead of attendance at designated training venues).

It is also vital to ensure that local museums and heritage attractions can engage staff and volunteers with appropriate skills to maintain service continuity (particularly if social distancing and shift work prove a necessary response to the coronavirus pandemic). Linking with bodies

such as the Museums Association, the Arts Council or National Archives and closer regional work will also help to improve access to our resources.

7. Objectives: 2021 - 25

Objective 1: Raise Merton's profile by increasing public access to the borough's unique and diverse cultural heritage

To be delivered by:

- Expanding the borough's digital heritage offer to increase the range of historic documents, activities and resources available online.
- Getting underrepresented groups more involved in heritage projects and championing their own heritage.
- Developing the borough's visitor potential and the investment that this can bring.
- Contributing to the quality of life for residents and the community.
- Promoting Merton's heritage to our residents, visitors and tourists.

Objective 2: Safeguard the borough's varied heritage sites and resources, protecting and conserving them for the benefit of future generations

To be delivered by:

- Enhancing the borough's public realm.
- Influencing design of new developments so that they enhance our shared heritage.
- Initiating heritage-led regeneration to maintain geographical and historical character.
- Supporting external funding bids that will enhance our built environment heritage assets.
- Developing our collections, museums, sites and landscapes and improving accessibility.

Objective 3: Ensure that Merton's heritage provision is inclusive by working collaboratively to widen public engagement and participation

To be delivered by:

- A more diverse and stronger network of volunteer led organisations and groups.
- An increase in the number of people volunteering for the benefit of Merton's heritage.
- Strengthening partnership work across the heritage network and beyond.
- Developing use of Merton's heritage as an educational resource.
- Developing school services, resources and placement opportunities for children and young people
- Enabling everyone, alone or collectively, to benefit from Merton's cultural heritage, contribute towards its enrichment, and participate in decisions about its future.

Objective 4: To recognise the important contribution of social enterprise and secure ongoing funding and investment in Merton's heritage through partnership work, external funding and sponsorship

To be delivered by:

Continuing to increase the level of external funding to support our heritage from a range of sources.

- Pursuing sponsorship opportunities and input into ongoing heritage projects from the business community.
- Encouraging the expansion of the tourist economy.
- Working in partnership with local, regional and national organisations and agencies in understanding and caring for Merton's heritage.

8. Key Actions:

Changes are inevitable in a modern borough, from the size and diversity of the population, to fluctuating prosperity and transformations in our working patterns, travel arrangements, leisure habits and social needs. This is particularly true at the current time, as the coronavirus pandemic impacts on every aspect of life in Merton.

A good heritage strategy works with, rather than against change. Through the 2021-25 strategy Merton Council and heritage stakeholders will work collaboratively to make a positive contribution to local heritage. They will strive to engage with and involve the wider community, maintaining important historical sites and resources. Where this proves challenging, they will ensure that material is properly recorded, offer varied display formats and embrace new technology, wherever possible, to make local heritage accessible to current and future generations.

For the Heritage Strategy to succeed it must involve and integrate the passion of local interest groups, the enthusiasm of present and future volunteers, plus the acumen, technological expertise and risk-taking of the commercial sector. We want Merton to become a major heritage destination for local residents, our London neighbours and visitors from further afield.

The following are just some of the key actions proposed by local heritage providers (prior to March 2020) in order to develop their services, so helping to fulfil the objectives set out in the Merton Heritage Strategy:

Canons Project:

- To deliver an ongoing programme of activities and events engaging local communities with the heritage of Canons House and its grounds
- To commence building / refurbishment work at The Canons to form a heritage and cultural hub for the community

Future Merton:

- To ensure Merton's emerging Local Plan incorporates planning policies to manage heritage assets in the built environment
- Undertake consultation with local communities and complete work to help define the local built environment character of neighbourhoods across Merton.
- To work with the community to review and add to the Local List.

John Innes Society:

- Will promote and exhibit archival material about the area, including a collection relating to suffragette Rose Lamartine Yates.
- Plan to stage an exhibition to mark the Society's 50th anniversary.

Merton Heritage Centre:

- Will seek funding to digitise and make publicly accessible key sections of its collection including maps, directories and photographs (expanding the existing Merton Memories collection).
- Will expand on the success of the Carved in Stone (WW1) project, to capture and increase physical / online access to Merton's Second World War history, including the war stories of local people, historic documents and period memorabilia.

- Will devise systems to make the heritage collections more accessible to people with additional needs and learning difficulties using sensory displays, digital resources and activities for care home and day centres.
- Will work with local BAME and cultural groups to make collections more representative of and accessible to Merton's diverse community. This will include outreach work, active collection / digitisation of relevant source materials and a community exhibitions and events programme hosted online, at the Heritage Centre and community venues.
- Will seek funding to redevelop Merton Heritage & Local Studies Centre, to improve collections care / storage, expand the range of display formats and make the service more relevant, accessible and user-friendly for the wider community.

Merton Historical Society:

- Will continue to publish work of local historical interest and increase access to its image collection.
- Will investigate methods of reaching new audiences, possibly in a joint approach with other heritage organisations.

Merton Priory Trust:

- Ensure public opening of the Chapter House (April – October) with incremental improvements to the museum display and publicity.
- Complete phase 1 the chapter house development (Utility connections, paving).
- Complete phase 3 of the chapter house development by creating a physic garden as a public amenity.
- On completion of development work, stage a programme of theatrical and religious events.

Museum of Wimbledon:

- Will undertake a complete refurbishment of the museum in 2021 to make the collections accessible and comprehensible to all sections of society. This will include the creation of new displays designed to appeal to and engage new and diverse audiences. The Wimbledon Society has supplied £89,000 of the projected £150,000 budget and fundraising will continue alongside project development.

Wandle Industrial Museum:

- Aims to build on existing presentations to work with special needs groups in conjunction with other organisations.
- Plans to make its extensive photographic collection available to the public following a recent digitisation project.

The uncertainty surrounding the coronavirus pandemic makes it difficult for heritage providers to make firm commitments regarding service development at the current time. All plans will need to evolve in order to provide an appropriate response to the crisis and the conditions at any given time. With this in mind, a delivery plan will be established separately from the Heritage Strategy itself – this will be informed by Government policy, future stakeholder meetings and community consultation.

Committee: Cabinet

Date: 18th January 2021

Wards: all

Subject: Six-week consultation on draft Borough Character Study and small sites guidance (draft supplementary planning documents to Merton's Local Plan)

Lead officer: Director for Environment and Regeneration, Chris Lee

Lead member: Cabinet Member for Housing, Regeneration and the Climate Emergency, Cllr Martin Whelton

Contact officer: Deputy FutureMerton Manager, Tara Butler

Recommendations:

- A. That Cabinet approve a six-week public consultation on the draft Borough Character Study and draft small sites guidance (both draft supplementary planning documents to Merton's Local Plan) to take place between February and March 2021
 - B. That approval of the consultation documents be delegated to the Director of Environment and Regeneration, Chris Lee, in consultation with the Cabinet Member for Housing, Regeneration and the Climate Emergency, Cllr Martin Whelton
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The purpose of the report is to seek Cabinet approval for six-week public consultation on Merton's draft Borough Character Study and draft Small Sites Toolkit as part of creating two new supplementary planning documents to Merton's Local Plan.

2 DETAILS

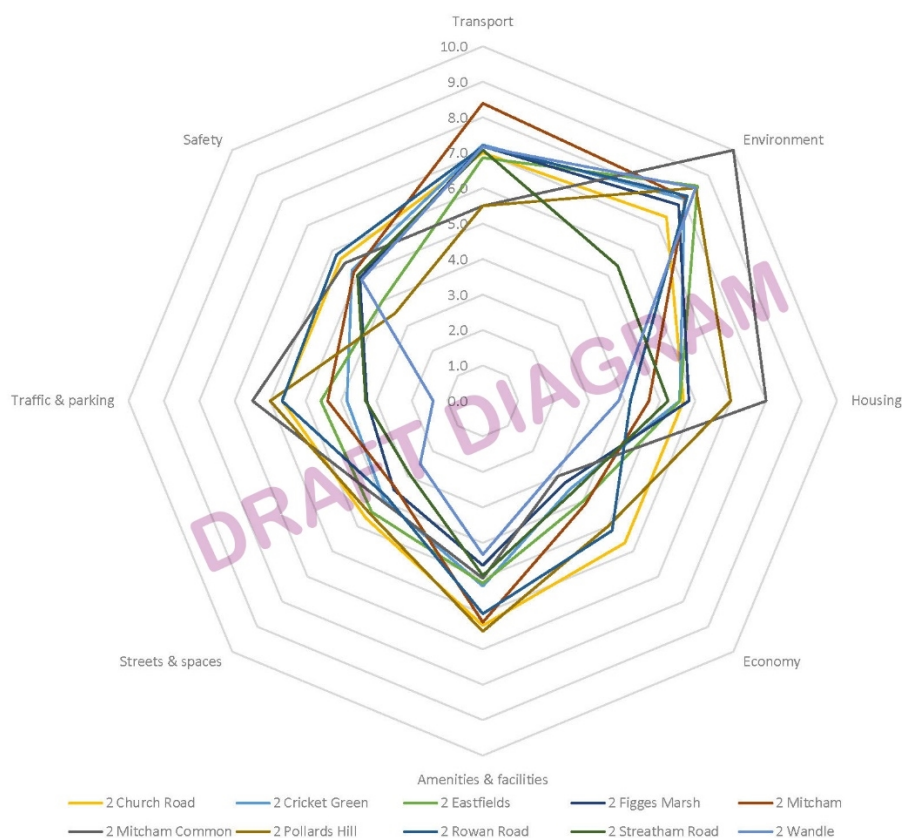
Borough character study

- 2.1. The Borough Character Study was started in March 2020. Using funding from the GLA's Homebuilding Capacity Fund, Future Merton commissioned architects Allies and Morrison Urban Practitioners to undertake a borough wide Characterisation Study.
- 2.2. It is intended that the Characterisation Study will help support the Local Plan will assist with assessing future planning applications. The role of the study is to highlight Merton's unique socio-economic, environmental and physical character and give design guidance to future development to enhance the borough's existing built environment character.
- 2.3. The approach uses physical features and socio-economic and environmental characteristics to consider the borough character as five main neighbourhoods (Colliers Wood, Mitcham, Morden, Raynes Park and Wimbledon) with smaller areas of distinct character within them. The draft Borough Character Study sets out analysis on the character of each of the smaller areas, with guidance as to how new developments could either

repair, reinforce or reimagine the area. It is similar to the Borough Character Study that was carried out for about two thirds of Merton a few years ago

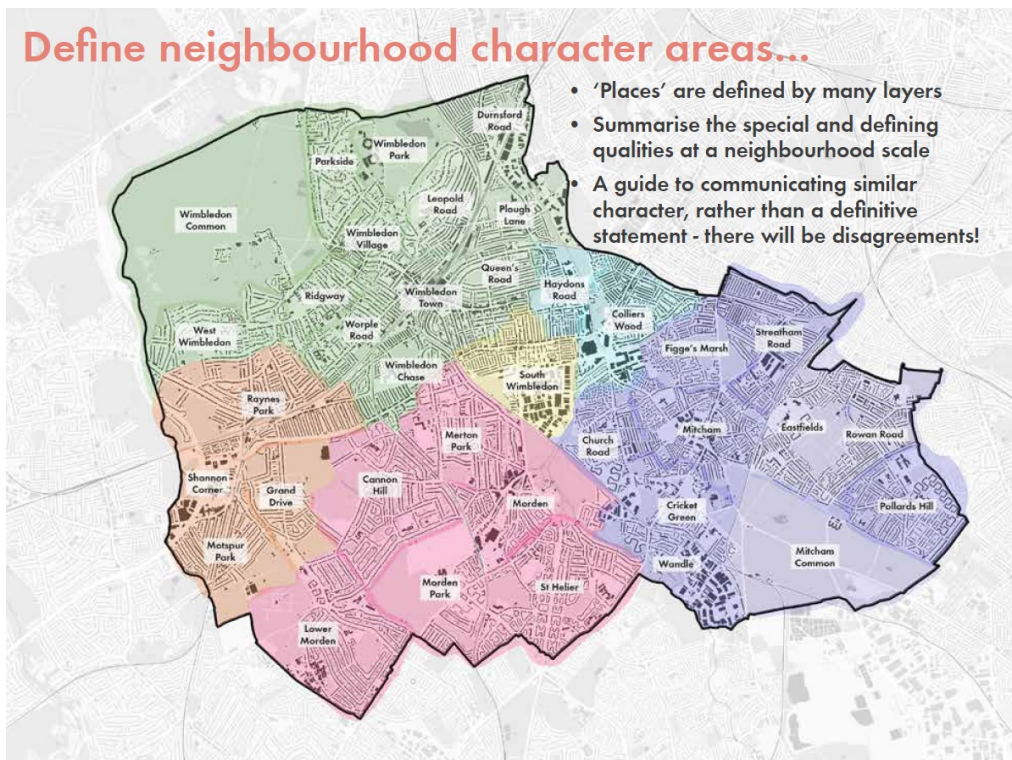
2.4. We have carried out extensive engagement with residents and other groups already as part of preparing the draft Borough Character Study. This included:

- A community network survey in July 2020 that engaged with a representative selection of community organisations that provide a space for local groups. This survey asked respondents to describe the role, use and reach that their venues had in their neighbourhoods.
- A 6 week online survey which took place between September and October 2020 that asked residents to comment on the perception of neighbourhood boundary lines. In addition, the survey also asked residents to rate their neighbourhoods on 8 topics: transport, environment, housing, economy, streets & spaces, traffic & parking and safety. This survey received 415 responses. Below is an example of how respondents rated Mitcham



- A virtual workshop with residents' groups and individual residents on 17th November 2020. Residents and community group representatives were invited to participate by sending an invitation to community groups and to people who wanted to . The workshop was used to discuss boundaries and neighbourhood character. The feedback from the workshop will be integrated into the Character Study.

Define neighbourhood character areas...



- 'Places' are defined by many layers
- Summarise the special and defining qualities at a neighbourhood scale
- A guide to communicating similar character, rather than a definitive statement - there will be disagreements!

- 2.5. Feedback from residents has been used to improve the draft borough character study.
- 2.6. It is now intended to publish the whole draft borough character study for six weeks of borough-wide consultation in line with the procedures to create a supplementary planning document to Merton's Local Plan. Feedback from this second consultation would be used to further improve the draft Borough Character Study before presenting it to councillors for adoption.

Small Sites Toolkit

- 2.7. Merton started preparing the Small Sites Toolkit in November 2019 using funding from the GLA's Homebuilding Capacity Fund. It is being developed in-house with the Future Merton team.
- 2.8. The Small Sites Toolkit will provide design guidance for development sites on sites up to 0.25 hectares.



- 2.9. Merton is characterised by small sites due to fragmented land ownership: lots of people own small amounts of land, such as houses with underused land, brownfield sites and undeveloped rooftops. High land and property prices means assembling a large site is expensive. Small sites have the potential to provide steady and incremental growth within the borough.
- 2.10. For the past 15 years around 90% of the planning applications Merton has received for new homes have been on small sites. Small sites are crucial to providing much-needed homes incrementally but can be challenging to design in established urban areas like Merton. Merton's draft small sites toolkit sets out architectural and urban design principles specifically to address the opportunities and challenges of delivering small sites to improve the design quality of small developments across the whole borough.
- 2.11. Feedback from the public engagement held in summer 2020 for the Housing Delivery Study (where over 2,000 residents responded) highlighted that 61% thought that homes should be built on underused small sites and that the top 3 priorities for future housing delivery are affordability (61%), quality of design (41%) and building sustainably (38%).
- 2.12. Other boroughs are undertaking similar exercises: Croydon adopted their 'Suburban Design Guide' that focussed on small site development in April 2019. Neighbouring and nearby boroughs, such as Kingston and Lewisham are currently developing Small Sites guidance also.
- 2.13. The Small Sites Toolkit consists of three tools to encourage applicants to have a design led approach. They are:
- **1. Design guidance:** structured on 5 main design principles.
 - Made in Merton (character and strategy)
 - High Quality Design (good design principles)
 - Putting People First (wellbeing)
 - Better Streets (public realm and street experience)
 - Economical and Sustainable (environment)
 - **2. Design Case Studies:** a catalogue of successful projects, in similar contexts to Merton, that respond well to specific small site obstructions (overlooking, backland sites etc.)
 - **3. Design and Access Statement Template:** A template to guide applicants to produce (and think about) projects more from a design perspective. The template asks a series of questions for applicants to answer and guides applications to provide visual justification for design decisions.

3 ALTERNATIVE OPTIONS

- 3.1. The alternative option for the Borough Character Study would have been to complete the Borough Character Study started in 2011. The 2011 Borough Character Study divided the borough into 36 neighbourhoods. Unfortunately, only about two thirds of the neighbourhoods were ever completed due to resource pressures and some of the information on the completed neighbourhoods is now out of date. In 2018 the council successfully bid for

GLA Homebuilding Capacity fund to carry out whole borough character study, using up-to-date information, feedback gathered from current residents, based on up-to-date planning policies and guidance. Information from the 2011 work was used to inform the 2021 Borough Character Study.

- 3.2. There are no reasonable alternative options for the small sites guidance other than not to carry out the work. This would mean a lack of planning guidance on small sites, which typify development in Merton. The relevant GLA Homebuilding Capacity Funding would have to be returned to the GLA if the project was not delivered.

4 CONSULTATION UNDERTAKEN OR PROPOSED

Engagement informing the draft documents

- 4.1. Residents' engagement in July, September-October and November 2020 has already informed the drafting of Merton's emerging Borough Character Study; this is set out in paragraph 2.4 of the report above. Merton's Borough Plan Advisory Committee also received a presentation on the emerging Borough Character Study at their most recent meeting in November 2020

Future engagement proposed

- 4.2. It is proposed to undertake six weeks of public consultation in preparing supplementary planning documents, with the consultation to take place from February to March 2021. The exact dates will be arranged to avoid substantially clashing with ongoing engagement on Merton's draft Local Plan and the South London Waste Plan, while progressing the projects in a timely manner.
- 4.3. Given the current Covid19 circumstances, engagement will continue to be online. The council will publicise the consultation via Instagram and other social media accounts, via the council's website, via emailing people and organisations on the council's Local Plan database. Public consultation will take place in line with Merton's adopted Statement of Community Involvement 2020 and the Coronavirus amendments to the planning regulations as set out in Section 7 of this report below.

5 TIMETABLE

- 5.1. The draft timetable is as follows:
- 5.2. January 2021 – Councillors approve six weeks of public consultation on Merton's draft Borough Character Study and Merton's draft small sites guidance
- 5.3. February – March 2021: six weeks of public consultation takes place
- 5.4. April onwards: officers consider the consultation results and update the documents.
- 5.5. Next available Cabinet (probably June 2021): the updated Borough Character Study and small sites guidance recommended for adoption.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. Funding for the consultancy for both of these projects comes from the GLA's Homebuilding Capacity Fund.
- 6.2. Funding for some elements of the public consultation will come from existing resources.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. This report is based on the process for Supplementary Planning Documents is set out in Part 5 of the Town and Country Planning (Local Planning) (England) Regulations 2012 and augmented by the [The Town and Country Planning \(Local Planning\) \(England\) \(Coronavirus\) \(Amendment\) Regulations 2020 \(legislation.gov.uk\)](#) and the [Town and Country Planning \(Local Planning, Development Management Procedure, Listed Buildings etc.\) \(England\) \(Coronavirus\) \(Amendment\) Regulations 2020 \(legislation.gov.uk\)](#)
- 7.2. The Borough Character study is being prepared as a supplementary planning document to Merton's Local Plan, including policy CS14 – Design, policies SPD1-D7 and the emerging local plan policies D5.1 to D5.5 and D5.8.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. None for the purposes of this report.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. None for the purposes of this report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. None for the purposes of this report.

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

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12 BACKGROUND PAPERS

- 12.1.

Committee: Cabinet

Date: 18th January 2021

Wards: All Wards

Subject: Exemption report for Public Health commissioned services

Lead officer: Hannah Doody – Director Community and Housing

Dr Dagmar Zeuner – Director of Public Health

Lead member: Cllr Rebecca Lanning, Cabinet Member for Adult Social Care and Public Health

Contact officers: Hilina Asrress – Senior Public Health Principal

hilina.asrress@merton.gov.uk

Julia Groom – Consultant in Public Health

julia.groom@merton.gov.uk

Exempt or confidential report

The following paragraph of [Part 4b Section 10 of the constitution](#) applies in respect of information given in appendix 1 of this report and it is therefore exempt from publication:

Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

Members and officers are advised not to disclose the contents of this appendix.

Recommendations:

- A. Cabinet to agree the exemption from Contract Standing Orders (CSO) to enable four Public Health commissioned service contracts (as described below) to be extended for 12 months (14 months for Befriending contract) plus the option to extend for a further 12 months. This requires:
 - B. Cabinet to agree for the services to be exempt from Contract Standing Order (CSO) 27 under the provisions of CSO 19 (Contracts above the upper threshold (£100,001)). Under CSO 27, this is an 'extension' of Contract not expressly allowed for within the Contract Notice and the Contract will be classified as a Direct Award, which requires agreement for which an Exemption must be sought.
 - C. Cabinet to approve within the 12 month extension period for the Children's Community Public Health service (contract no. 4), that a variation of the contract would take place, which would remodel the support provided for vulnerable young first-time mothers. This would mean the Family Nurse Partnership (FNP) programme would be stepped down and clients would transition into the new bespoke model to be delivered by the health visiting service. In the event of significant COVID-19 restrictions, Cabinet also agree flexibility, and in extremis, an option not to undertake this variation within the 12 months extension.
-

- D. Cabinet to agree to delegate authority to Hannah Doody, Director of Community & Housing to finalise and approve terms and conditions for the contract variation, within existing public health grant budget and compliant with mandatory public health duties.
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 An exemption from CSOs is being sought to enable Merton Public Health to fulfil its ambition of achieving closer integration of community services by April 2022.
- 1.2 The expiry date of four existing community-based contracts are between January and March 2021 and it is our intention to extend these contracts until 31st March 2022 to maintain current service continuity with the aim of introducing a new integrated community services contract for Merton in April 2022.
- 1.3 Although confident that the project plan for developing the Integrated Community Services contract is workable, we are requesting 12 months plus the option of an additional 12 month extension to contracts (14 months plus an optional 12 months for the befriending service), to provide a safety net in case the impact of any future waves of COVID-19 affect the capacity of commissioners or providers over the coming months.
- 1.4 The four Public Health contracts included in this suite are:
- i. One You Merton (an Integrated Health Improvement Service, which provides stop smoking support and training of front-line staff), provided by Hounslow and Richmond Community Healthcare NHS Trust.
 - ii. NHS Health Checks (a mandated service providing health checks to adults between 40 and 74 years of age) provided by Merton GP Federation.
 - iii. Befriending (a service that works with older people who are socially isolated), provided by Age UK Merton.
 - iv. Children's Community Public Health Services which deliver the Healthy Child 0-19 programme (Health Visiting, School Nursing and Family Nurse Partnership), provided by Central London Community Healthcare NHS Trust. This forms part of the Community Health services contract commissioned jointly between LBM and SWL CCG. SWL CCG are lead commissioner and will be extending the contract on behalf of LBM as part of their main contract for community health services in Merton, following cabinet approval and using the NHS standard contract.

All providers are financially viable, shown by organisational credit checks, and services are delivering broadly in line with service specifications (with amendments due to current COVID-19 restrictions).

1.5 This Exemption request follows delays to the approach to develop an integrated community services contract, following significant market engagement in January 2020 and the impact of the COVID-19 pandemic on commissioners and providers.

1.6 Within the Children's Community Public Health Services contract (contract no. four), Cabinet approval is requested to vary the contract within the extension period to allow for changes in the support available to first time young vulnerable mothers. This will be informed by remodelling work with stakeholders and the service provider, to develop a more bespoke model to be delivered through the health visiting service. This change would mean the Family Nurse Partnership programme would be stepped down and clients would transition into the new bespoke model in 2021/22.

1.7 Apart from the extension of the contracts, there are no proposed changes to the One You Merton, NHS Health Checks or befriending service model; these will continue as a like for like service over the extension period.

2 DETAILS

Background Information

2.1 Closer integration between services in the community is a fundamental part of both national health and social care policy and local strategy with the aim of promoting health and wellbeing, reducing inequality and ensuring sustainability of the local system.

2.2 Our ambition is that community services move away from traditional models that are delivered within organisational boundaries, to a model that is personalised; starts with the needs of the individual and ensures care and support is delivered, as much as is possible, in the community.

2.3 The natural expiry dates of several community-based contracts in 2021 provided an opportunity for significant commissioning and transformation towards developing integrated community services for Merton residents. Commissioners across health and social care worked collaboratively to develop a shared vision, set of outcomes and a defined scope to commission integrated community services in Merton.

2.4 This approach and direction of travel was agreed by the Leaders Strategy Group (LSG) in early 2020 and regular updates provided to the Procurement Board including most recently, at its meetings on 15th September 2020 in February 2020.

2.5 Wider public engagement was carried out in January 2020 and was generally supportive. However, concerns were raised on the readiness of local providers to work collaboratively within the timescales. The project plan was also affected by the COVID-19 pandemic as the local health and social care system diverted resources to respond, so the original planned timelines are now undeliverable.

2.6 Many existing service contracts expire at the end of March 2021 and it is our intention, across the health and care system, to extend these contracts until 31st March 2022 to maintain current service continuity with the aim of introducing a new integrated community services contract for Merton in April 2022.

2.7 There are four Public Health contracts that do not have options for extension and we are now seeking approval for the modification of these, under Regulation 72 of the Public Contracts Regulations (PCR 2015) to extend them until 31st March 2022 plus the option of an additional 12 months.

2.8 Central London Community Healthcare NHS Trust (CLCH) currently provide a range of community health care services for adults and children across Merton, including Healthy Child 0-19 services (Health Visiting, School Nursing and Family Nurse Partnership). This contract was awarded following a joint CCG and LBM procurement exercise which took place in 2016 under NHS regulations. As highlighted in 1.3 -1.6, we are seeking approval to request SWL CCG to extend the contract with CLCH for an additional 12 months (plus an optional extension for a further 12 months). SWL CCG propose to do this initially via a new one-year contract in line with NHS guidance. This will enable us to offer service continuity to the residents of Merton ahead of introducing integrated community services in April 2022.

2.9. The Community and Housing Operational Procurement Group (OPG) discussed the proposals on 9th September 2020, where further SLLP input was suggested and consequently obtained. The full Procurement Board met on 15th September 2020 and further discussions took place. Further clarity of financial implications was requested, and these were given and approved. Due to the value and strategic importance of this proposal, the extension now requires Cabinet approval.

2.10 CLCH is a large NHS Community health services provider. The NHS is moving away from competition between providers and tendering approaches to commissioning. CLCH have raised concerns about the value of the contract across CCG and LA commissioned services, in light of this we are negotiating on delivery within the available financial envelope.

Please refer to Appendix 1 – *Public Health commissioned services contract details* (Exempt from Publication) for further details including contract providers and contract values.

Changes to support for vulnerable first time young mothers (Contract no. 4)

2.11 The current Family Nurse Partnership (FNP) programme is a licenced home visiting programme for vulnerable first time young mums and families delivered by Family Nurses.

2.12 The aim of building a bespoke model of support for vulnerable first time young mothers in Merton is to develop interventions which reflect local need and work with

and link into local services to support young mothers and their families. The process will aim to co-create a support model embedded within the health visiting service which will be more cost-effective and aligned with local strategies e.g. Early Help and other services in the borough.

2.13 The evidence for the impact of the Family Nurse Partnership (FNP) is mixed and it is expensive to deliver. Research suggests that other licenced models could deliver more impact but are also expensive to deliver. Other London boroughs have successfully developed more cost-effective bespoke models of support for young mothers and their families within their health visiting services.

2.14 Cabinet approval is requested to vary the contract within the extension period to allow for changes in the support available to first time young vulnerable mothers. This will be informed by remodelling work with stakeholders and the service provider, to develop a more bespoke model for Merton to be delivered through the health visiting service. This change would mean the Family Nurse Partnership programme would be stepped down and clients would transition into the new bespoke model. There are potential cost efficiencies which could be achieved with the change. There is a commitment that part of the cost efficiencies will be reinvested back into the service to support delivery of the new model. Cabinet approval is also requested that in the event of significant COVID-19 restrictions, and in extremis, there is an option not to undertake this variation within the 12 months extension.

2.15 The Integrated Children and Young People's Commissioning group discussed and agreed the approach around changes to the support provided for vulnerable first time young mothers on 18th August and 20th October 2020. The commissioning group is co-chaired by the Director of Children Schools and Families (CSF) and Director of Commissioning, SWL CCG, and includes the Director of Public Health.

3 ALTERNATIVE OPTIONS

3.1. Due to COVID-19 pandemic there is limited capacity of commissioning staff or providers to conduct a compliant procurement process for all these contracts before current contracts come to a natural end. Therefore, without the requested extension and exemption from CSOs, this may lead to a gap in services with detrimental impact on resident's health and well-being and well as a negative impact on the reputation of the council to carry out duties to deliver these services, some of which are nationally mandated services. Extending the current service provisions through a new one-year (plus optional 12 months) contract in line with NHS guidance is the best viable option.

3.2. The health and social care system is working to deliver services and minimise any negative impact for our residents in Merton as a priority. Therefore, commissioners have taken the decision to extend the timeline for introducing integrated community health and social care services in Merton to April 2022. These four contracts will be part of the integrated community services contract that will be put in place by April 2022 (April 2023 at the latest). This will follow a compliant procurement process and there will be an opportunity for providers to bid for these services in the near future and so there is a very limited risk of challenge to the extension of these contracts.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. Consultation and engagement with stakeholders, clients and staff are planned to support development of the new bespoke model for supporting young vulnerable first time mothers. No other consultative processes are planned for the changes proposed, however during the development of integrated community health services for Merton, appropriate provider engagement, stakeholder engagement/consultation and public consultation will form part of the processes.

5 TIMETABLE

5.1. Contracts are to be extended for a 12 month period from April 2021 (1st February 2020 for the befriending service) to March 2022 with the provision for a further 12 month extension.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. Financial information related to the value of the contracts are provided in Appendix 1. These are commissioned from the Public Health Grant.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1 The Council is subject to legal requirements to ensure fair competition for all contracts irrespective of value, and is subject to obligations under the EU Treaty to ensure contracts are awarded having regard to the need to avoid any action that is discriminatory, improper or which distorts competition.

7.2 Public Health Merton is seeking approval to extend four current contracts. As per the main body of this report, the contracts do not provide for further extension beyond their individual terms originally agreed and the need to extend these contracts is to secure continuity of service whilst the Council works towards integrated community health services with partners and providers. Indeed the main body of the report suggests that the re-procurement process for the services as originally planned has been delayed by the COVID -19 pandemic (the onset and implications of which the Council could not have reasonably foreseen or had in its contemplation at the time of awarding the contracts) necessitating extension of the contracts.

7.3 Under the current Procurement Regulations (PCR 2015), modifications/variations of contracts such as the ones proposed in this report may unless provided for under PCR 2015 trigger a new procurement process.

7.4 PCR 2015 sets out instances where the modification of a contract does not trigger a new procurement activity. The Council may in this instance rely on Regulation 72 (1) (e) of PCR 2015 to extend the terms of the contracts because the modifications, irrespective of value, are not substantial. That is to say, the modifications do not change the substance of the services to be delivered or extend their scope or change the economic balance of the contracts in favour of the contractors in a manner which

was not provided for in the initial contracts or indeed fall under any of the other provisions set out in Regulation 72 (1) (8).

7.5. Given the nature of the contracts and the individual values of each extension, it is deemed low risk with regards to supplier challenge.

7.6 The Council must take note that in spite of the safe haven provided under Regulation 72(1)(e), every modification of contract carries a potential risk of challenge. To mitigate the risk in this particular case, it is imperative that the Council maintains a clear audit trail of the justification for the extensions and the decision-making process and has in place a robust timetable for the procurement of replacement services to ensure that new contracts are awarded before the end of the extension periods.

7.7 The Council is also required to comply with its own Contract Standing Order Orders and an exemption is required under CSO 27 as the existing contracts and contract notices did not allow for the proposed extensions/variation. The exemption is sought on the basis of Appendix 2 B (b), that this is for extreme urgency that was not attributable or foreseen by the Council due to Covid.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1 The services have been designed as part of approaches to tackle health inequalities in the borough and the inequities in terms of access. These services provide early identification of needs with appropriate support and referral for children and young people as well as supporting residents to lead healthy lifestyles, prevent ill health and reduce social isolation. These are important components of the approach to integrated community health services.

8.2 There are not expected to be any human rights issues from the programmes.

9 CRIME AND DISORDER IMPLICATIONS

9.1. N/A

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. Emerging risk will be identified and managed/mitigated through Task and Finish groups

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

- APPENDIX 1 – EXEMPT FROM PUBLICATION - Public Health commissioned services contract details

12 BACKGROUND PAPERS

12.1. N/A

Cabinet

Date: 18 January 2021

Subject: Financial Report 2020/21 – Period 8 November 2020

Lead officer: Roger Kershaw

Lead member: Councillor Tobin Byers

Recommendations:

- A. That Cabinet note the financial reporting data for month 8, November 2020, relating to revenue budgetary control, showing a forecast net adverse variance at year-end of £2.8m.
- 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	(1)	(158,200)	158,200		Reprofiled in line with projected spend
Civic Centre Boiler Replacement	(1)	(201,480)	201,460		Reprofiled in line with projected spend
Westminster Coroners Court	(1)	(460,000)	460,000		Reprofiled in line with projected spend
Multi-Functioning Device (MFD)	(1)	130,000			Provision for 5 rather than 3 Year Lease
Clarion CPO	(2)	(4,079,460)	1,657,620	2,421,840	Reprofiled in line with projected spend
Community and Housing					
Learning Disability Affordable Housing	(1)	(250,000)	(771,000)	1,021,000	Reprofiled in line with projected spend
Children, Schools and Families					
Melrose SEMH Unit	(1)	(300,000)	300,000		Reprofiled in line with projected spend
Environment and Regeneration	-	-	-	-	-
Lamp Column Chargers	(1)	157,000			OLEV Grant
Casualty Reduction in Schools	(1)	276,000			Additional TfL Funding
Crown Creative Knowledge Exchange	(1)	(150,000)	150,000		Reprofiled in line with projected spend
Morden Town Centre Improvements	(1)	(100,000)	100,000		Reprofiled in line with projected spend
LBM Replacement of Fleet Vehicles	(1)	(168,410)	133,410		Reprofiled in line with projected spend
Highway Bridges and Structures	(1)	(474,000)	474,000		Reprofiled in line with projected spend
Car Park Upgrades	(1)	(125,000)	125,000		Reprofiled in line with projected spend
Cycle access/parking	(1)	120,500			Additional TfL Funding
Cycle Lane Works Plough Lane	(1)	(200,000)	200,000		Reprofiled in line with projected spend
Wimbledon Pk Waterplay Feature	(1)	(226,000)	226,000		Reprofiled in line with projected spend
Paddling Pools Waterplay Feature - Option 2	(1)	(113,000)	113,000		Reprofiled in line with projected spend
Total		(6,322,050)	3,527,690	3,442,840	

(1) Requires Cabinet approval

(2) Requires Council Approval

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This is the period 8 monitoring report for 2020/21 presented in line with the financial

reporting timetable.

This financial monitoring report provides -

- The income and expenditure at period 8 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 is being monitored closely as the situation evolves with restrictions imposed by the tier system and the financial impact on the Council.
- 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 £28.1m.
- 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 8 to 30th November 2020, the year-end forecast is a net adverse variance of £2.8m when all incremental Covid costs are included, after applying the government emergency Covid-19 grant and the funding confirmed from the income compensation scheme. If the Covid pressures hadn't arisen, the numbers suggest that we would be reporting a favourable variance of over £4m, however, there may be other impacts on services arising from Covid that are not apparent at this stage. This will be kept under review.

	Current Budget 2020/21 £000s	Forecast Variance at year end (Nov) £000s	Forecast Variance at year end (Oct) £000s	Covid-19 Forecast £000s	Outturn variance 2019/20 £000s
Department					
Corporate Services	10,932	4,274	4,153	3,337	(490)
Children, Schools and Families	62,734	(1,371)	(1,264)	923	(241)
Community and Housing	68,942	69	185	2,766	(319)
Public Health	-157	0	0	0	0
Environment & Regeneration	16,303	9,375	9,272	9,597	783
Overheads	0	0	0	0	120
NET SERVICE EXPENDITURE	158,755	12,347	12,347	16,623	(147)
Corporate Items					
Impact of Capital on revenue budget	11,190	(19)	(19)	0	(161)
Other Central budgets	(12,388)	(400)	(400)	0	(1,405)
Levies	962	0	0	0	(1)
TOTAL CORPORATE PROVISIONS	(237)	(419)	(419)	0	(1,567)
Covid-19		8,322	10,151	8,322	176
TOTAL GENERAL FUND	158,518	20,250	22,078	24,945	(1,714)
FUNDING					
Revenue Support Grant	(5,159)	0	0	0	0
Business Rates*	(35,586)	1,685	1,792	1,685	(50)
Other Grants*	(18,245)	0	0	0	0
Council Tax and Collection Fund*	(97,713)	2,283	2,404	2,283	50
COVID-19 emergency funding**	0	(14,467)	(14,467)	(14,467)	0
Income compensation for SFC***		(6,957)	(3,605)	(6,957)	
FUNDING	(156,703)	(17,456)	(13,876)	(17,456)	0
NET	1,815	2,794	8,202	7,489	(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

*** Includes December claim totalling £3.351m

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

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 claim covering the income loss until the end of July 2020 was confirmed at £3.6m is included in the period 8 forecast table. Further amounts expected from the income compensation scheme will be included in the forecast as and when they are confirmed, but the timetable has currently been delayed.

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. Then on 16th December 2020 all London Boroughs moved into Tier 3 (very high alert). This fast moving situation and high level of uncertainty makes forecasting very difficult. Loss of income from Tier 3 restrictions and any associated offset from the further tranches of the Sales, Fees and Charges grant are not yet included in this forecast.

Merton will receive 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 at the financial year end pending application of the grants in 2021/22 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 on lost income 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	November 2020/21	October 2020/21
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	£000s	£000s
Department		
Corporate Services	3,337	3,229
Children, Schools and Families	923	923
Community and Housing	2,766	2,733
Environment & Regeneration	9,597	9,259
TOTAL INCOME LOSS & SAVINGS UNACHIEVED	16,623	16,144
Corporate Items - Covid costs		
Corporate Services	800	753
Children, Schools and Families	400	1,136
Community and Housing	5,417	6,575
Environment & Regeneration	1,705	1,687
ADDITIONAL COVID EXPENDITURE	8,322	10,151
FUNDING		
Business Rates***	1,685	1,792
Council Tax ***	2,283	2,404
TOTAL FUNDING LOSS	3,968	4,196
GROSS COST OF COVID-19	28,913	30,491
Covid-19 Emergency funding received	-10,383	-10,383
Covid-19 Emergency funding - July 2020	-1,590	-1,590
Covid-19 Emergency funding - October 2020	-2,494	-2,494
Income compensation for sales, fees & charges	-6,957	-3,605
NET COST OF COVID-19	7,490	12,419

*** 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.
- 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 30th November 2020, Merton's share of estimated Council Tax and Business Rates deficits 2020/21 are:-

Council Tax	£2,283k
Business Rates	£1,685k

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 liquidity. 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, but remains a concern over the longer term in the context of the DSG deficit. 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 (Nov) £000	2020/21 Full Year Forecast Variance (Nov) £000	2020/21 Full Year Forecast Variance (Oct) £000	2020/21 Covid-19 Forecast Impact (Nov) £000	2019/20 Outturn Variance £000
Customers, Policy & Improvement	4,017	4,937	920	934	387	(169)
Infrastructure & Technology	12,233	12,540	307	279	298	(678)
Corporate Governance	2,206	2,164	(42)	(75)	91	(180)
Resources	5,733	7,818	2,085	1,989	1,976	95
Human Resources	2,133	2,286	153	156	0	187
Corporate Other	172	1,023	851	870	585	255
Total (Controllable)	26,494	30,768	4,274	4,153	3,337	(490)

Overview

At the end of period 8 (November) the Corporate Services (CS) department is forecasting an adverse variance of £4.274m at year end, of which £3.337m is due to the external impact of covid-19. The adverse forecast within CS has increased by £121k compared with period 7.

Customers, Policy and Improvement - £920k adverse variance

The adverse variance in the division is mainly due to spend on the Customer Contact budget which is forecasting a £919k 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 £127k adverse variance and currently anticipating a 41% reduction in income compared to 2019/20. 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 (£69k) due to a reduced number of interpretations being fulfilled following a fall in demand. The Press and PR budget is also forecasting an adverse variance (£189k) mainly due to the use of agency staff covering the Head of Communications post pending the completion of a restructure within the division. Cover for sick leave is also resulting in an adverse £24k variance forecast in the Policy and Strategy team. There is a further adverse variance of £11k 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 £125k in the AD budget and £56k in Continuous Improvement due to vacancies expected for part of the year, £23k on Voluntary Sector Co-ordination 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 £14k compared to period 7. This

is due to various revisions to forecasts but is largely reflective of not recruiting to the AD post this financial year, offset with other items such as cover for sick leave.

Infrastructure & Technology - £307k 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 £187k on the Corporate Print Strategy, £71k on the Print and Post room and £136k 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 £164k adverse variance due to the lack of commissions being confirmed since the pandemic began. There is a variance on Corporate Contracts (£22k adverse) due to savings for reducing cleaning in corporate buildings being unachievable within the current circumstances. £43k 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 £36k in Client Financial Affairs and £79k in Safety Services both from less than budgeted staffing costs, £17k on the Civic Centre from rental income over-achievement and £66k 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 £64k 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 £45k favourable variance on the Microsoft EA licences following a review by the supplier.

The forecast adverse variance in Infrastructure and Technology has increased by £28k compared to period 7. This is mainly due to a review of the position on the FM External works account and agency cover for a vacancy within the Business Systems Team, offset in part by reduced staffing costs forecast in the Safety Services team.

Corporate Governance – £42k 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 £66k favourable variance across both services.

The Corporate Governance AD budget is forecasting a £5k 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 £426k surplus, with £89k to be retained by LBM. The surplus relates mainly to additional chargeable hours being fulfilled. The overall LBM position is a £27k adverse variance forecast for the shared legal service after factoring in the additional recharges to departments.

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

The Corporate Governance favourable forecast has reduced by £33k since period 7. This is mainly due to software costs to accommodate the future local boundary changes and additional agency staff costs required to cover sick leave.

Resources - £2,085k 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 £999k (including the shared service element). The Local Taxation Service is also showing an adverse variance of £813k mainly as a result of covid-19's impact on court cost income, with the first hearing date of the financial year having taken place in 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 (£66k) as a result of the use of agency staff covering vacancies in the team due to difficulties in recruiting. Corporate Accountancy are forecasting a £100k adverse variance due to proposed increases in audit fees and the use of agency staff.

Favourable variances in the department include £46k and £16k 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 £144k and £34k respectively due to various running costs, vacancies and DWP receipts for additional works.

The forecast adverse variance in the division has increased by £96k compared to period 7. This is largely due to an adjustment to the audit fee forecast reflecting the full 2020/21 fee increase proposed by the external auditors, though this is pending review by PSAA (Public Sector Audit Appointments). Additionally, the Bailiff Service's adverse variance forecast has increased to reflect the latest position on staffing costs and anticipated enforcement fee income.

Human Resources – £153k adverse variance

The adverse variance in HR is mainly from the AD budget (£106k 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 (£22k) mainly as a result of sickness cover required in the team.

The adverse forecast variance in HR has decreased by £3k since period 7.

Corporate Items - £851k adverse variance

The Housing Benefit Rent Allowances budget is forecasting a net adverse variance of £934k. 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 £85k 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 £149k due to budget not expected to be required in year and £73k on the added years pension budget.

Compared to period 7, the Corporate Items adverse variance has reduced by £19k. This is mainly due to a reduced spend forecast on corporately funded items.

Environment & Regeneration

Environment & Regeneration	2020/21 Current Budget	Full year Forecast (Nov)	Forecast Variance at year end (Nov)	Forecast Variance at year end (Oct)	2020/21 Covid-19 Forecast Impact (Nov)	2019/20 Outturn Variance
	£000	£000	£000	£000	£000	£000
Public Protection	(15,326)	(8,006)	7,320	7,199	7,376	1,286
Public Space	15,422	17,158	1,736	1,672	1,445	(364)
Senior Management	1,037	936	(100)	(107)	0	81
Sustainable Communities	7,956	8,373	418	507	776	(220)
Total (Controllable)	9,089	18,461	9,374	9,271	9,597	783

Description	2020/21 Current Budget	Forecast Variance at year end (Nov)	Forecast Variance at year end (Oct)	2019/20 Variance at year end
	£000	£000	£000	£000
Regulatory Services	655	302	295	87
Parking Services	(17,017)	7,008	6,894	1,171
Safer Merton & CCTV	1,036	10	10	28
Total for Public Protection	(15,326)	7,320	7,199	1,286
Waste Services	14,214	551	405	72
Leisure & Culture	479	684	684	(334)
Greenspaces	1,433	626	712	(111)
Transport Services	(704)	(125)	(129)	9
Total for Public Space	15,422	1,736	1,672	(364)
Senior Management & Support	1,037	(100)	(107)	81
Total for Senior Management	1,037	(100)	(107)	81
Property Management	(2,981)	(24)	(35)	(251)
Building & Development Control	87	177	202	34
Future Merton	10,850	265	340	(3)
Total for Sustainable Communities	7,956	418	507	(220)
Total Excluding Overheads	9,089	9,374	9,271	783

Overview

The department is currently forecasting an adverse variance of £9,374k at year end. The main areas of variance are Regulatory Services, Parking Services, Waste Services, Leisure & Culture, Greenspaces, and Future Merton.

Public Protection

Regulatory Services adverse variance of £302k

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 £113k, leading to an adverse variance against budget of £98k.

Parking Services adverse variance of £7,008k

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 £3,671k, £2,282k, and £1,017k respectively. These figures have been adversely affected by the second lockdown introduced during November.

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, and is subject to final sign off from the Secretary of State prior to implementation.

Covid-19 has also had an impact of other areas of income, namely skip licences, contributing to an adverse variance of £185k.

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 (£180k), 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 (£229k) and RingGo convenience fees (£138k).

Public Space

Waste Services adverse variance of £551k

The section is forecasting an adverse variance on disposal costs of £185k. 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 £44k.

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. There are currently no planned service changes and we note that any significant change to the provision of this service will first be presented to Cabinet for consideration.

An adverse variance of £185k is being forecast in relation to its waste collection and street cleansing contract, as a result of agreed and necessary services being undertaken on our behalf 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 £51k 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 £230k is being forecast, mainly as a result of reduced income.

Greenspaces adverse variance of £626k

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 £358k.

In addition, an adverse variance of £173k 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.

Further adverse variances are being forecast in relation to rental income (£40k), 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 £41k 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

Future Merton adverse variance of £265k

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 £228k. 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 £152k 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 as agreed capital investment was reduced by £300k for 2020/21) and, together, this 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.

The section also has an income expectation of £60k from 2019/20 (sundry debtor) relating to services provided to a developer in relation to a Planning Performance Agreement. However, the developer has paused planning activity pending a review of their business plan, but still plan to proceed with the associated work, with an update expected early 2021. Therefore, this income may still be received but, for the time being, is not being forecast.

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 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 £194k in relation to room lettings and hall hiring's, and a total variance against budget of £140k. 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 this financial year. 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, and many are vulnerable residents who may not appreciate their responsibility to maintain a safe distance or follow the Health & Safety requirements. (This is unlikely to happen now until the next financial year. Vestry is open to the office users and has followed the guidance but the general public are still not accessing the site for wider uses such as in the halls).

These adverse variances are being partially mitigated by favourable variances on s106 monitoring fee and allowable CIL income to cover the administration and overhead costs associated with managing the levy (£110k), temporary traffic orders income (£100k), street work & permits activity (£88k), and costs associated with CPZ consultation and implementation (£202k).

Children Schools and Families

Children, Schools and Families (£000's)	2020/21 Current Budget	Full Year Forecast	Forecast Variance November	Forecast Variance October	2020/21 Covid Forecast Impact	2019-20 Year Variance
Education						
Education Budgets	£ 16,746	£ 16,071	-£ (675)	-£ (641)	£ 363	£ 63
Depreciation	£ 9,163	£ 9,163	£ -	£ -		£ -
Other Education Budgets	£ 84	£ -	-£ (84)	£ -		£ -
Education Services Grant	-£ (1,062)	-£ (1,062)	£ -	£ -		£ -
Education Sub-total	£ 24,931	£ 24,172	-£ (759)	-£ (641)	£ 363	£ 63
Other CSF						
Child Social Care & Youth Inclusion	£ 21,615	£ 21,657	£ 41	-£ (49)	£ 560	£ 416
Cross Department	£ 894	£ 841	-£ (53)	-£ (35)		-£ (47)
PFI Unitary Costs	£ 8,730	£ 8,178	-£ (552)	-£ (489)		-£ (251)
Pension and Redundancy Costs	£ 1,572	£ 1,523	-£ (49)	-£ (49)		-£ (422)
Other CSF Sub-total	£ 32,811	£ 32,199	-£ (613)	-£ (622)	£ 560	-£ (304)
Grand Total	£ 57,742	£ 56,371	-£ (1,372)	-£ (1,263)	£ 923	-£ (241)

Overview

At the end of November 2020, the Children Schools and Families directorate is forecasting a favourable £1.372m variance on local authority funded services, a favourable movement of £108k from last month.

£734k 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. Additional agency staffing resources are now being sought to deal with this pressure which are incremental covid related costs and will be reflected within the corporate covid cost centre. 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 8 forecast favourable position is attributable to a number of factors including:

- the Schools PFI forecast of £552k 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 £343k 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 2223 by November, an increase of 212 finalised EHCPs as at the end of November 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 (£000's)	Budget	November Variance	October Variance	2019/20 Outturn Variance
Child Social Care and Youth Inclusion				
Adolescent & Family Services	£ 1,702	-£ (84)	-£ (104)	£ 235
Asylum Seeker Costs (14+)	£ 275	-£ (26)	-£ (26)	-£ (3)
Asylum Seeker Costs (ART)	£ 981	-£ (674)	-£ (706)	-£ (80)
Children Cntrl Social Wrk Serv	£ 4,510	-£ (437)	-£ (437)	£ 538
Head of ChildSoclCare& YthIncl	£ 152	-£ (39)	-£ (39)	£ 202
Mash & Child Protection Serv	£ 2,355	£ 645	£ 629	-£ (241)
Safeguarding, Stndrds & Train	£ 1,268	-£ (40)	-£ (47)	-£ (98)
Senior Management	£ 288	-£ (74)	-£ (74)	-£ (24)
Children In Care and Resources	£ 10,085	£ 770	£ 755	£ 34
CSC & Youth Incl Total	21,615	41	-49	563
Education				
Contracts, Proc & School Org	£ 901	-£ (84)	-£ (84)	-£ (376)
Early Years & Children Centres	£ 4,229	-£ (25)	-£ (25)	-£ (35)
Education - School Improvement	£ 34	£ 2	-£ (7)	-£ (314)
Education Inclusion	£ 1,737	-£ (205)	-£ (205)	-£ (84)
Schools Delegated Budget	£ -	£ -	£ -	-£ (350)
SEN & Disability Integrat Serv	£ 8,258	-£ (343)	-£ (300)	-£ (113)
Senior Management	£ 856	£ 24	£ 24	£ -
Policy, Planning & Performance	£ 522	£ 22	£ 22	£ 1,441
Departmental Business Support	£ 209	-£ (67)	-£ (67)	-£ (105)
Education Total	£ 16,746	£ (675)	£ (641)	£ 64

Children's Social Care and Youth Inclusion Division

Adolescent and Family Services

Adverse movement in period 8 to (£84k) following the need to make provision for an interim Youth Offending specialist following the loss of an established Head of Service. This interim worker will be with the team till the end of the financial year to support a forthcoming inspection and to upskill existing staff.

Asylum Seekers ART

Adverse movement in period 8 of £32k relating to an increased cost relating to 18 year old young people.

Mash and Child Protection Service

This area continues to show a significant over spend against budget which is primarily due to the reliance of Agency staff which are more expensive than permanent staff. It remains challenging to

recruit permanent social workers to this service and this is consistent with many other London boroughs. It remains a medium-long term issue. In period 8 the forecast has a further adverse movement of (£16k) which relates to the addition of an additional agency assistant team leader. The Directorate is currently considering transferring some of the growth currently with Children in Care to offset this pressure.

Safeguarding, Standards and Training

Adverse movement of (£7k) which relates to the incremental cost of an interim head of service to cover the loss of a permanent head of service.

Children in Care and Resources

Adverse movement in this service in period 8 relating to addition of a young person likely to be moving into residential care. This service is currently significantly under budget as £710k of growth awarded in year is here.

Education Division

School Improvement

Adverse movement of £8k in period 8 relating to a re-evaluation of the Virtual School's salary costs.

SEN & Disability Integrated Service

The SEN transport budget is forecasting £342k underspend, this budget has become increasingly difficult to forecast given COVID-19 and the variability of schools' wider opening and the impact of social distancing requirements on transport commissioning. This is our current best estimate based on the information available at the end of November. The current estimated cost includes COVID-19 relief for our existing suppliers and approx. 8-10% increase in our weekly cost based on pre-covid spend pattern. Buses are also still being used to transport young people, but this is a moving target with no real way of predicting what will happen since we don't know what will occur the remainder of the financial year.

Schools PFI

Schools PFI is forecasting a £551k favourable variance, an increase of £63k in period 8. This is due to an overachievement of Schools Contribution Income compared with the sums budgeted for.

Dedicated Schools Grant (DSG)

Dedicated Schools Budget (£000's)	Budget	November Variance	October Variance	2019/20 Outturn Variance
<i>Education</i>				
Contracts, Proc & School Org	£ 283	£ 11	£ 16	-£ (38)
Early Years & Children Centres	£ 16,274	£ 73	£ 67	-£ (602)
Education - School Improvement	£ 1,051	-£ (12)	-£ (27)	-£ (164)
Education Inclusion	£ 1,421	-£ (1)	-£ (15)	£ 206
SEN & Disability Integrat Serv	£ 16,370	£ 13,201	£ 12,926	£ 10,373
Sub-total	£ 35,400	£ 13,271	£ 12,967	£ 9,775
<i>CSC & Youth Inclusion</i>				
Adolescent & Family Services	£ 44	£ -	-£ (3)	-£ (33)
Sub-total	£ 44	£ -	-£ (3)	-£ (33)
<i>Schools Delegated Budget</i>				
DSG Reserve	£ -	£ -	£ -	-£ (9,822)
Retained Schools Budgets	£ 2,985	£ 3	-£ (75)	-£ (470)
Schools Delegated Budget	-£ (38,741)	£ 2,144	£ 1,556	£ 552
Sub-total	-£ (35,755)	£ 2,147	£ 1,481	-£ (9,740)
DSG Total	£ (311)	£ 15,418	£ 14,445	£ 2

Work is underway at present and will continue into the New Year, which will refresh the forecast and plan, with a focus on the detail of the High Needs Block.

DSG funded services are forecasting an adverse £15.417m variance, a further increase in period 8 of £519k. 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 £28.167m. There was a separate report on the DSG Deficit Recovery Plan to Cabinet in January 2020. The Department for Education met with us on 11 February 2020 to discuss this recovery plan, and it was expected that they would return to assess our progress in November, but we are still waiting for the notification.

The main reason for the variance relates to a £9.936m adverse variance on Independent Day School provision. The reason for the significant overspend is due to the high number of placements.

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 c£28m cumulative deficit to increase further.

Other adverse variances include £2.381m on EHCP allocations to Merton primary, secondary and academy schools, £1.973m on EHCP allocations to out of borough maintained primary, secondary and special schools, and £0.772m on post16 provision

Since period 1 we have seen an increase from 2032 finalised EHCPs to 2223 EHCPs in period 8 which is an increase this financial year of 191 finalised EHCPs, this in in line with CSF predictions. As at November we currently have 194 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.

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. Latest guidance from the DfE on the Central Services School Block (CSSB) is a 20% reduction each year on funding to the LA for the non-historic budgets.

The Early Years block of the DSG is normally adjusted in the July following the end of the financial year as it is based on January census information. For 2019/20 this additional grant was £260k. It is anticipated for 2020/21 circa £200k-£400k however, due to Covid-19, this is currently being reviewed by the DfE with census collections and we wait for the published outcome.

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. We are now updating this and working with other authorities on the DSG deficit issue that is nationally.

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. Work is currently underway to identify the health contribution and this will be reported in the New Year.

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 Summary Position

Overview

Community and Housing is forecasting an unfavourable variance of £69k as at November 2020. This is an improvement of £119k since October. This is made up of forecasted favourable variances in Adult Social Care of £837k, and unfavourable variances in Housing of £690k, and Libraries of £216k. Public Health and Merton Adult Learning continue to forecast a breakeven position.

The overall position has improved due to net favourable movement in placements of £97k, reduction in forecasted expenditure on taxis and equipment. The department has also seen an increase in write back of client income.

As we are now in the second wave, Community and Housing is working with partners implement the winter plan, which includes the expected surges in both COVID and non-COVID demand. Adult Social Care expect the surge to occur in the New Year, but our mental health partners (South West London & St George’s) are reporting a surge in referrals and an increased level of acuity. The pressure on temporary accommodation costs remains and is likely to worsen over the winter months.

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	2020/21 Full Year Forecast Nov'20	2020/21 Full Year Forecast Variance Nov'20	2020/21 Full Year Variance Oct'20	2020/21 Covid- 19 Forecast Nov'20	2019/20 Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	59,919	59,081	(838)	(718)	2,539	(717)

Libraries and Heritage	2,396	2,612	216	216	165	70
Merton Adult Learning	(1)	(1)	0	0	0	0
Housing General Fund	2,142	2,833	691	687	62	328
Public Health	(157)	(157)	0	0	0	0
Total Favourable/Unfavourable	64,299	64,368	69	185	2,766	319

The forecast above is prepared on the basis of our current understanding of data on income and placement as at November 2020. The covid-19 impact is in the second column from the left in the above table.

In addition, the department is estimating gross expenditure of £12.7m (this includes £5.8m grants received for infection control, test and track, homelessness accommodation, emergency assistance and outbreak control).

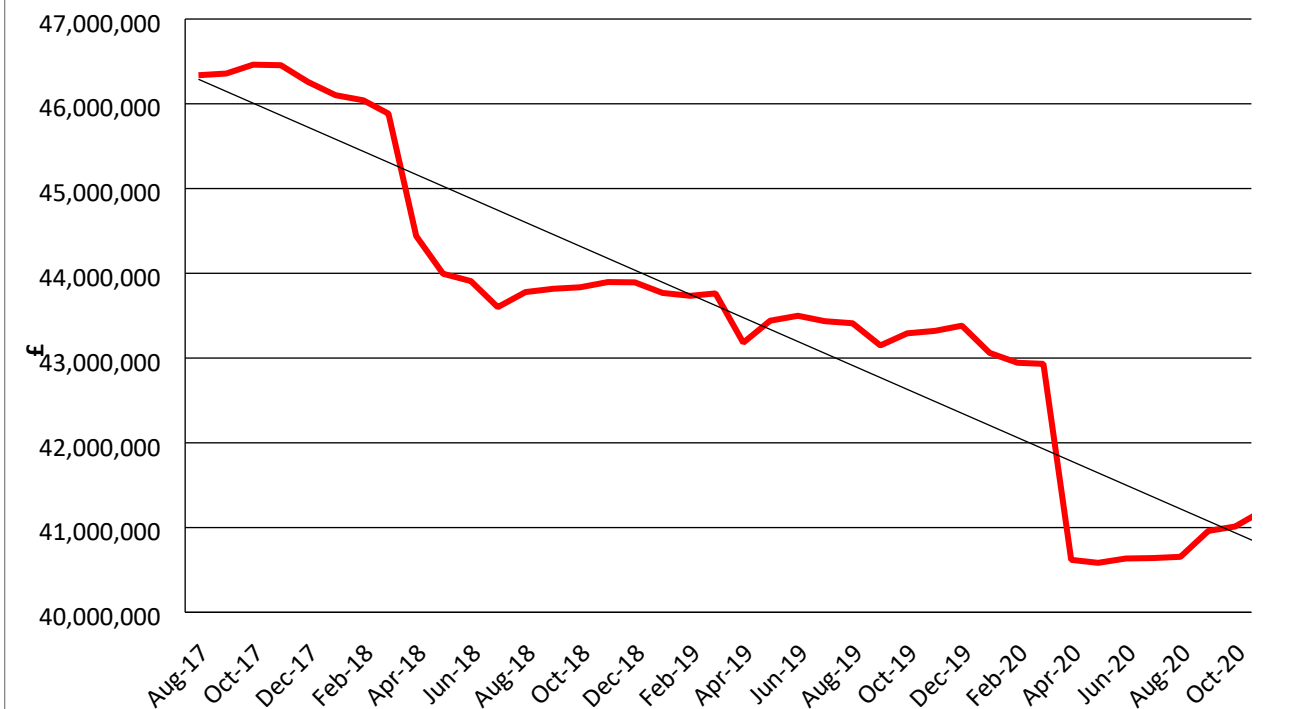
The department's savings forecast as at November 2020 has improved and is now showing total amount achieved of £1.56m of the £2.46m savings target for 2020/21. The Department continues to work towards achieving the outstanding savings and to maintain a balanced budget in the current financial year. The 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 November is showing a reduction as the department moved from paying homecare providers on planned hours to actuals. However, on placement income there were further write backs in November plus a number of new customers assessed to contribute nil. 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 on care which will result in future budget pressures. There is also the potential cost of 'long covid' and the adverse effects on the future placement budget.

The graph below shows placements forecasted expenditure over a number of years with a predicted increased in October 2020.

Graph A - Placements Forecast on Mosaic Aug 17 to November 2020 (with linear trendline to Mar 2021)



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 is currently undertaking assessments.

The department has reconvened its weekly 'Sit Rep' meetings to monitor activity, staff levels, provider markets, rough sleepers and PPE levels. Thus keeping abreast of current development and changes in local/national infection rates.

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 if access food and other essential. In the week to the 6th of December there were 142 contacts to the hub.

Direct Provision remains in an overall favourable position with a projected underspend of £267k. There was a movement of £55k following a revision of expected income and other expenditure line including a business rates refund in day services. Staffing has remained stable with long term absences at Meadowsweet residential home being covered by staff from Riverside Drive.

Library & Heritage Service

This service is forecasted spend for 2020/21 remains unchanged at £216k unfavourable. The current unfavourable forecast is mainly due to library closures during lockdown 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. The service is fully funded externally by the GLA and ESFA. A blended mix of online and face-to-face courses are being provided and the curriculum has been altered to reflect the changing skill needs of employers and residents.

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 £691k. A major part of this service's unfavourable variance is due to the shortfall in Housing Benefit subsidy. There is also the issue of not being able to move temporary accommodation clients on due to the lack of a housing supply in the borough.

The service continues its statutory duties to prevent homelessness wherever possible but where this is not achievable and if the household is considered to have a priority need for accommodation temporary accommodation must be provided until a suitable and sustainable housing solution can be achieved. The Corona virus Act 2020 has widened the definition of those who may be eligible for statutory support if homeless due to their vulnerabilities and this is reflected in the numbers of single person households seeking assistance under the current homelessness legislation. The main causes of homelessness episodes are currently family friend evictions and those who are either at risk of rough sleeping or are rough sleeping.

This contrasts significantly from the pre covid-19 when the biggest cause of homelessness in Merton was the ending of Assured Short hold tenancies by private Landlords. Such evictions are not occurring at the present time, save in the most exceptional of circumstances due to a ban on evictions by county court bailiffs and the lack of possession orders being granted by the courts. Whilst this is to be welcomed this will not be a long term policy objective of the courts and during 2021 we are likely to see a surge of evictions from private sector tenancies with a corresponding demand upon the temporary accommodation budget

The numbers of households living in temporary accommodation remain the lowest in London, but there has been a growth in numbers. As at the end of October 2020 there were 214 households accommodated under the homeless legislation. The numbers at present remain fairly static mainly due to the lack of housing association and private sector homes available for letting and the inability to discharge statutory housing duties. Additionally households in temporary accommodation are not being evicted at present, save in exceptional circumstances, and in line with government guidance

on evictions

The service continues to work towards eliminating the worst form of homelessness i.e. rough sleeping in partnership with the GLA and other statutory bodies including Adult Social Care and works closely with Faith Groups, and the private rented sector to find solutions.

The department's revenue bid 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.

During the winter months the service expects see an increased in the numbers of single person households being accommodated. The GLA announced the Severe Weather Emergency Protocol and the corresponding requirement to ensure that all individuals who remain rough sleeping or at risk of rough sleeping are accommodated. This requirement extend to those individuals' who have No recourse to Public Funds

Analysis of Housing and Temporary Accommodation Expenditure

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

Housing	Budget 2020-21	Forecast (Nov'20)	Forecast Variances (Nov'20)	Forecast Variances (Oct'20)	Outturn Variances (March'20)
	£000	£'000	£'000	£000	£000
Temporary Accommodation-Expenditure	2,403	3,830	1,427	1,426	1,002
Temporary Accommodation-Client Contribution	(140)	(397)	(257)	(239)	(321)
Temporary Accommodation-Housing Benefit Income	(2,005)	(2,894)	(889)	(841)	(535)
Temporary Accommodation-Subsidy Shortfall	322	1,354	1,032	1,002	793
Temporary Accommodation-Grant	0	(833)	(833)	(869)	(766)
Subtotal Temporary Accommodation	580	1,060	480	479	173
Housing Other Budgets	1,562	1,773	211	208	155
Total Controllable (Favourable)/Adverse Variance	2,142	2,833	691	687	328

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

Temporary Accommodation	Numbers IN	Numbers OUT	Total for the Month	Previous Year
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
Nov'20	10	16	208	178

The above diagram shows that number of customers in temporary accommodation has increased by 17% as compared to November 2019/20. The borough's number of customers in temporary accommodation appears to be fluctuating, and the service is placing more single family households due to the pandemic and also mindful of the moratorium on evictions and the potential increase in homeless households in the future once this has ended.

Public Health

Public 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 that has been shared and is significant. Further meetings are scheduled to discuss the relevant finance data through an open book process ahead of the one year contract extension required. In this financial year the provider is also asking for £295k (7.85%) Agenda for Change uplift to cover cumulative inflation for 3 years 2028/19, 2019/20 & 2020/21. This is higher than the official allocation received from the government by £144k. A similar percentage uplift has been requested for the Sexual Health contract which is shared between Merton, Richmond and Wandsworth. Commissioners have met and agreed to only pay the 2.9% current year inflationary increase, discussions are ongoing.
- The division is involved in a number of COVID – 19 government initiatives to contain the pandemic.
- Additionally the team, together with public protection, is leading on LBM's outbreak control plan. A ring-fenced grant of £965k for Outbreak Control is fully committed and a second contain grant of £1.6m was received recently.

Corporate Items

The details comparing actual expenditure up to 30 November 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 (Nov.) £000s	Forecast Variance at year end (Nov.) £000s	Forecast Variance at year end (Oct.) £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)	(254)	(104)
Pay and Price Inflation	1,035	835	(200)	(100)	(100)
Contingencies and provisions	18,845	18,945	100	0	(154)
Income Items	(1,963)	(1,963)	0	0	(343)
Appropriations/Transfers	(6,588)	(6,588)	0	0	0
Central Items	10,963	10,562	(400)	(400)	(1,405)
Levies	962	962	0	0	(1)
Depreciation and Impairment	(23,351)	(23,351)	0	0	0
TOTAL CORPORATE PROVISIONS	(237)	(656)	(419)	(419)	(1,567)
COVID-19 Emergency expenditure	0	8,322	8,322	10,151	176

Based on expenditure to 30 November 2020, a favourable variance of £0.419m is forecast for corporate items. This is unchanged since October.

Although there is no 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 £1.500m from the Pay and Price Inflation budget relating to the National Living Wage to the Covid-19 Emergency Funding Reserve. This will provide cover for potential Covid-19 costs for which Government Grant is not provided.

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	15,257	(4,769)	10,487	19,225	2,477	21,702	9,220	2,422	11,642	15,257	(4,769)	10,487
Community & Housing	1,324	(275)	1,049	1,828	(771)	1,057	1,429	1,021	2,450	1,324	(275)	1,049
Children Schools & Families	3,280	(515)	2,765	8,520	515	9,035	1,900	0	1,900	3,280	(515)	2,765
Environment and Regeneration	16,447	(992)	15,456	15,789	1,759	17,548	8,382	45	8,427	16,447	(992)	15,456
TOTAL	36,308	(6,551)	29,757	45,362	3,981	49,343	20,931	3,488	24,419	36,308	(6,551)	29,757

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

Capital Budget Monitoring - November 2020

Department	Actuals	Budgeted Spend to Date	Variance to Date	Final Budget	Final Forecast 2020/21	Full Year Variance
Corporate Services	1,022,266	1,802,970	(780,704)	10,487,400	3,870,941	(6,616,459)
Community and Housing	248,966	525,260	(276,294)	1,049,000	1,049,000	0
Children Schools & Families	1,146,153	1,162,000	(15,847)	2,765,230	2,665,418	(99,812)
Environment and Regeneration	5,820,798	6,639,360	(818,562)	15,455,600	15,439,786	(15,814)
Total	8,238,184	10,129,590	(1,891,406)	29,757,230	23,025,145	(6,732,085)

a) Corporate Services – After the adjustments to the programme detailed in the Table below budget managers are projecting full spend against budget apart from favourable variances on two schemes:

- Housing Company – Is projected to spend £200k with a favourable variance of £6,617k as progression of this scheme is currently under review

		Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023-24	Narrative
-	-	£	£		£	£
Corporate Services	-					
Customer Contact	(1)	(158,200)	158,200			Reprofiled in line with projected spend
Civic Centre Boiler Replacement	(1)	(201,480)	201,460			Reprofiled in line with projected spend
Westminster Coroners Court	(1)	(460,000)	460,000			Reprofiled in line with projected spend
Multi-Functioning Device (MFD)	(1)	130,000				Provision for 5 rather than 3 Year Lease
Clarion CPO	(2)	(4,079,460)	1,657,620	2,421,840		Reprofiled in line with projected spend

(1) Requires Cabinet Approval

(2) Requires Council Approval

b) Community and Housing – After the adjustments to the programme detailed in the Table below budget managers are projecting full spend against budget:

Community and Housing		Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023-24	Narrative
		£	£		£	£
Disabled Facilities Grant		(25,000)			25,000	Reprofiled in line with projected spend
Learning Disability Affordable Housing	(1)	(250,000)	(771,000)	1,021,000		Reprofiled in line with projected spend

(1) Requires Cabinet approval

c) **Children, Schools and Families** – After the adjustments to the programme detailed in the Table below budget managers are projecting full spend against budgets apart from the unallocated capital maintenance budget which is showing a favourable variance of £101k:

Children, Schools and Families		Budget 2020-21	Budget 2021-22	Narrative
		£	£	£
Poplar Capital Maintenance		14,000		Virement from Unallocated Capital Maintenance
Wimbledon Chase Capital Maintenance		5,000		Virement from Unallocated Capital Maintenance
Unallocated Capital Maintenance		(19,000)		Virement to Poplar and Wimbledon Chase
Melrose SEMH Unit	(1)	(300,000)	300,000	Reprofiled in line with projected spend
Links - Capital Maintenance		(23,000)	23,000	Reprofiled in line with projected spend
St Marks - Capital Maintenance		(35,000)	35,000	Reprofiled in line with projected spend
Harris Academy Merton School Expansion		(34,170)	34,170	Reprofiled in line with projected spend
Harris Academy Wimbledon School Expansion		(65,000)	65,000	Reprofiled in line with projected spend
Perseid - Capital Maintenance		(58,000)	58,000	Reprofiled in line with projected spend

(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 two schemes:

- Replacement Fleet Vehicles is showing a favourable variance of £2k
- Alley Gating is currently showing a favourable variance of £14k

Environment and Regeneration		Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023- 24	Narrative
		£	£	£	£	£
Lamp Column Chargers	(1)	157,000				OLEV Grant
Accessibility Programme		55,200				Additional TfL Funding
Casualty Reduction in Schools	(1)	276,000				Additional TfL Funding
Traffic Schemes		46,000				Additional TfL Funding
TfL Principal Roads Maintenance		80,000				Additional TfL Funding
Cycle Improvements in Residential Streets		75,440				Additional TfL Funding
Crown Creative Knowledge Exchange	(1)	(150,000)	150,000			Reprofiled in line with projected spend
Morden Town Centre Improvements	(1)	(100,000)	100,000			Reprofiled in line with projected spend
LBM Replacement of Fleet Vehicles	(1)	(168,410)	133,410			Reprofiled in line with projected spend
SLWP Replacement of Fleet Vehicles		35,000				Virement for Mencap Crew Cab PROW
Highway Bridges and Structures	(1)	(474,000)	474,000			Reprofiled in line with projected spend
Car Park Upgrades	(1)	(125,000)	125,000			Reprofiled in line with projected spend
Crowded Places-Hostile Vehicle		(177,600)	180,000			S106 B782 Allocation to be spent by 21-6-21
Cycle access/parking	(1)	120,500				Additional TfL Funding
Cycle Lane Works Plough Lane	(1)	(200,000)	200,000			Reprofiled in line with projected spend
Wimbledon Pk Waterplay Feature	(1)	(226,000)	226,000			Reprofiled in line with projected spend
Padding Pools - Option 1		(45,000)		45,000		Reprofiled in line with projected spend
Padding Pools Waterplay Feature - Option 2	(1)	(113,000)	113,000			Reprofiled in line with projected spend
Wimb Pk Car Park Surface		(40,000)	40,000			Reprofiled in line with projected spend
Morely Park Enhancement		(17,780)	17,780			Reprofiled in line with projected spend

(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	130	(16,777)	10,487
Community & Housing	2,004	189				(1,144)	1,049
Children Schools & Families	4,566	480		1,034		(3,315)	2,765
Environment and Regeneration	18,530	1,061	(2,076)	4,385	47	(6,491)	15,456
Total	47,199	3,730	(3,121)	9,499	177	(27,728)	29,757

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

Depts.	Spend To November 2017	Spend To November 2018	Spend to November 2019	Spend to November 2020	Variance 2017 to 2020	Variance 2018 to 2020	Variance 2019 to 2020
CS	1,538	3,534	1,753	1,022	(516)	(2,512)	(731)
C&H	473	608	557	249	(224)	(359)	(308)
CSF	3,575	4,297	6,391	1,146	(2,429)	(3,150)	(5,245)
E&R	7,768	9,897	5,058	5,821	(1,947)	(4,076)	762
Total Capital	13,354	18,336	13,760	8,238	(5,115)	(10,098)	(5,522)

Outturn £000s	32,230	31,424	26,960	
Budget £000s				29,757
Projected Spend November 2020 £000s				23,025
Percentage Spend to Budget				27.68%
% Spend to Outturn/Projection	41.43%	58.35%	51.04%	35.78%
Monthly Spend to Achieve Projected Outturn £000s				3,197

4.5 November is eight months (two thirds) into the financial year and departments have spent just over 35% 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 October 2020 £000s	Spend To November 2020 £000s	Increase £000s
CS	845	1,022	178
C&H	213	249	36
CSF	1,060	1,146	86
E&R	4,759	5,821	1,062
Total Capital	6,877	8,238	1,362

4.6 During November 2020 officers spent just under a £1.4 million, to achieve year end spend officer would need to spend approximately £3.2 million each month to year end.

4.7 Appendix 5C summarises the impact of the changes to the Capital Programme on funding.

5. DELIVERY OF SAVINGS FOR 2020/21

Department	Target Savings 2020/21	Projected Savings 2020/21	Period 8 Forecast Shortfall	Period Forecast Shortfall (P8)	Period 7 Forecast Shortfall	2021/22 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	2,718	1,731	987	36.3%	997	578
Children Schools and Families	2,969	2,235	734	24.7%	734	400
Community and Housing	2,460	1,560	900	36.6%	900	500
Environment and Regeneration	3,927	887	3,040	77.4%	3,040	0
Total	12,074	6,413	5,661	46.9%	5,671	1,478

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

Progress on savings 2019/20

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.

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APPENDIX 1

3E. Corporate Items	Original Budget 2020/21 £000s	Current Budget 2020/21 £000s	Year to Date Budget (Nov.) £000s	Year to Date Actual (Nov.) £000s	Full Year Forecast (Nov.) £000s	Forecast Variance at year end (Nov.) £000s	Forecast Variance at year end (Oct.) £000s	Outturn Variance 2019/20 £000s
Cost of Borrowing	11,190	11,190	4,210	3,821	11,171	(19)	(19)	(161)
Impact of Capital on revenue budget	11,190	11,190	4,210	3,821	11,171	(19)	(19)	(161)
Investment Income	(707)	(707)	(471)	(753)	(753)	(46)	(46)	(704)
Pension Fund	340	340	227	0	86	(254)	(254)	(104)
Corporate Provision for Pay Award	2,231	585	390	0	485	(100)	(100)	0
Corporate Provision for National Minimum Wage	1,500	0	0	0	0	0	0	0
Provision for excess inflation	450	450	300	0	350	(100)	(100)	(100)
Pay and Price Inflation	4,181	1,035	690	0	835	(200)	(200)	(100)
Contingency	1,500	487	325	0	487	0	0	(500)
Single Status/Equal Pay	100	100	67	0	100	0	0	0
Bad Debt Provision	500	500	333	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	15	0	23	0	0	(34)
Apprenticeship Levy	450	450	300	76	450	0	0	(22)
Revenuisation and miscellaneous	3,384	1,276	851	158	1,276	0	0	(802)
Growth - Provision against DSG	16,009	16,009	10,673	0	16,009	0	0	0
Contingencies and provisions	22,378	18,845	12,564	667	18,945	100	100	(154)
Other income	0	0	0	18	0	0	0	(186)
CHAS IP/Dividend	(1,963)	(1,963)	(1,309)	(982)	(1,963)	0	0	(157)
Income items	(1,963)	(1,963)	(1,309)	(964)	(1,963)	0	0	(343)
Appropriations: CS Reserves	(908)	(972)	(648)	(175)	(972)	0	0	0
Appropriations: E&R Reserves	(317)	(513)	(342)	0	(513)	0	0	0
Appropriations: CSF Reserves	(360)	(499)	(333)	(140)	(499)	0	0	0
Appropriations: C&H Reserves	(104)	(104)	(69)	0	(104)	0	0	0
Appropriations: Public Health Reserves	(1,200)	(1,200)	(800)	0	(1,200)	0	0	0
Appropriations: Corporate Reserves	(8,386)	(3,300)	(2,200)	(3,300)	(3,300)	0	0	0
Appropriations/Transfers	(11,275)	(6,588)	(4,392)	(3,615)	(6,588)	0	0	0
Depreciation and Impairment	(23,351)	(23,351)	0	0	(23,351)	0	0	0
Central Items	793	(1,198)	11,519	(844)	(1,618)	(419)	(419)	(1,566)
Levies	962	962	641	726	962	0	0	(1)
TOTAL CORPORATE PROVISIONS	1,754	(237)	12,160	(118)	(656)	(419)	(419)	(1,567)
COVID Emergency expenditure								176
Sub-total: COVID-19 Expenditure	0	0	0	5,167	8,322		10,151	176

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 0.3% and RPI at 0.9% 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. As a result of the increased restrictions caused by the coronavirus (COVID-19) pandemic, 72 items were identified as unavailable in November, accounting for 13.9% of the basket by weight; the number has increased from eight in October but is down from 90 in April, the first full month of lockdown; for November, the ONS collected a weighted total of 83.8% of comparable coverage collected before the first lockdown (excluding unavailable items).

The Consumer Prices Index (CPI) 12-month rate was 0.3% in November 2020, down from 0.7% in October.

The largest contribution to the 12-month inflation rate in November 2020 came from recreation and culture (0.24 percentage points). Falling prices for clothing, and food and non-alcoholic beverages resulted in the largest downward contributions (of 0.17 and 0.09 percentage points respectively) to the change in the 12-month inflation rate between October and November 2020. These were partially offset by upward contributions from games, toys and hobbies, and accommodation services.

The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 0.6% in November 2020, down from 0.9% in October 2020.

The RPI rate for November 2020 was 0.9%, which is down from 1.3% in October 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 2020, 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 16 December 2020, the MPC judged that the existing stance of monetary policy remains appropriate. 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 programme of £100 billion of UK government bond purchases, financed by the issuance of central bank reserves, and also to commence the previously announced programme of £150 billion of UK government bond purchases, financed by the issuance of central bank reserves, maintaining

the target for the stock of these government bond purchases at £875 billion and so the total target stock of asset purchases at £895 billion.

In the minutes to the MPC meeting ending on 16 December the MPC state that “The main news since the November Report has been the successful trialling of some Covid vaccines and initial plans to roll them out widely over the first half of next year. This is likely to reduce the downside risks to the economic outlook from Covid previously identified by the Committee. Financial markets worldwide, and some surveys of businesses and consumers, have reacted positively to these developments which are likely to support future UK and global activity. Nevertheless, recent global activity has been affected by the increase in Covid cases and associated reimposition of restrictions. UK-weighted global GDP growth in 2020 Q4 is likely to be a little weaker than expected at the time of the November Report.”

In terms of current inflation projections the MPC note that “Twelve-month CPI inflation fell to 0.3% in November, from 0.7% in October, triggering the exchange of open letters between the Governor and the Chancellor published alongside this monetary policy announcement. The weakness of recent outturns largely reflects the direct and indirect effects of Covid on the economy. CPI inflation is expected to rise quite sharply towards the target in the spring, as the VAT cut comes to an end and the large fall in energy prices earlier this year drops out of the annual comparison.”

At this meeting the MPC concluded that “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 will also depend on the responses of households, businesses and financial markets to these developments. The MPC 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 published on 4 February 2021. 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 (December 2020)

	Lowest %	Highest %	Average %
2020 (Quarter 4)			
CPI	0.3	1.0	0.7
RPI	0.7	1.7	1.4
LFS Unemployment Rate	4.5	7.5	6.0
2021 (Quarter 4)			
CPI	0.8	3.7	1.9
RPI	1.1	4.9	2.6
LFS Unemployment Rate	5.7	8.1	6.8

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

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 16 December 2020,, the MPC voted unanimously to maintain Bank Rate at 0.1%. 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 programme of £100 billion of UK government bond purchases, financed by the issuance of central bank reserves, and also to commence the previously announced programme of £150 billion of UK government bond purchases, financed by the issuance of central bank reserves, maintaining the target for the stock of these government bond purchases at £875 billion and so the total target stock of asset purchases at £895 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 published on 4 February 2021.

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- November 2020

	Actuals	Budgeted Spend to Date	Final Budget	Final Year Forecast 2020/21	Full Year Variance
Capital	8,238,184	10,129,590	29,757,230	23,025,145	(6,732,085)
Corporate Services	1,022,266	1,802,970	10,487,400	3,870,941	(6,616,459)
Customer, Policy and Improvmen	8,482	0	124,000	124,000	0
Customer Contact Programme	8,482	0	124,000	124,000	0
Facilities Management Total	205,767	533,890	850,750	851,041	291
Works to other buildings	186,333	441,690	701,690	701,690	0
Civic Centre	0	87,200	67,200	67,491	291
Invest to Save schemes	19,435	5,000	81,860	81,860	0
Infrastructure & Transactions	808,017	1,169,080	2,295,900	2,295,900	0
Business Systems	150,090	158,140	532,790	532,790	0
Social Care IT System	40,050	123,100	246,190	246,190	0
Planned Replacement Programme	617,878	887,840	1,516,920	1,516,920	0
Resources	0	0	0	0	0
Financial System	0	0	0	0	0
Corporate Items	0	100,000	7,216,750	600,000	(6,616,750)
Acquisitions Budget	0	0	0	0	0
Capital Bidding Fund	0	0	0	0	0
Multi Functioning Device (MFD)	0	0	400,000	400,000	0
Westminster Ccl Coroners Court	0	0	0	0	0
Corporate Capital Contingency	0	0	0	0	0
Compulsory Purchase Order	0	0	0	0	0
Housing Company	0	100,000	6,816,750	200,000	(6,616,750)
Community and Housing	248,966	525,260	1,049,000	1,049,000	0
Adult Social Care	0	0	0	0	0
Telehealth	0	0	0	0	0
Housing	249,817	367,260	675,000	675,000	0
Disabled Facilities Grant	249,817	367,260	575,000	575,000	0
Major Projects - Social Care H	0	0	100,000	100,000	0
Libraries	(851)	158,000	374,000	374,000	0
Library Enhancement Works	(851)	0	0	0	0
Major Library Projects	0	150,000	350,000	350,000	0
Libraries IT	0	8,000	24,000	24,000	0

Capital Budget Monitoring- November 2020

	Actuals	Budgeted Spend to Date	Final Budget	Final Year Forecast 2020/21	Full Year Variance
Children Schools & Families	1,146,153	1,162,000	2,765,230	2,665,418	(99,812)
Primary Schools	584,249	357,180	1,036,790	935,790	(101,000)
Hollymount	(356)	0	0	0	0
West Wimbledon	0	39,350	40,000	40,000	0
Hatfeild	34,031	8,910	67,110	67,110	0
Hillcross	27,295	0	30,660	30,660	0
Dundonald	45,900	23,200	75,000	75,000	0
Garfield	36,597	37,000	37,000	37,000	0
Merton Abbey	(530)	0	0	0	0
Poplar	10,973	3,500	33,000	33,000	0
Wimbledon Chase	81,091	18,990	104,990	104,990	0
Wimbledon Park	425	0	0	0	0
Abbotsbury	88,071	70,000	130,000	130,000	0
Morden	(2,219)	0	0	0	0
Bond	6,092	6,030	6,030	6,030	0
Cranmer	0	8,000	64,000	64,000	0
Gorringe Park	24,700	12,000	37,000	37,000	0
Haslemere	(68)	0	0	0	0
Liberty	(487)	0	0	0	0
Links	3,110	10,000	10,000	10,000	0
St Marks	29,862	45,000	45,000	45,000	0
Lonesome	33,680	30,000	40,000	40,000	0
Sherwood	167,849	42,000	191,000	191,000	0
Stanford	(1,768)	0	0	0	0
William Morris	0	3,200	25,000	25,000	0
Unlocated Primary School Proj	0	0	101,000	0	(101,000)

Capital Budget Monitoring- November 2020

	Actuals	Budgeted Spend to Date	Final Budget	Final Year Forecast 2020/21	Full Year Variance
Secondary School	(38,350)	77,760	78,590	79,778	1,188
Harris Academy Merton	0	34,170	0	0	0
Raynes Park	0	5,590	5,590	5,590	0
Ricards Lodge	0	5,580	5,580	5,288	(292)
Rutlish	3,910	7,420	7,420	8,900	1,480
Harris Academy Wimbledon	(42,260)	25,000	60,000	60,000	0
SEN	368,568	494,010	1,285,280	1,285,280	0
Perseid	12,764	56,230	99,110	99,110	0
Cricket Green	163,107	197,190	442,190	442,190	0
Melrose	181,635	220,590	683,980	683,980	0
Unlocated SEN	(8,937)	20,000	60,000	60,000	0
Melbury College - Smart Centre	20,000	0	0	0	0
CSF Schemes	231,687	233,050	364,570	364,570	0
CSF IT Schemes	(1,353)	0	0	0	0
Devolved Formula Capital	233,040	233,050	349,570	349,570	0
Children's Centres	0	0	5,000	5,000	0
Youth Provision	0	0	10,000	10,000	0

	Actuals	Budgeted Spend to Date	Final Budget	Final Year Forecast 2020/21	Full Year Variance
Environment and Regeneration	5,820,798	6,639,360	15,455,600	15,439,786	(15,814)
Public Protection and Developm	20,794	253,104	325,340	325,340	0
On Street Parking - P&D	0	60,000	100,000	100,000	0
Off Street Parking - P&D	0	102,900	75,000	75,000	0
CCTV Investment	20,794	90,204	150,340	150,340	0
Public Protection and Developm	0	0	0	0	0
Street Scene & Waste	(117,973)	292,600	471,220	455,404	(15,816)
Fleet Vehicles	0	278,200	373,790	372,054	(1,736)
Alley Gating Scheme	1,200	14,400	24,000	10,000	(14,000)
Waste SLWP	(119,173)	0	73,430	73,350	(80)
Sustainable Communities	5,917,977	6,093,656	14,659,040	14,659,042	2
Street Trees	43,886	39,600	126,000	126,000	0
Wimbledon Area Roads	0	0	0	0	0
Raynes Park Area Roads	1,510	15,666	26,110	26,110	0
Highways & Footways	3,280,322	2,829,090	7,350,770	7,350,772	2
Cycle Route Improvements	244,008	79,434	464,710	464,710	0
Mitcham Transport Improvements	53,906	57,966	96,610	96,610	0
Unallocated Tfl	0	0	0	0	0
Colliers Wood Area Regeneratio	6,838	9,000	15,000	15,000	0
Mitcham Area Regeneration	679,517	1,372,530	3,064,590	3,064,590	0
Wimbledon Area Regeneration	448,754	472,980	927,740	927,740	0
Morden Area Regeneration	0	0	50,000	50,000	0
Borough Regeneration	95,390	80,430	224,050	224,050	0
Morden Leisure Centre	11,866	38,550	55,000	55,000	0
Wimbledon Park Lake and Waters	43,647	0	179,500	179,500	0
Sports Facilities	195,747	48,840	218,840	218,840	0
Parks	812,587	1,049,570	1,860,120	1,860,120	0

Virement, Re-profiling and New Funding - November 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) 282,200			(158,200)	124,000	2,217,800	158,200	2,376,000	Reprofiled in line with projected spend
Civic Centre Boiler Replacement	(1) 201,480			(201,480)	0	267,200	201,480	468,680	Reprofiled in line with projected spend
Westminster Coroners Court	(1) 460,000			(460,000)	0	0	460,000	460,000	Reprofiled in line with projected spend
Multi-Functioning Device (MFD)	(1) 270,000		130,000		400,000			0	Provision for 5 rather than 3 Year Lease
Clarion CPO	(2) 4,079,460			(4,079,460)	0	3,143,570	1,657,620	4,801,190	Reprofiled in line with projected spend
Community and Housing									
Disabled Facilities Grant	600,000			(25,000)	575,000	827,000		827,000	Reprofiled in line with projected spend
Learning Disability Affordable Housing	(1) 350,000			(250,000)	100,000	771,000	(771,000)	0	Reprofiled in line with projected spend
Children, Schools and Families									
Poplar Capital Maintenance	19,000	14,000			33,000	5,010		5,010	
Wimbledon Chase Capital Maintenance	99,990	5,000			104,990	0		0	
Unallocated Capital Maintenance	120,000	(19,000)			101,000	2,505,360		2,505,360	Virement to Poplar and Wimbledon Chase
Melrose SEM H Unit	(1) 950,000			(300,000)	650,000	1,836,610	300,000	2,136,610	Reprofiled in line with projected spend
Links - Capital Maintenance	33,000			(23,000)	10,000	137,000	23,000	160,000	Reprofiled in line with projected spend
St Marks - Capital Maintenance	80,000			(35,000)	45,000	85,000	35,000	120,000	Reprofiled in line with projected spend
Harris Academy Merton School Expansion	34,170			(34,170)	0	0	34,170	34,170	Reprofiled in line with projected spend
Harris Academy Wimbledon School Expansion	125,000			(65,000)	60,000	70,670	65,000	135,670	Reprofiled in line with projected spend
Persed - Capital Maintenance	150,000			(58,000)	92,000	106,840	58,000	164,840	Reprofiled in line with projected spend
Environment and Regeneration									
Lamp Column Chargers	(1) 117,640		157,000		274,640			0	OLEV Grant
Accessibility Programme	17,410		55,200		72,610			0	Additional TfL Funding
Casualty Reduction in Schools	(1) 4,050		276,000		280,050			0	Additional TfL Funding
Traffic Schemes	211,540		46,000		257,540			0	Additional TfL Funding
TfL Principal Roads Maintenance	0		80,000		80,000			0	Additional TfL Funding
Cycle Improvements in Residential Streets	84,770		75,440		160,210			0	Additional TfL Funding
Crown Creative Knowledge Exchange	(1) 150,000			(150,000)	0	0	150,000	0	Reprofiled in line with projected spend
Morden Town Centre Improvements	(1) 100,000			(100,000)	0	200,000	100,000	300,000	Reprofiled in line with projected spend
LBM Replacement of Fleet Vehicles	(1) 467,200	(35,000)		(133,410)	298,790	416,800	133,410	550,210	Reprofiled in line with projected spend
SLWP Replacement of Fleet Vehicles	0	35,000			35,000	0		0	Virement for Mencap Crew Cab PROW
Highway Bridges and Structures	(1) 484,670			(474,000)	10,670	410,000	474,000	884,000	Reprofiled in line with projected spend
Car Park Upgrades	(1) 200,000			(125,000)	75,000	784,000	125,000	909,000	Reprofiled in line with projected spend
Crowded Places-Hostile Vehicle	288,300		2,400	(180,000)	110,700	0	180,000	0	S106 B782 Allocation to be spent by 21-6-21
Cycle access/parking	(1) 0		120,500		120,500	0		0	Additional TfL Funding
Cycle Lane Works Plough Lane	(1) 220,000			(200,000)	20,000	0	200,000	200,000	Reprofiled in line with projected spend
Wimbledon Pk Waterplay Feature	(1) 226,000			(226,000)	0	0	226,000	226,000	Reprofiled in line with projected spend
Padding Pools - Option 1	45,000			(45,000)	0	135,000		135,000	Reprofiled in line with projected spend
Padding Pools Waterplay Feature - Option 2	(1) 113,000			(113,000)	0	113,000	113,000	226,000	Reprofiled in line with projected spend
Wimb Pk Car Park Surface	40,000			(40,000)	0	0	40,000	40,000	Reprofiled in line with projected spend
Morely Park Enhancement	27,780			(17,780)	10,000	0	17,780	17,780	Reprofiled in line with projected spend
Total	10,651,660	0	942,540	(7,493,500)	4,100,700	14,031,860	3,980,660	17,682,520	

(1) Requires Cabinet approval

(2) Requires Council Approval

Virement, Re-profiling and New Funding - November 2020

Appendix 5B

	2022/23 Budget	Movement	Revised 2022/23 Budget	2023/24 Budget	Movement	Revised 2023/24 Budget	Narrative
	£	£	£	£		£	
Corporate Services							
Clarion CPO	(2) 0	2,421,840	2,421,840			0	Reprofiled in line with projected spend
Community and Housing							
Disabled Facilities Grants	827,000		827,000	507,000	25,000	532,000	Reprofiled in line with projected spend
Learning Disability Affordable Housing	(1) 462,000	1,021,000	1,483,000	145,000		145,000	Reprofiled in line with projected spend
Environment and Regeneration							
Padding Pools - Option 1	90,000	45,000	135,000	0		0	Reprofiled in line with projected spend
Total	1,379,000	3,487,840	4,866,840	652,000	25,000	677,000	

(1) Requires Cabinet approval

(2) Requires Council Approval

Appendix 5C

Capital Programme Funding Summary 2020/21

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Proposed October Monitoring	23,252	13,056	36,308
<u>Corporate Services</u>			
Customer Contact	(158)	0	(158)
Civic Centre Boiler Replacement	(201)	0	(201)
Westminster Coroners Court	(460)	0	(460)
Multi-Functioning Device (MFD)	130	0	130
Clarion CPO	0	(4,079)	(4,079)
<u>Community and Housing</u>			
Disabled Facilities Grant	0	(25)	(25)
Learning Disability Affordable Housing	(250)	0	(250)
<u>Children, Schools and Families</u>			
Melrose SEMH Unit	(300)	0	(300)
Links - Capital Maintenance	(13)	(10)	(23)
St Marks - Capital Maintenance	(35)	0	(35)
Harris Academy Merton School Expansion	(34)	0	(34)
Harris Academy Wimbledon School Expansion	(65)	0	(65)
Perseid - Capital Maintenance	(58)	0	(58)
<u>Environment and Regeneration</u>			
Lamp Column Chargers	0	157	157
Accessibility Programme	0	55	55
Casualty Reduction in Schools	0	276	276
Traffic Schemes	0	46	46
TfL Principal Roads Maintenance	0	80	80
Cycle Improvements in Residential Streets	0	75	75
Crown Creative Knowledge Exchange	(150)	0	(150)
Morden Town Centre Improvements	0	0	0
LBM Replacement of Fleet Vehicles	(133)	0	(133)
Highway Bridges and Structures	(474)	0	(474)
Car Park Upgrades	(125)	0	(125)
Crowded Places-Hostile Vehicl	(178)	0	(178)
Cycle access/parking	0	121	121
Cycle Lane Works Plough Lane	(200)	0	(200)
Wimbledon Pk Waterplay Feature	(226)	0	(226)
Paddling Pools - Option 1	(45)	0	(45)
Paddling Pools Waterplay Feature - Option 2	(113)	0	(113)
Wimb Pk Car Park Surface	(40)	0	(40)
Morely Park Enhancement	(18)	0	(18)
Proposed November Monitoring	20,105	9,752	29,857

Capital Programme Funding Summary 2021/22

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Proposed October Monitoring	38,165	7,198	45,362
<u>Corporate Services</u>			
Customer Contact	158	0	158
Civic Centre Boiler Replacement	201	0	201
Westminster Coroners Court	460	0	460
Clarion CPO	0	1,658	1,658
<u>Community and Housing</u>			
Learning Disability Affordable Housing	(771)	0	(771)
<u>Children, Schools and Families</u>			
Melrose SEMH Unit	300	0	300
Links - Capital Maintenance	13	10	23
St Marks - Capital Maintenance	35	0	35
Harris Academy Merton School Expansion	34	0	34
Harris Academy Wimbledon School Expansion	65	0	65
Perseid - Capital Maintenance	58	0	58
<u>Environment and Regeneration</u>			
Crown Creative Knowledge Exchange	150	0	150
Morden Town Centre Improvements	0	0	0
LBM Replacement of Fleet Vehicles	133	0	133
Highway Bridges and Structures	474	0	474
Crowded Places-Hostile Vehicl	180	0	180
Car Park Upgrades	125	0	125
Cycle Lane Works Plough Lane	200	0	200
Wimbledon Pk Waterplay Feature	226	0	226
Paddling Pools Waterplay Feature - Option 2	113	0	113
Wimb Pk Car Park Surface	40	0	40
Morely Park Enhancement	18	0	18
Proposed November Monitoring	40,378	8,865	49,243

Appendix 5C

Capital Programme Funding Summary 2022/23

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Proposed October Monitoring	17,173	3,758	20,931
<u>Corporate Services</u>			
Clarion CPO	0	2,422	2,422
<u>Community and Housing</u>			
Learning Disability Housing	1,021	0	1,021
<u>Environment and Regeneration</u>			
Paddling Pools - Option 1	45	0	45
Proposed November Monitoring	18,239	6,179	24,419

Capital Programme Funding Summary 2023/24

	Funded from Merton's Resources	Funded by Grant & Capital Contributions	Total
	£000s	£000s	£000s
Proposed October Monitoring	21,527	3,200	24,727
<u>Community and Housing</u>			
Disabled Facilities Grant	40	0	40
Proposed November Monitoring	21,567	3,200	24,767

APPENDIX 6

Department	Target Savings 2020/21	Projected Savings 2020/21	Period 8 Forecast Shortfall	Period Forecast Shortfall (P8)	Period 7 Forecast Shortfall	2021/22 Expected Shortfall
	£000	£000	£000	%	£000	£000
Corporate Services	2,718	1,731	987	36.3%	997	578
Children Schools and Families	2,969	2,235	734	24.7%	734	400
Community and Housing	2,460	1,560	900	36.6%	900	500
Environment and Regeneration	3,927	887	3,040	77.4%	3,040	0
Total	12,074	6,413	5,661	46.9%	5,671	1,478

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/Unders pend? 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	R	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	R	70	0	G	James McGinlay	Saving unlikely this year due to Covid-19.	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) resulted in a reduction in 'on and off street' parking activity on this will be closely monitored as Covid tiers are implemented and changed in future months	Y
ENV1819 - 04	Parking: Reduction in the number of pay & display machines required.	13	13	0	A	13	0	G	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.	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	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

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	<p>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.</p> <p>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.</p>	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 had limited effect on driver habits. It is however expected that this saving will not be met.	Y
ALT1920-02	<p>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.</p>	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 had limited effect on driver habits. 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	<p>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.</p>	250	250	0	A	250	0	G	John Bosley	The service 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 volume of general waste has stabilised 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	<p>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 .</p>	50	50	0	G	50	0	G	John Bosley	Between April - July 2020 the service had 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

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 had 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 approach for our town centres re open and the level of footfall increases at our transport hubs. The commissioning and procurement of a new enforcement contract along with the wider Public Space restructure is 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 assessed and managed in line with the corporate 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				

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/Unders pend? 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 /	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			

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/Unders pend? 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	50	0	G	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	0	20	R	David Keppler	Not achievable in light of covid-19 circumstances. Proposal to defer this saving to 2022/23 per December 2020 Cabinet report	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

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
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
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	G	10	0	G	Karin Lane		
	Human Resources										
2019-20 CS24	Realignment/redesign of HR services to provide services to the organisation and mitigate associated risks	50	47	3	G	47	3	G	Liz Hammond	Restructure of HR staffing completed in 2019/20 to reduce staffing structure cost by £47k	
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	5	0	G	5	0	G	Edwin O'Donnell/ Richard Warren	Expenditure elsewhere in the division reduced as alternative to reducing vans	
	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	R	David Keppler	Not achievable due to covid-19. Proposal to defer this saving to 2022/23 per December 2020 Cabinet report	Y
2020-21 CS4	Housing benefit written off debt recovery (one off)	120	35	85	A			N/A	David Keppler	Reduced recovery due to covid-19. One-off saving for 2020/21.	Y
	Total CS Savings for 2020/21	2718	1731	987		1991	578	0			

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
<u>Education</u>											
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	
<u>Children Social Care & Youth Inclusion</u>											
CSF2017-03	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	
CSF2017-05				0			0				

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
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 2020/21. Will 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	

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
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.	

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
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. Business Support restructure completed in July 2019. There are no additional savings arising from this.	
CSF2019-01	Review of CSF admin structure	200	200	0		200	0		El Mayhew		
	<u>Commissioning</u>			0							
				0							
CSF2019-11	Review of centralised commissioning budgets	90	90	0		90	0			Delivered in full	
	<u>CSF Other</u>			0		0	0				
				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

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	R	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	50	A	David Keppler	Not achievable in light of covid-19
	Total Corporate Services Department Savings for 2019/20	100	0	100		70		50			

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) resulted in a reduction in 'on and off street' parking activity, on this will be closely	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 November 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/Unders pend? 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				

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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