

Merton Council
Overview and Scrutiny Commission
20 September 2016
Second supplementary agenda

12 Council tax consultation

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Committee: Overview and Scrutiny Commission

Date: 20th September 2016

Wards: All

Subject: COUNCIL TAX CONSULTATION

Lead officer: Paul Evans – AD Corporate Governance

Lead member: Councillor Peter Southgate, Chair, Overview and Scrutiny Commission

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REASON FOR URGENCY: the Chair has approved the submission of this report as an additional urgent agenda item in response to discussion at Council on 14 September 2016, subsequent to the publication of the agenda for the Commission's meeting

Recommendations:

- A. That the Commission discuss and comment on the background to the consultation on council tax and council spending
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. To enable the Commission to consider the Administration's right to conduct consultation on the Council Tax level.

2 DETAILS

- 2.1. At full council on the 14th September 2016 questions were put to the Administration regarding the consultation process contained in the autumn edition of My Merton on the level of council tax.
- 2.2. Following answers to those questions a request was made by the Chair of the Overview and Scrutiny Commission that a report be presented at the next available meeting of the Commission to establish the administration's right to consult on the council tax level and give an opportunity for members to consider any advice provided on the process.
- 2.3. A copy of the consultation material appearing in My Merton is attached at appendix 1 for ease of reference.
- 2.4. For members information the relevant constitutional provisions appear in part 4C of the Constitution.
- Part 4C of Merton Council's Constitution (the Budget and Policy Framework Procedure Rules) provides that the Leader and Cabinet are responsible for drawing up initial proposals in relation to the budget. Those proposals are referred to the Overview and Scrutiny Commission for consideration and any comment before the cabinet makes a final decision on a recommended budget to Council.

- Paragraph 2(a) of Part 4C provides that the initial proposals may be drawn up by Cabinet “after consulting stakeholders in a manner appropriate to the matter under consideration”.

2.5. Counsel’s advice was obtained in relation to the consultation process and is available to members of the Commission if required as an exempt background paper. The question and advice given is set out below:

Question 1: Is the proposed method of consultation (i.e. publication of a questionnaire in the *My Merton* magazine) a lawful use of a council publication?

It was counsel’s opinion that it is lawful.

The concern arises from the fact that it stems from an election promise.

A commitment was made by Councillor Stephen Alambritis in the March council meeting. Even if he said it at the time as the group leader, rather than the office holder, he has given reasons for having the consultation published. There is very little difference between the two hats as regards the creation of a legitimate expectation.

As this statement was made following the election, it can actually give rise to an expectation that there will be a commitment to consult.

There is no distinction between which role he was performing when he made that statement for the expectation to arise. It is therefore appropriate to include the consultation in the *My Merton* magazine.

Paragraph 24 of *Moseley (R (on the application of Moseley) v Haringey London Borough Council [2014] UKSC 56)* refers to the democratic principle as a purpose behind consultation.

A statement was made that it should be done and therefore there will be an expectation that there will be a consultation.

3 ALTERNATIVE OPTIONS

3.1. N/A

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. N/A

5 TIMETABLE

5.1. N/A

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. There are no financial implications in relation to this report..

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. Counsel’s advice has confirmed the lawfulness of the consultation process as detailed above.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1. N/A

9 CRIME AND DISORDER IMPLICATIONS

9.1. N/A

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. N/A

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

- Appendix 1 – consultation “have your say on council tax and council spending”, My Merton, Autumn 2016

12 BACKGROUND PAPERS

12.1. Instructions to Counsel to advise (exempt)

12.2. Counsel’s advice (exempt)

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Have your say on council tax and council spending



Have your say on council tax and council spending

Merton Council has frozen your council tax since 2010 and has promised to do so until March 2019.

However, council services are coming under increasing financial pressure. The funding we receive from the government to provide local services has been cut significantly, while demand has increased.

This means that on top of the savings we've been forced to make so far, we are now facing an additional £20m of cuts over the next few years.

The local NHS also has a number of funding issues and have told us they will not be able to sustain the funding they give us if we do not raise council tax. Although we would still need to make cuts, increasing your council tax by 2% could reduce the estimated £20m of cuts to around £18m, for example.

Up until now, the council has ensured that adult social care and children's services have received less of a share of the cuts than other areas.

We want to know what you think. Would you be willing to pay extra council tax in 2017/18 and 2018/19? If so, how much extra? Would you prefer any additional council tax to help reduce the cuts to just one council service (adult social care), or all areas?

These are all questions we want answers to from you.

We hope as many residents as possible will fill in and return the survey overleaf by the deadline of November 4. We want to hear what council taxpayers think so that the important decisions we make about your council tax and your services are based on what you want.

You can also fill in the survey online at www.merton.gov.uk/consultation.



Living within our means

Since 2010 the government funding received by councils has reduced by more than 40%. In Merton we have tightened our belts and reduced our spending in all service areas so that we can live within our means. We have also raised charges where we can, and will continue to use our reserves where available to slow down some of the impact of the cuts.

We have frozen council tax since 2010, and promise to do so until March 2019. However by 2020 we will need to make further savings of £20million, each and every year.

Last year the government allowed councils to increase council tax by up to 1.99% without a referendum of local residents, and in addition to increase council tax by up to another 2%, that can only be used to fund social care for adults. Increasing council tax by 2% would raise an additional £1.5million, so it would not remove the need for cuts, but it would mean fewer cuts than the £20million we are facing.

We want to know what you think about the challenge we face and what choices we should be making.

Section 1 Priorities

In July 2011 we agreed a set of principles that we use to guide the decisions we make about our services despite reduced funding. These were

- Continue to provide everything that is statutory.
- Maintain services - within limits - to the vulnerable and elderly.
- Maintain clean streets and keep council tax low.
- Keep Merton as a good place for young people to go to school and grow up.
- Be the best it can for the local environment.
- All the rest should be open for discussion.

Q1 Please tell us to what extent you agree or disagree with our priorities

- Strongly Agree
 Agree
 Disagree
 Strongly Disagree
 Don't Know

Q2 Please tell us if you think there are any other priorities we should consider

Q3 We provide a wide range of services that cost us money to provide. From the list below please tell us which areas you think we should protect MOST of all.

Please select up to three areas:

- Care services for older or disabled people including homecare and residential care
 Rubbish collections, street sweeping, litter and fly-tip removal
 Protecting vulnerable children and young people including support for children with disabilities
 Parks and open spaces
 Libraries
 Leisure centres, playgrounds and sports facilities
 Activities for young people
 Repairs and improvements to roads and pavements

Q4 Which services do you think we should protect LEAST of all?

Please select up to three areas:

- Care services for older or disabled people including homecare and residential care
 Rubbish collections, street sweeping, litter and fly-tip removal

- Protecting vulnerable children and young people including support for children with disabilities
 Parks and open spaces
 Libraries
 Leisure centres, playgrounds and sports facilities
 Activities for young people
 Repairs and improvements to roads and pavements

Q5 Do you have any suggestions for how we can reduce spending and/or increase income across our services?

Section 2 Council tax

Q6 What do you think would be the best choice for Merton's overall council tax in 2017/18 and 2018/19?

- Continue to freeze my council tax so I pay Merton the same as last year
 Increase my council tax by 1.99%
 Increase my council tax by 2% to spend on adult social care only
 Increase my council tax by 3.99%

Q7 Please tell us if you have any comments about what should happen with council tax in Merton

Please tell us your postcode (without a valid postcode we will not be able to consider your response).

Postcode:

You do not have to answer the following questions but doing so helps us see how representative the responses to the survey are. What you tell us is strictly confidential and will not be used for any purpose other than analysing this survey.

Are you Male Female

Please tell us your age

How would you describe your ethnicity

Do you consider yourself to have a disability Yes No



To give us your views, complete the questions overleaf and return to us for free - no stamp is required. Fold along the lines, as per the instructions below and put it in the post.

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Business Reply
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