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CABINET

16 FEBRUARY 2015

(19.15 - 20.34)

PRESENT

Councillor Stephen Alambritis (in the Chair),
Councillor Mark Allison, Councillor Caroline Cooper-Marbiah,
Councillor Nick Draper, Councillor Andrew Judge,
Councillor Edith Macauley, Councillor Maxi Martin,
Councillor Judy Saunders and Councillor Martin Whelton

Ged Curran (Chief Executive), Paul Dale (Assistant Director of Resources) Chris Lee (Director of Environment and Regeneration), Yvette Stanley (Director of Children, Schools and Families), Yvonne Tomlin-Miller (Head of Community Education), Simon Williams (Director of Community and Housing), Gareth Young (Business Partner for Community and Housing) and Chris Pedlow (Senior Democratic Services Officer).

ALSO PRESENT

Councillors Hamish Badenoch, John Bowcott, Stephen Crowe, David Dean, Suzanne Grocott, James Holmes, Abdul Latif, Oonagh Moulton, David Simpson, Peter Southgate, Linda Taylor and David Williams

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

No apologies were received.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

No pecuniary declarations were made.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The Minutes of the Meeting of the Cabinet held on the 19 January 2015 were approved as a correct record.

4 BUSINESS PLAN 2015-19 (Agenda Item 4)

The Deputy Leader and the Cabinet Member for Finance presented the Business Plan 2015-19. The report sets out details of how, using the medium term financial planning model the budget has been structured to ensure that a balanced budget would be set for 2015-16, Council Tax frozen and progress made towards a balanced budget over the medium term.

It was noted that the report had to be considered in context of the reduction in the Council grants, that would mean that the Council would need to take £32million out of

its budget by 2018-19. The Cabinet Member emphasised that as a result of the severity of the savings required, difficult decisions had and would have to be made, but such decisions would be taken using the Council's 'July principles', as agreed in July 2010.

The Business Plan 2015-19 report itself contained the Budget for 2015-16, Medium Term Financial Strategy 2015-19 Capital Strategy 2015-19 and separate sections detailed Schools budgets.

Terry Downes, (Unison Branch Chair) and Lyla Adwan-Kamara (Chief Executive of Merton Centre for Independent Living) addressed the meeting.

RESOLVED:

That Cabinet:

1. considers and agrees the response to the Overview and Scrutiny Commission;
2. resolves that, having considered all of the information in this report and noted the positive assurance statement given by the Director of Corporate Services based on the proposed strategy, the Council Tax in 2015/16, equating to a Band D Council Tax of £1,102.24 be approved and recommended to Council for approval. This represents a Council Tax freeze.
3. considers all of the latest information and the comments from the scrutiny process, and makes recommendations to Council as appropriate
4. resolves that the Business Plan 2015-19 including the General Fund Budget and Council Tax Strategy for 2015/16, and the Medium Term Financial Strategy (MTFS) for 2015-2019 as submitted, along with the Equality Assessments (EAs), be approved and recommended to Council for approval subject to any proposed amendments agreed at this meeting;
5. resolves that, having considered all of the latest information and the comments from the scrutiny process, the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy); the Treasury Management Strategy (Section 5), including the detailed recommendations in that Section, incorporating the Prudential Indicators and the Capital Strategy as submitted and reported upon be approved and recommended to Council for approval, subject to any proposed amendments agreed at this meeting;
6. notes that the GLA precept will not be agreed by the London Assembly until the 23 February, but the provisional figure has been incorporated into the draft MTFS
7. requests officers review the savings proposals agreed and where possible bring them forward to the earliest possible implementation date

8. notes that there may be minor amendments to figures in this report as a result of new information being received after the deadline for dispatch and that this will be amended for the report to Council in March
 9. in respect of the new business rates relief announced in the Autumn statement 2014, agrees the Merton Council Retail Property Discount 2015/16 and the Merton Council Transitional Relief Discount 2015/16 set out in Appendices 12(a) and 12(b)
- 5 REFERENCE FROM THE OVERVIEW AND SCRUTINY COMMISSION - PRE DECISION SCRUTINY OF THE BUSINESS PLAN 2015-19 (Agenda Item 5)

The Leader of the Council invited the Chair of the Overview and Scrutiny Commission to present Scrutiny's comments on the Business Plan 2015-2019 to Cabinet. In presenting the Commission's views Councillor Southgate acknowledged that it had been an exceptionally difficult process due to the size of the savings required, leading to some seemingly unpalatable proposed savings, including the loss of the youth service, the reduction in planning enforcement and reduction in services at our day care centres. However the Commission did not recommend that any proposed savings be deferred or reconsidered, rather suggest that Cabinet considers adopting a general principle of bringing forward budget savings where possible. It was also suggested that further investigation occur by the Financial Monitoring Task Group, to scope for alternative sources of revenue to fund some of the savings.

Cabinet thanked Scrutiny for their help in the budget setting process, especially in highlighting the possibility of taking some savings earlier than initially scheduled.

RESOLVED

That Cabinet:

1. in taking decisions relating to the Business Plan 2015-19, acknowledges the comments and recommendations made by the Overview and Scrutiny Commission and the outcomes of consideration by the Overview and Scrutiny Panels:
 - References made by the Overview and Scrutiny Panels - paragraphs 2.2 to 2.6
 2. adopts a general principle of bringing forward budget savings whenever that can be done, including for the financial year 2015/16.
- 6 REFERENCE FROM HEALTHIER COMMUNITIES AND OLDER PEOPLE OVERVIEW AND SCRUTINY PANEL - ADULT SOCIAL CARE CONSULTATION RESULTS (Agenda Item 11)

RESOLVED

That Cabinet acknowledges the comments made by the Healthier Communities and Older People Overview and Scrutiny Panel (set out in section 2 of the report) when taking decisions on the adult social care savings proposals for 2015/16.

7 ADULT EDUCATION IN MERTON - EVIDENCE AND OPTIONS FOR ACHIEVING A VALUE FOR MONEY SERVICE (Agenda Item 6)

The Cabinet Member for Education presented the report, which provided the finding of the review and of the consultation, into alternative ways of delivering the adult education within the Borough, as requested by Cabinet on 10th November 2014. It was noted that the report evaluates the 6 proposed options in light of financial/value for money considerations, evidence from the consultation with residents, and other relevant factors, to provide a recommended option for delivery.

The Cabinet Member then detailed why the recommendation, of option 4 that Merton becomes a commissioner of Adult Education Services, was the most deliverable option, both in financial terms, ensuring the continuation of adult learning, and still providing the Council with the ability to steer the provision and the spread of services and venues to help us bridge the gap between the east and west of the borough. He highlighted the 13 Commissioning principles, which would underpin all the future commissioning, as set out in paragraph 3.4 of the report.

RESOLVED

That Cabinet

1. considers the evidence, including the financial analysis, responses to the public consultation and the equalities analysis
2. reconfirms their commitment to offering adult education services in the borough and their continued rejection of the previously outlined option 6 to cease offering these services.
3. approves the recommendation to move Adult Education to a Commissioning model (option 4) for the reasons outlined in 3.9 and based on the financial analysis provided in 2.1, that this is based on a commissioning strategy that seeks to provide courses in a diversity of locations around the borough and to make arrangements with providers that provide a supportive and nurturing environment for learners.
4. endorses the equalities action plan (appendix H)
5. adopts a series of core principles to underpin future commissioning of this service, in addition to a phased commissioning timetable (as set out in paragraph 3.14)

8 REFERENCE FROM SUSTAINABLE COMMUNITIES SCRUTINY PANEL - ADULT EDUCATION IN MERTON - EVIDENCE AND OPTIONS FOR ACHIEVING A VALUE FOR MONEY SERVICE (Agenda Item 7)

RESOLVED

That the Cabinet

- 1) notes the Sustainable Communities Scrutiny Panel support of the recommendation that a commissioning model be adopted for the delivery of an adult education service in Merton; and
- 2) agrees to communicate their commitment to the commissioning principles outlined within the report at paragraph 3.14, in particular, the retention of staff, where possible, and the development of a nurturing environment for learners.
- 3) agrees to consult the Sustainable Communities Scrutiny Panel at key stages of the implementation of the commissioning model to enable the Panel to undertake pre decision scrutiny.

9 FINANCIAL MONITORING DECEMBER (2014/15) (Agenda Item 8)

The Cabinet Member for Finance presented the report which provided the regular monthly financial monitoring update for December 2014.

RESOLVED

That Cabinet:

1. notes the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £4.6million, 2.8% of the net budget, at month 9, quarter 3. This is a reduction of £150k from last month.
2. approves the virement for the additional social work capacity required in CSF. The required virement is £234k (£119k for quarter three and £115k for fourth quarter) from the corporate contingency.
3. notes the adjustments to the capital programme as detailed in Appendix 5b and approves the capital virement of TfL funding below:

Narrative	2014/15 £
Central Road	(124,000)
Morden Road	48,050

The Broadway	26,750
Coombe Lane	6,500
Parkside	42,700

10 EXCLUSION OF THE PUBLIC (Agenda Item 9)

RESOLVED

That the public are excluded from the meeting during consideration of the following report(s) on the grounds that it is (they are) exempt from disclosure for the reasons stated in the report(s).

11 INSURANCE PROGRAMME 2015-2020 (Agenda Item 10)

The Cabinet Member for Finance presented the report which sought Cabinet's approval for the renewal of the Council insurance arrangements, following a tender exercise using insurance brokers Jardine Lloyd Thompson

RESOLVED

1. That Cabinet notes the report (Confidential Appendix B) received from the Council's insurance brokers Jardine Lloyd Thompson (JLT)
2. That Cabinet approves the renewal of the Council's insurance arrangements as follows:
3. That Lot 1 (Property Insurance) be placed with Organisation A at a premium of £197,813.31 plus Insurance Premium Tax (IPT) totalling £209,682.11 (£989,066.55 and £1,048,410.54 respectively for the five year period).
3. That Lot 2 (Liability Insurance) be placed with Organisation B at a premium of £296,206.50 plus IPT totalling £311,094.69 (£1,481,032.50 and £1,555,473.45 for the five year period)
4. That Lot 3 (Fidelity Guarantee Insurance) be placed with Organisation A at a premium of £21,000 plus IPT totalling £22,260.00 (£105,000 and £111,300 for the five year period)
5. That Lot 4 (Motor Fleet Insurance) be placed with Organisation A at a premium of £73,490.00 plus IPT totalling £77,858.00 (£367,450.00 and £389,290 for the five year period)

6. That Lot 5 (Travel and Schools Onsite/Offsite Activities Insurance) be placed with Organisation A at a premium of £9,717.85 plus IPT totalling £10,300.92 (£48,589.25 and £51,504.60 for the five year period)
7. That Lot 6 (Commercial Property Insurance) be placed with Organisation A at a premium of £43,016.53 plus IPT totalling £45,597.52 (£215,082.65 and £227,987.60 for the five year period)
8. That Lot 7 (Terrorism Insurance) be placed with Organisation C, at a premium of £102,500.00 plus IPT totalling £108,650 (£512,500 and £543,250 for the five year period)
9. That the Cabinet grant authority to the Director of Corporate Services to effect Medical Malpractice Insurance and a Crime Extension to Fidelity Guarantee Insurance if deemed necessary subject to the total premium not exceeding £25,000.00

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