

Merton Council

Council

5 March 2014

Supplementary Agenda

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Agenda Item 4a

BUDGET COUNCIL MEETING – WEDNESDAY 5 MARCH 2014

CONSERVATIVE GROUP AMENDMENT – AGENDA ITEM 4

(to be moved by Cllr Suzanne Grocott and seconded by Cllr David Williams)

Replace the recommendations for the Business Plan 2014-18, page 1 of the supplementary agenda, with the following:

1 That the Council agrees the Business Plan 2014-18 including:-

- the General Fund Budget subject to the following changes;

(a) the Council recommends the Cabinet to instruct officers to work on the following areas with immediate effect and request CMT to come back to the first Cabinet meeting of the new Administration with business plans to implement

1. “Value-Added” services to residents (predicted to raise £66,000 in the first year):

- Implementation of “print-at-home” resident parking permits in conjunction with improved technology to provide CEOs with hand-held number recognition devices.
- House-removal services for bulky waste
- “Summer-special” garden waste collection for residents who don’t want an all-year-round service

(b) As directed by O&S to take savings earlier where at all possible, implement the following savings in 2014/15 rather than waiting until 2015/16

- CS34 Servicers and Suppliers savings	£86,000
- CS60 Deletion of vacant post	£109,000
- CS67 Reduction in Bank and Giro Changes	£12,000
- CS27 Consolidation of Utilities Budgets	£50,000
- CS8 Re-procurement of mobile phone contracts	£10,000
- EV08 Waste Disposal (increased recycling rate by 3%)	£250,000

Total £517,000

(c) Based on the current underspend in 2013/14, make necessary virements within the E&R service plans to re-balance the income and expenditure budgets, subject to review; in particular to take account of the following:

Reject EN23 Reduction in Grounds Maintenance Budget	£50,000
Reject EN25 Reduction in Surface Water budget to repair damaged gullies	£18,000
Reject EN26 Reduction in the Ditching budget to clear drainage watercourses	£11,000
Reject EN35 Increased charges for halls and watersports centre	£11,000
Reject EN37 Increased charges for Merton Active Plus	£ 5,000

Reject EN45 Increased charges for sports grounds and parks	£95,000
Remove: Unused 2013/14 budget in general supplies/services (Greenspaces)	£ (32,000)
Remove: Unused 2013/14 budget within Traffic and Highways	£ (158,000)
 Net impact on E&R budgets	 £Nil

(d) Take further budget savings

- CS51 Staff side saving replaced by another saving in 2013/14	£20,000
- Unused "other" E&R budgets	£450,000

(e) Add the following Growth items

- Implementation of a Wimbledon Town Centre Police force on a matched basis with the MPS / MOPAC within 6 months	£140,000
- Increase Enforcement by 1 additional officer	£35,000

(f) Reduce Corporate Provisions by £1,000,000

- £350,000: CPI Inflation has fallen below 2% and economists predict it will fall to 1% by mid-2014. Uplift in net expenditure for inflation (excl. provision for pay award) still totals £2.4m
- £300,000: Pension auto-enrolment; not needed as will cash limit departmental salaries.
- £100,000: Investment income expected to earn similar amounts to 2013/4 actual
- £250,000: Contingency - £1.25m still remaining

- the Council Tax Strategy for 2014/15 equating to a Band D Council Tax of £1,074.26, which means that Merton still qualifies for Council Tax Freeze Grant;
- the updated Medium Term Financial Strategy (MTFS) for 2014-2018 (Revised Appendix 7);
- the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy);
- the Capital Strategy (Section 1: Part A of the Business Plan)
- the Treasury Management Strategy (Section 1: Part A of the Business Plan), including the detailed recommendations in that Section , incorporating the Prudential Indicators

as set out in this report, and agrees the formal resolutions as set out in Appendix 1 (revised) to this report.

The adjustments outlined above will allow a Council tax cut of 2.5% costing £1,876,000 each year; whilst noting that as per Section 2.4 there remain budget shortfalls within the MTFS in 2016/17 and 2017/18 and that the above amendments would impact this section accordingly.

We therefore move that the Council Tax for 2014/15 be reduced by 2.5%

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APPENDIX 1 REVISED

DRAFT RESOLUTIONS

Revenue Report:

1. Members consider the views of the Overview and Scrutiny Commission set out in a separate report on the agenda (Item 5), and approve the proposed budget for 2014/15 set out in Appendix 7 (revised) of the revenue report, together with the proposed Council Tax levy in 2014/15.
2. That it be noted that at its meeting on 9 December 2013 the Council calculated its **Council Tax Base for the year as 68,087.4** in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012(SI 2012: 2914).
3. That it be noted that the Council calculated the **Wimbledon and Putney Commons Conservators (WPCC) Tax Base for the year as 10,708.8** in accordance with regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.
4. That the Council agrees 4(a) - 4(i) below, which are calculated in accordance with Section 31A to 49B of the Localism Act 2011, amending Section 32 of the Local Government Finance Act 1992.
 - a) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) (a) to (f) of the Act

	£m
Gross Revenue Expenditure of Service Committees	504.363
Corporate Provisions	31.941
Amounts Payable to the Levying Bodies	0.931
Contribution to Financial Reserves	0
Gross Expenditure	537.235

- b) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act

	£m
Gross Income	463.769

- c) being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31(4) of the Act, as its Council Tax Requirement for the year

	£m
Council Tax Requirement for the Council's own purposes for 2014/15 (including special expenses re WPCC)	73.466

d) being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of revenue support grant, and baseline funding (NNDR) to constitute the Council's formula grant

	£m
Revenue Support Grant	39.738
Baseline funding NNDR & Section 31 Grant	34.371
Formula Grant	74.109

e) being the amount at 4(c) above, divided by the amount for Council Tax Base at 2 above, calculated by the Council above, in accordance with Section 31B of the Act as the basic amount of its Council Tax for the year (including special items (WPCC)).

	£
Merton's General Band D Council Tax Levy (including properties within Wimbledon and Putney Commons Conservators area)	1,079.00

f) being the aggregate amount of all special items referred to in Section 34(1) of the Act

	£
Wimbledon and Putney Commons Conservators Special Levy	293,184

g) being the amount at 4(e) above, less the result given by dividing the amount at 4(f) above by the amount of the WPCC Council Tax Base at 2 above in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items (WPCC special levy) relates.

	£
Merton's General Band D Council Tax Levy (excluding WPCC)	1,074.69

h) being the amounts given by adding to the amount at 4(g) above, the amounts of the special item or items relating to dwellings in the area of Wimbledon and Putney Commons Conservators (WPCC) mentioned

above at 4(f) divided by the amount at 3 above, calculated in accordance with Section 34(1) of the Act, as the basic amounts of its Council Tax for the year for dwellings in the area of WPCC.

	£
Wimbledon and Putney Commons Conservators Band D	1,102.07

- i) being the amounts given by multiplying the amounts at 4(g) and 4(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

Part of the Councils Area	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Part of the Councils Area	716.46	835.87	955.28	1,074.69	1,313.51	1,552.33	1,791.15	2,149.38
Parts inc. WPCC	734.71	857.17	979.62	1,102.07	1,346.97	1,591.88	1,836.78	2,204.14

5. To note that the Greater London Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below, and that the Council agrees the Council Tax levy for 2014/15 by taking the aggregate of 4(i) above and the Greater London Authority precept.

Precepting Authority	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
G L A	199.33	232.56	265.78	299.00	365.44	431.89	498.33	598.00

For information purposes this would result in the following Council Tax Levy for Merton residents:-

Part of the Council's Area	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Part of the Council's Area	915.79	1,068.43	1,221.06	1,373.69	1,678.95	1,984.22	2,289.48	2,747.38
Parts inc. WPCC	934.04	1,089.73	1,245.40	1,401.07	1,712.41	2,023.77	2,335.11	2,802.14

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Departmental Base Budget 2013/14	151,915	151,915	151,915	151,915
Departmental Budget Changes	-7,496	-7,469	-7,904	-5,016
Alternative Budget changes : Town Centre Police	140	267	267	267
Alternative Budget changes : Enforcement Officer	35	35	35	35
Alternative Budget changes: Savings brought forward	-517	-121	-109	0
Alternative Budget changes: income from "value added services"	-66	-66	-66	-66
Alternative Budget changes: New Savings	-469	-469	-469	-469
Revised Departmental Budget Changes	-8,373	-7,823	-8,246	-5,249
Departmental re-priced Budget	143,542	144,092	143,669	146,666
Treasury Items	14,830	14,208	15,838	18,042
Alternative budget changes	-100	-100	-100	-100
Revised Treasury items	14,730	14,108	15,738	17,942
Other Corporate items	2,655	-7,187	-7,704	-7,506
Alternative Budget changes	-900	-900	-900	-900
Revised Other Corporate items	1,755	-8,087	-8,604	-8,406
Levies	638	638	638	638
Appropriation to/from Reserves	0	-4,064	-1,688	0
Re-profile reserves		-533	533	
CORPORATE PROVISIONS	17,123	2,062	6,617	10,174
BUDGET REQUIREMENT	160,665	146,154	150,286	156,840
FUNDING:				
RSG - Main element	-39,738	-29,284	-26,836	-24,860
RSG - Rolled in Grants element	0	0	0	0
Estimated reduction in Grant Based on IFS	0	0	0	0
RSG - Total	-39,738	-29,284	-26,836	-24,860
Business Rates Baseline - main element	-25,559	-25,004	-26,006	-26,455
Business rates Baseline - Rolled in Grants element	0	0	0	0
Additional Business Rates from NNDR1	0	0	0	0
Business Rates Yield as per NNDR1	-25,559	-25,004	-26,006	-26,455
Top-up payment	-7,694	-7,906	-8,010	-8,241
Section 31 Grant	-1,118	-1,118	0	0
Business rates Funding	-34,371	-34,028	-34,016	-34,696
Sub-total: RSG + NNDR	-74,109	-63,312	-60,852	-59,556
PFI Grant	-4,797	-4,797	-4,797	-4,797
New Homes Bonus	-3,199	-2,487	-2,000	-2,000
Collection Fund t/f of surplus (-)/ deficit - Council Tax	-4,608	0	0	0
Collection Fund t/f of surplus (-)/ deficit - Business Rates	372	0	0	0
Council Tax Income	-75,049	-75,425	-75,802	-76,181
Reduction of Council Tax by 2.5%	1,876	1,886	1,895	1,905
Adjusted Council Tax	-73,173	-73,539	-73,907	-74,276
Council Tax - WPCC	-293	-293	-293	-293
Council Tax Freeze Grant 2014/15	-858	-858	0	0
Council Tax Freeze Grant 2015/16	0	-868	0	0
TOTAL FUNDING	-160,665	-146,154	-141,849	-140,922
BUDGET GAP	0	0	8,437	15,918

UKIP AMENDMENT TO THE BUSINESS PLAN –

To be moved by Cllr Richard Hilton and seconded by Cllr Rod Scott

An amendment to the Budget is proposed for a one-off Council Tax rebate of £70 to the 75,000 eligible households.

It is proposed that this one-off cost of £5.250m would be funded by using the current underspend in 2013/14 of £1.070m, with the remaining £4.180m to be funded from General Fund balances, which would leave £14.658m. This is still over and above the recommended amount of 5% prudent reserve as referred to in Section 2, paragraph 7.2 Page 335 of the report.

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MPWIR AMENDMENT TO EV02 – PARKING SERVICES

To be moved by Cllr Peter Southgate and seconded by Cllr Karin Forbes

Teacher parking permits were introduced for the Autumn term 2012 at an annual cost of £188. Prior to this, teachers were issued with resident permits (£65 per annum).

EV02 proposes an increase of £5 in the cost of Teacher permits (£188), Trade permits (£900) and Business permits (£752 or £662). Council is asked to **cancel** the increase in Teacher permits and increase the cost of Trade and Business permits proportionately to compensate.

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LIBERAL DEMOCRATS AMENDMENT 1 TO THE BUSINESS PLAN

To be moved by Cllr Iain Dysart and seconded by Cllr Mary-Jane Jeanes

Restore funding from 2014/15 for discretionary freedom passes to support people with mental health difficulties or lower-learning difficulties, at a cost of £ 188K .

We consider this to be affordable if funded from the historically underspent Adult Social Care budget.

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LIBERAL DEMOCRATS AMENDMENT 2 TO THE BUSINESS PLAN:

To be moved by Cllr Iain Dysart and seconded by Cllr Mary-Jane Jeanes

Reject the proposed saving over 3 years of £ 407k (CSF1, page 227) from Early Years Services, starting in 2015/6. Subject to ongoing annual review, we would fund this from the repeatedly underspent Adult Social Care budget.

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LIBERAL DEMOCRATS AMENDMENT 3 TO THE BUSINESS PLAN:

To be moved by Cllr Iain Dysart and seconded by Cllr Mary-Jane Jeanes

Reject the proposed reduction over 2 years of £ 91K (CH8, page 237) from the Homelessness Prevention Grant, starting in 2015/6. Subject to on-going annual review we would fund by transfer from the repeatedly underspent Adult Social Care budget.

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LIBERAL DEMOCRATS AMENDMENT 4 TO THE BUSINESS PLAN:

To be moved by Cllr Iain Dysart and seconded by Cllr Mary-Jane Jeanes

Introduce a new £ 2m Merton Wellbeing Innovation Fund in 2014/15 ; a fund to promote social innovation by developing new approaches to help people improve their health and wellbeing; and reducing isolation through promoting independence. Also, work with health partners and Clinical Commissioning Groups (CCG's) to increase this fund. £ 2m to be transferred from General Fund reserves, which would still leave the latter above minimum prudent recommended levels ("General Fund Balances and Reserves", page 335) into earmarked reserves.

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