

# **Merton Council**

## **Budget Council Meeting**

**2 March 2016**

### **Supplementary agenda – Proposed Amendments**

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## BUDGET COUNCIL MEETING – WEDNESDAY 2 MARCH 2016

### COMBINED OPPOSITION PRECEPT AMENDMENT – AGENDA ITEM 4

Under Recommendation 1 of the report, amend B) as follows:

“B) the Council Tax Strategy for 2016/17 incorporating a new ring-fenced Adult Social Care precept of 1.7% on the local element equating to a Band D Council Tax of £1,1021.25, which means no change in Merton’s Council Tax in order to offset demographic pressures facing the borough’s Adult Social Care services (see revised Appendix 1 Draft Resolutions).”

After “C) the Medium Term Financial Strategy (MTFS) for 2016-2020” add:

“as amended and set out in Appendix 7 (revised)”

And after F) add:

“G) Given the increasing number of older residents and people with more complex needs requiring access to services in Merton, Council asks the Cabinet to explore options, as it has done in relation to the South Thames Crossroads service for carers, for allocating funding from the £1.355 million generated by the Adult Social Care precept introduced in B) above in order to protect the following other areas where pressure on frontline council and local voluntary sector services is greatest:

- Support packages (personal budgets, homecare, direct payments)
- Mental health peer support (Imagine)
- Day care centre staffing (given that suitable volunteers are proving difficult to recruit)
- Meals on Wheels
- Access and Assessment staffing
- Managing crisis support for older people”

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**DRAFT RESOLUTIONS**

Revenue Report:

1. Members approve the proposed budget for 2016/17 set out in Section 2 of the revenue report, together with the proposed Council Tax levy in 2016/17.
2. That it be noted that at its meeting on 18 January 2016 the Council calculated its **Council Tax Base for the year as 71,327.0** 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 11,127.2** 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

	<b>£m</b>
Gross Revenue Expenditure of Service Committees	<b>513.728</b>
Corporate Provisions	<b>6.895</b>
Amounts Payable to the Levying Bodies	<b>0.928</b>
Contribution to/(from) Financial Reserves	<b>1.693</b>
<b>Gross Expenditure</b>	<b>523.244</b>

- 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

	<b>£m</b>
<b>Gross Income</b>	<b>442.969</b>

NB: The final analysis of gross expenditure and income may vary from the figures shown above as a result of some minor changes in allocations e.g. overheads

- 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

	<b>£m</b>
Council Tax Requirement for the Council's own purposes for 2016/17 (including special expenses re WPCC)	<b>80.275</b>

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

	<b>£m</b>
Revenue Support Grant including Transition Grant	<b>(23.156)</b>
Baseline funding NNDR & Section 31 Grant	<b>(35.052)</b>
Formula Grant	<b>(58.208)</b>

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)).

	<b>£</b>
<b>Merton's General Band D Council Tax Levy (including properties within Wimbledon and Putney Commons Conservators area)</b>	<b>1,125.45</b>

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

	<b>£</b>
<b>Wimbledon and Putney Commons Conservators Special Levy</b>	<b>300,042</b>

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 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.

	<b>£</b>
<b>Merton's General Band D Council Tax Levy (excluding WPCC)</b>	<b>1,121.25</b>

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.

	<b>£</b>
<b>Wimbledon and Putney Commons Conservators Band D</b>	<b>1,148.22</b>

- 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	747.50	872.08	996.67	1,121.25	1,370.42	1,619.58	1,868.75	2,242.50
Parts inc. WPCC	765.48	893.06	1,020.64	1,148.22	1,403.38	1,658.54	1,913.70	2,296.44

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 2016/17 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	184.00	214.67	245.33	276.00	337.33	398.67	460.00	552.00

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	931.50	1,086.75	1,242.00	1,397.25	1,707.75	2,018.25	2,328.75	2,794.50
Parts inc. WPCC	949.48	1,107.73	1,265.97	1,424.22	1,740.71	2,057.21	2,373.70	2,848.44

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<b>DRAFT MTFS 2016-20:</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Departmental Base Budget 2015/16</b>	<b>150,913</b>	<b>150,913</b>	<b>150,913</b>	<b>150,913</b>
Inflation (Pay, Prices)	1,624	4,731	7,837	10,944
Autoenrolment/Nat. ins changes	1,480	2,315	2,630	2,630
FYE – Previous Years Savings	(15,686)	(20,861)	(22,009)	(22,009)
Amendments to previously agreed savings	1,504	1,106	0	0
Transport from corporate provision	1,192	1,192	1,192	1,192
Change in Net Appropriations to/(from) Reserves	(2,817)	(5,398)	(5,884)	(5,595)
Revenuisation	20	30	27	27
Taxi card/Concessionary Fares	212	662	1,112	1,562
Change in depreciation/Impairment (Contra Other Corporate items)	1,132	1,132	1,132	1,132
Combined Opposition Budget_Adult Social Care	1,355	1,362	1,369	1,376
Other	1,821	1,891	1,964	2,040
<b>Re-Priced Departmental Budget</b>	<b>142,750</b>	<b>139,075</b>	<b>140,283</b>	<b>144,211</b>
Treasury/Capital financing	12,905	12,370	12,200	13,091
Pensions	4,395	4,592	4,799	5,015
Other Corporate items	(11,920)	(13,072)	(12,719)	(13,069)
Levies	628	628	628	628
<b>Sub-total: Corporate provisions</b>	<b>6,008</b>	<b>4,518</b>	<b>4,908</b>	<b>5,665</b>
<b>Sub-total: Repriced Departmental Budget +</b>	<b>148,758</b>	<b>143,593</b>	<b>145,191</b>	<b>149,876</b>
Savings/Income Proposals 2016/17	(200)	(4,057)	(7,547)	(7,547)
<b>Sub-total</b>	<b>148,558</b>	<b>139,536</b>	<b>137,644</b>	<b>142,329</b>
Appropriation to/from departmental reserves	(2,000)	(719)	(233)	(522)
Appropriation to/from Balancing the Budget Reserve	2,394	1,785	(2,919)	(7,818)
<b>BUDGET REQUIREMENT</b>	<b>148,952</b>	<b>140,602</b>	<b>134,492</b>	<b>133,989</b>
<b>Funded by:</b>				
Revenue Support Grant	(23,156)	(15,520)	(10,071)	(5,076)
Business Rates (inc. Section 31 grant)	(35,052)	(34,847)	(35,553)	(36,295)
C. Tax Freeze Grant 2015/16	0	0	0	0
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	(4,192)	(4,763)	(2,993)	(2,871)
Council Tax inc. WPC	(80,275)	(80,675)	(81,077)	(81,481)
Collection Fund – (Surplus)/Deficit	(1,479)	0	0	0
<b>TOTAL FUNDING</b>	<b>(148,952)</b>	<b>(140,602)</b>	<b>(134,492)</b>	<b>(130,520)</b>
<b>GAP including Use of Reserves (Cumulative)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,469</b>

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## BUDGET COUNCIL MEETING – WEDNESDAY 2 MARCH 2016

### CONSERVATIVE GROUP AMENDMENT 1 (FUTURE SAVINGS AND REVENUE GENERATION) – AGENDA ITEM 4

That the following further Recommendation be added:

“Given the ongoing demographic pressures likely to be faced by the borough’s Adult Social Care services as a result of the projected 9% increase in the older population of Merton between 2015 and 2020, this Council recognises that further efficiency savings and revenue generating opportunities need to be identified and delivered if frontline services for vulnerable residents are to be protected in future years. This Council therefore instructs officers to look in detail at the following initiatives and consider them during the 2016-2017 budget process for inclusion in the 2017-2021 MTFS:

- Entering into an agreement with a car club to reduce the cost of employee own vehicle use.
- Entering into a joint venture with a property development company to redevelop Council-owned land rather than selling it outright.
- Advertising on solar-powered lamp posts and other third party opportunities, e.g. technology is available in Canada to push advertising to mobile phones in a range of billboards and lamppost adverts.
- Advanced technology for further IT energy cost savings.
- Review of the Council Tax Support scheme following the phased introduction of Universal Credit.
- Review ability to market the successful Legal Services team to 3<sup>rd</sup> parties on a profit-sharing arrangement with other councils in the partnership.”

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BUDGET COUNCIL MEETING – WEDNESDAY 2 MARCH 2016

CONSERVATIVE GROUP AMENDMENT 2 (4 YEAR FINANCIAL SETTLEMENT) –  
AGENDA ITEM 4

That the following further Recommendation be added:

“That the Council asks officers actively to explore and report back to Council on the Government’s offer of a 4 year financial settlement, and in particular how this could provide certainty on future funding for both Merton residents and staff, assist with forward planning and help avoid short term decision making.”

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