

Merton Council Council

13 July 2016

Supplementary agenda

19 Labour Amendment to Item 7c - Strategic Theme Motion
Conservative 1

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**COUNCIL MEETING – WEDNESDAY 13 JULY 2016
ITEM 7C
LABOUR AMENDMENT TO MOTION**

Amend the motion as per the tracked changes below, with words underlined inserted and words struck through deleted:

This Council notes that financial forecasts are by their very nature estimates but with local authorities required by law to set a balanced budget they are the only tool we have to ensure we comply with the law. Council acknowledges the intense effort officers put in to assessing likely demand and inflationary pressures, coupled with the complications of uncertainty and in year cuts to government grants, and also acknowledges the in depth work the Financial Management task Group do in challenging some of these assumptions, although Councillors similarly can only estimate the likely pressures in any given year. With this in mind council notes:

- Merton's projected 2015-16 deficit at the time of the Budget Council meeting that took place on 2 March 2016 to agree the Medium Term Financial Strategy (MTFS) for 2016-20 was £2.605million.
- By contrast, the Council's actual overspend in the published draft accounts for 2015-16 (as presented to the Standards and General Purposes Committee on 30 June 2016) was £0.699million.
- General Fund balances have not in fact reduced by the amount of the overspend as was advised would happen during consideration of the Budget by councillors earlier in the year - by a margin of £1.906million – but this is because we reduced the Balancing the Budget Reserve as was always advised was one of the options.

Council congratulates officers on taking management action where necessary to bring in overspends in some areas and notes that the overall net position was helped by underspends/additional income in corporate provisions. However this cannot be relied upon in future years and the underlying overspends in some areas are a concern that need to be understood and addressed.

Given that the Council rejected increasing council tax for hard pressed residents, and earmarking the additional £1.35m for the spend on Adult Care Services which would have helped to mitigate the £5m savings required in 2016/17 as ASC's share of the £21.7m cuts the council was faced with at the start of the budget setting process, by £1.355million and instead established a £1.3m Savings Mitigation Fund to reduce the impact of the cuts on vulnerable residents, and given the on going demographic pressures facing those services coupled with the increasing number of older residents and people with more complex needs requiring access to services in Merton, this Council regrets the continued reduced levels of funding which have led to the council's difficult administration's decision - as part of its recommended MTFS 2016-20 - to cut or cease completely funding for the following frontline council and local voluntary sector services:

- Support packages (personal budgets, homecare, direct payments)
- Mental health peer support (Imagine)

- Day care centre staffing
- Meals on Wheels
- Access and Assessment staffing
- Managing crisis support for older people

However council notes that due to continued reductions in our funding from central government, further cuts will be required over the next six years so that these savings, or similar, will need to be implemented whether or not residents are required to pay extra council tax.

In light of the above and taking into account the considerable variance between Merton's projected and actual overspends for 2015-16, this Council resolves to review its financial monitoring processes in order to ensure that ~~in future years further~~ cuts are not made unnecessarily to services for older and vulnerable residents across the borough, or indeed to any council services, notwithstanding the need for further and deeper cuts in future years due to the government's continual reduction of local government funding.

Motion now to read:

This Council notes that financial forecasts are by their very nature estimates but with local authorities required by law to set a balanced budget they are the only tool we have to ensure we comply with the law. Council acknowledges the intense effort officers put in to assessing likely demand and inflationary pressures, coupled with the complications of uncertainty and in year cuts to government grants, and also acknowledges the in depth work the Financial Management task Group do in challenging some of these assumptions, although Councillors similarly can only estimate the likely pressures in any given year. With this in mind council notes:

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Council congratulates officers on taking management action where necessary to bring in overspends in some areas and notes that the overall net position was helped by underspends/additional income in corporate provisions. However this cannot be relied upon in future years and the underlying overspends in some areas are a concern that need to be understood and addressed.

Given that the Council rejected increasing council tax for hard pressed residents, and earmarking the additional £1.35m for Adult Care Services which would have helped to mitigate the £5m savings required in 2016/17 as ASC's share of the

£21.7m cuts the council was faced with at the start of the budget setting process, and instead established a £1.3m Savings Mitigation Fund to reduce the impact of the cuts on vulnerable residents, and given the on going demographic pressures facing those services coupled with the increasing number of older residents and people with more complex needs requiring access to services in Merton, this Council regrets the continued reduced levels of funding which have led to the council's difficult decision - as part of its recommended MTFs 2016-20 - to cut or cease completely funding for the following frontline council and local voluntary sector services:

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