

COUNCIL BUDGET COUNCIL TAX MEETING
6 MARCH 2013

(19:15 – 21:50)

PRESENT: The Mayor, Councillor David Williams
The Deputy Mayor, Councillor John Bowcott
Councillors Agatha Akyigyina, Stephen Alambritis, Mark Allison, Stan Anderson, Laxmi Attawar, Mark Betteridge, Margaret Brierly, Richard Chellew, David Chung, David Dean, John Dehaney, Nick Draper, Iain Dysart, Chris Edge, Suzanne Evans, Karin Forbes, Brenda Fraser, Samantha George, Suzanne Grocott, Maurice Groves, Gam Gurung, Jeff Hanna, Richard Hilton, James Holmes, Janice Howard, Mary-Jane Jeanes, Philip Jones, Andrew Judge, Linda Kirby, Gilli Lewis-Lavender, Logie Lohendran, Edith Macauley, Russell Makin, Maxi Martin, Peter McCabe, Krystal Miller, Ian Munn, Diane Neil Mills, Oonagh Moulton, Henry Nelles, Dennis Pearce, John Sargeant, Judy Saunders, Linda Scott, Rod Scott, Debbie Shears, David Simpson, Peter Southgate, Geraldine Stanford, Linda Taylor, Sam Thomas, Ray Tindle, Gregory Udeh, Peter Walker, Martin Whelton, Richard Williams, Miles Windsor and Simon Withey.

- 1 APOLOGIES FOR ABSENCE (Agenda item 1)
None advised.
- 2 DECLARATIONS OF INTEREST (Agenda item 2)
None advised.
- 3 MINUTES OF THE COUNCIL MEETING HELD ON 12 SEPTEMBER 2012 – CORRECTION (Agenda Item 3)

The Mayor put the following correction to the meeting:

Agenda Item 7 - Motion 1 (Conservative)

That part of the Labour amendment as carried i.e.

“In the final paragraph, after “resolves to request Cabinet agree”, insert “to consult local schools and the School Sports Partnership on the following proposals.”

Therefore, that part of the Council resolution comprising recommendations to Cabinet is amended to read:

“Council resolves to request Cabinet agree to consult local schools and the School Sports Partnership on the following proposals:”

RESOLVED: That the amendment in the terms detailed above is agreed.

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4 MINUTES OF THE COUNCIL MEETING HELD ON 6 FEBRUARY 2013
(Agenda Item 4)

RESOLVED: That the minutes of the council meeting held on 6 February 2013 are agreed as a correct record.

5 BUSINESS PLAN 2012-17 (Agenda Item 5)

At the invitation of the Mayor the Director of Corporate Services presented the report and responded to questions from members.

The Executive Leader of the Council, Councillor Stephen Alambritis moved the recommendations detailed in the submitted report (reproduced below) and concurrently moved an amendment to the recommendations (attached as an appendix to these minutes):

That the Council agrees the Business Plan 2013-17 including:-

- the General Fund Budget;
- the Council Tax Strategy for 2013/14 equating to a Band D Council Tax of £1,102.55, which means that Merton qualifies for Council Tax Freeze Grant;
- the Medium Term Financial Strategy (MTFS) for 2013-2017;
- 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 to the submitted report.

The Executive Leader's budget speech is appended to these minutes.

Councillor Mark Betteridge formally seconded the recommendations and the amendment.

The Leader of the Conservative Group, Councillor Debbie Shears addressed the meeting and her speech is appended to these minutes.

The Leader of the Merton Park Ward Independent Residents Group, Councillor Peter Southgate, addressed the meeting and his speech is appended to these minutes. He additionally confirmed his support for the Labour amendment.

The Leader of the Liberal Democrat Group, Councillor Iain Dysart, addressed the meeting and his speech is appended to these minutes.

Amendment (Liberal Democrat) - Walksheets

It was moved by Councillor Iain Dysart moved and Councillor Mary-Jane Jeanes seconded that:

This Council rejects proposal EN24 to reduce by £ 50k the Walksheets Budget for

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2014/5 and accordingly calls for a one-off allocation of £ 50k from the contingency fund.

The outcome of the vote on this amendment is recorded below.

The Mayor invited the following Cabinet members to address the meeting:

The Cabinet Member for Finance, Councillor Mark Allison

The Cabinet Member for Children's Services, Councillor Maxi Martin

Additional amendments were put as detailed below with general debate invited by the Mayor prior to these being put to the meeting.

Amendment (Liberal Democrat) – Worksheets (detailed above)

The Mayor put the amendment to the meeting and there voted 28 for the amendment, 31 voting against the amendment and 1 not voting.

The Mayor declared the amendment to be lost.

Amendment (Conservative) – Council Tax

It was moved by Councillor Suzanne Grocott and seconded by Councillor Henry Nelles:

This Council understands the financial constraints facing many families and pensioners in Merton and welcomes the £9.1million that the borough has received from the Government in Council Tax Freeze Grant since 2011 to ensure that there is no increase in the council tax paid by Merton's residents.

This Council notes that between 1998 and 2006 the Labour-run council increased the Merton element of council tax by 55.7%, more than two and a half times the rate of inflation. Under the Conservative administration from 2006 to 2010, council tax increased by less than the rate of inflation each year and was cut in the final year.

Despite the current administration's claims that cuts to front line services are necessary, this Council further notes that there has been a year on year increase in total spend by Merton council since 2011 with total expenditure set to rise from £510.878million in 2012/13 to £524.194million in 2013/14, a further 3% increase on top of the 3% increase in the previous year, whilst the Council's total reserves are forecast to have risen to £90.1million by 31 March 2013.

This Council clearly recognises that there is scope for further efficiency savings to be delivered through a range of measures including:

- a) Focusing on areas of Council waste that haven't so far been subject to in depth scrutiny, such as the bureaucratic and ineffective performance management system and the low occupancy rates of council buildings such as the Civic Centre;

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- b) Further detailed work in those parts of the Council's business where the potential for savings has already been identified but not yet fulfilled, such as procurement, the use of technology e.g. in rubbish collection and translation services, and increased joint working with other local authorities and sharing of back office functions; and
- c) Implementing efficiency savings which have already been considered and agreed by Scrutiny as soon as possible such as the introduction of mobile phone payments for parking and the Council's new sickness policy.

This Council believes that councillors have a responsibility to Merton's electors to ensure maximum value for money and therefore regrets that, as part of this year's budget scrutiny process, the current administration did not take the opportunity to present new ongoing efficiency savings which would have enabled it to fund a 5% reduction in council tax for Merton's hard pressed residents, whilst maintaining the quality of services currently provided.

The Mayor put the amendment to the meeting and there voted 26 for the amendment, 31 voting against the amendment and 3 not voting.

The Mayor declared the amendment to be lost.

Amendment (Conservative) – Scrutiny of Savings

It was moved by Councillor Samantha George and seconded by Councillor Diane Neil Mills:

This Council notes that the balanced budget for the year 2012/13 included a reserve of £5.7million for balancing the budget in future years and that such reserves now total £7.8million.

This Council welcomes efficiency savings which can be taken over and above those purely necessary to produce a balanced budget for the current year.

The Council was therefore disappointed to see that the only efficiency savings initially being considered for 2013-14 were those already approved at the Council Budget meeting in March 2012. Whilst the reprofiling of £215,000 of Environment and Regeneration savings following a request by Conservative members of the Sustainable Communities Overview and Scrutiny Panel on 10 January 2013 is welcomed, it is nonetheless regrettable that no similar reprofiling also took place in other council departments to bring efficiency savings forward sooner, particularly when there are service reductions already agreed by Council in March 2012 which are due to come into force in 2013-14.

This Council also recognises the valid concerns raised during the 2013-14 Budget scrutiny process about a number of the administration's savings proposals for 2014-15 and beyond, which constitute either service reductions or increases in charges for Merton's residents and businesses. As such, in order to avoid the same situation recurring next year and in light of the Public Value Reviews due to be undertaken in

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2013-14, this Council resolves that:

- a) Cabinet is requested to instruct officers in all of the council's other departments to conduct a review to see if any efficiency savings could be brought forward for implementation sooner and request that regular progress reports on this are presented to the relevant scrutiny panels for consideration; and
- b) As a very minimum, at least the following savings come back for consideration by Scrutiny again as part of the 2014-15 Budget setting process and in the context of the authority's financial situation at that time:

EN38 - Reductions in grant to Polka Theatre
CSF07 - Delete 7FTEs in children's social care and youth inclusion
ASC49 - Day care workers to act as drivers/escorts
EN11 – 1 FTE reduction in Building and Development Control in 2016/17
EN23 – Reduction in Grounds Maintenance budget
EN24 – Reduction in Walksheets budget and urgent repairs only
EN 25 – Reduction in the Surface Water budget to repair damaged gullies
EN26 – Reduction in the Ditching budget to clear drainage watercourses
EN35 – Increased charges for halls and watersports centre
EN37 – Increased charges for Merton Active Plus
EN45 – Increased charges for sports grounds and parks

- c) Recognising the temporary withdrawal of EN44 (Public value review savings in Greenspaces) and EN46 (Introduce parking charges in five parks), these two savings and any new savings proposals arising from the work due to be undertaken by officers on their implementation are considered afresh by Scrutiny and also considered again at a future Council meeting.

The Mayor put the amendment to the meeting and there voted 28 for the amendment, 31 voting against the amendment and 1 not voting.

The Mayor declared the amendment to be lost.

Amendment (Liberal Democrat) – Freedom Passes

It was moved by Councillor Iain Dysart moved and Councillor Mary-Jane Jeanes seconded that:

This Council calls for the saving of £ 70K generated by the withdrawal of discretionary Freedom Passes from some mental health clients to be withdrawn. This reversal to be funded by a one-off sum from the contingency fund.

The Mayor put the amendment to the meeting and there voted 28 for the amendment, 31 voting against the amendment and 1 not voting.

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The Mayor declared the amendment to be lost.

The Mayor thereupon put the recommendations detailed in the submitted report and as amended by the Labour amendment, to the meeting.

There voted for the recommendations as amended 31 and 29 not voting

It was, therefore

RESOLVED: That the Business Plan 2013-17, together with the agreed amendments detailed in the Labour amendment detailed in the appendix to these minutes, are agreed including:-

- the General Fund Budget;
- the Council Tax Strategy for 2013/14 equating to a Band D Council Tax of £1,102.55, which means that Merton qualifies for Council Tax Freeze Grant;
- the Medium Term Financial Strategy (MTFS) for 2013-2017;
- 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 the submitted report and the formal resolutions as set out in Appendix 1 to the submitted report and as detailed in the appendix to these minutes.

Labour Amendment

Under Recommendation 1 of the report, after “the General Fund Budget” add:

“as amended by the following recommendations set out in Appendix A”

And after “the Medium Term Financial Strategy (MTFS) for 2013-2017” add:

“as amended by the appropriate corresponding increase in the revenue budget gap (Appendix A) as set out in Appendix 7, pg. 316 for the revenue impacts of the recommendations”

Appendix A

The following savings were reviewed again by O&S on 28 February 2013 and are recommended for rejection

	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
CS47 (part) – potential Saving from the London Councils Grants scheme in years 2 and 3.		26	28	54
EN38 (part) – reductions in grants to Attic Theatre.		1	1	2
Total		27	29	56

The following savings reviewed again by O&S on 28 February 2013 and are recommended for rejection but with altered use of the funds

	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
CS47 – Saving from the London Councils Grants scheme in 2014/15 to be transferred to the Corporate Service Grants budget	87			87
CSF06 – DoE, retain funding but officers to pilot work to refocus use	25			25
Total	112			112

The following savings were reviewed again by O&S of 28 February 2013 and are recommended that they are not included at this stage until further work undertaken on implementation but not rejected

	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
EN44 – public value review savings in Green spaces	78	119	79	276
EN46 – parking charges in five parks.	44			44
Total	122	119	79	320

These proposals would have the following impact on the MTFS position as reported to Council in Appendix 7

	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
Increase in Budget Gap	234	146	108	488
Cumulative increase in Gap	234	380	488	

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APPENDIX 1

DRAFT RESOLUTIONS

Revenue Report:

1. Members approve the proposed budget for 2013/14 set out in Appendix 6 of the revenue report, together with the proposed Council Tax levy in 2013/14.
2. That it be noted that at its meeting on 21 January 2013 the Council calculated its **Council Tax Base for the year as 66,981.2** in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012.
3. That it be noted that the Council calculated the **Wimbledon and Putney Commons Conservators (WPCC) Tax Base for the year as 9,645.2** in accordance with regulation 6 of the Regulations, as the amount 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	511.847
Corporate Provisions	25.466
Amounts Payable to the Levying Bodies	0.915
Contribution to Financial Reserves	0.000
Gross Expenditure	538.228

- 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	464.109

- 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 2013/14 (including special expenses re WPCC)	74.119

- 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 start –up funding assessment.

	£m
Revenue Support Grant	47.221
Baseline finding NNDR	32.020
Formula Grant	79.241

- 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)	1,106.56

- 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	268,515

- 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.

	£
Merton's General Band D Council Tax Levy (excluding WPCC)	1,102.55

- 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	1,130.39

- 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 £
	735.03	857.54	980.04	1,102.55	1,347.56	1,592.57	1,837.58	2,205.10
Parts inc. WPCC	753.59	879.19	1,004.79	1,130.39	1,381.59	1,632.79	1,883.98	2,260.78

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 2012/13 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	202.00	235.67	269.33	303.00	370.33	437.67	505.00	606.00

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	937.03	1,093.21	1,249.37	1,405.55	1,717.89	2,030.24	2,342.58	2,811.10
Parts inc. WPC	955.59	1,114.86	1,274.12	1,433.39	1,751.92	2,070.46	2,388.98	2,866.78

Speech by Councillor Stephen Alambritis, the Leader of Merton Council , to the Budget/Council Tax Full Council Meeting on Wednesday 06 March 2013

Mr Mayor,

Many people were surprised to see my name appear in 2010 as the Labour leader of this council

I am proud of my business background and proud of my Labour roots

Those Labour roots go back to the youngest and only boy of four siblings born in colonial Cyprus in the late 50's and emigrating to England at the tender age of seven in the mid 60's

Living in poverty and in cramped conditions was what life was like in Fulham in those days

Father worked nights in the kitchens at the Dorchester hotel and mother worked in the rag trade at the Angel in North London

They eventually scraped enough money to buy a house just by Craven Cottage for £6,000

A lot of money in 1967!

My parents gave me the ability to get on in life, to get a business

But they taught me never to forget how hard it can be

And how the cost of living hurts hard working ambitious families the most

They taught me to care for others, to share with others and to listen to others

I am therefore pleased to be able to present this caring, sharing and listening budget

Mr Mayor,

Last year's Budget was about putting the council's finances on a surer footing

Tonight's Budget is about taking strong steps towards affordability

I therefore move the budget proposals as set out in Recommendation 1, with particular reference to the formal resolution as set out in Appendix 1 to the Report and as amended by the further Recommendations set out in Appendix A

Mr Mayor,

This time last year, I named three people for all their hard work on the budget

These colleagues were:

Cllr Mark Allison

Cllr Peter Southgate

And

Caroline Holland the Director of Corporate Services

I wish to repeat those thanks

I also wish to thank Cllr Debbie Shears and all her councillors

I would also like to thank Cllrs Iain Dysart and Mary-Jane Jeanes

Thanks must also go to Cllrs John Sargeant and Karin Forbes

My deputy leader, Cllr Mark Betteridge, my Cabinet and all Labour Councillors also deserve my heartfelt thanks

Mr Mayor,

Each year we have a duty to balance the budget

Given the cuts in government funding this is becoming increasingly difficult

But we must all recall that this Council agreed to a set of key principles

Dedicating us

To continuing to provide the services residents need most

To keeping the council tax at an affordable price without being reckless or indulgent over its level

To keeping Merton's streets clean

To doing the best we can for the local environment

Those principles also committed us to ensuring Merton continues to be a good place for young people to go to school

Just in case any one needs reminding these are called our July principles passed by this very council in this very chamber

Mr Mayor,

We are here tonight after a long journey in our budget process that has seen the council punch well above its weight

We are one of the most effective councils in London

We are in the top quartile when it comes to performance

We have had to save £70 million-approximately a third of our budget

While sadly, we have received the lowest funding for our housing needs team, we are nevertheless still maintaining exceedingly low numbers in temporary accommodation

Over 90% of our 16 and 17 year olds are not NEETS because they ARE in education, employment or training

We have achieved the highest improvement rates in exam results in London

Our town centres continue to prosper with Raynes Park heralded as the best performing high street in London by the Evening Standard

Our achievements have been recognised with the borough winning over 40 industry awards across a range of sectors since we came to power in 2010

Mr Mayor,

All this could not be done without our excellent budget strategy

As well as restructuring our corporate centre we have worked hard to drive out waste and inefficiencies in every process

Working together we have been able to develop a number of innovative models in local government

The first of these is our partnership approach

Our South London Waste Partnership is the first of its kind

We have teamed up with three other London boroughs to operate an energy-from-waste-plant

This will save us £60 million over the next 25 years

Mr Mayor,

The second of our three innovative models in local government is to do with volunteering

In our great library service we have introduced a volunteering model for our libraries that is being replicated across the country

Hundreds of volunteers help us to maintain our libraries which were at risk of closing due to cuts in our government funding

Many residents are also now involved in the management of small green areas

Another voluntary programme is our recently launched street champions scheme

Mr Mayor,

The last of our innovative modes in local government relates to sharing services with neighbouring boroughs

Our HR team was one of the first shared services in the local government sector

This shared service with Sutton has already saved well in excess of £500,000

We have also teamed up with Richmond to establish the first legal service in local government with savings of between 16-20%

Following this huge success we are now extending this model to Sutton and Kingston

This will create the first ever four borough legal service, saving a further £100,000

Mr Mayor,

Some in this chamber may not believe me and that is their wont

But of more importance to me is what our residents say

That is why each year we ask them what they think of our services

Over the last two years we have received record satisfaction levels, often way above the rest of London.

Let us look at just three of those satisfaction levels

One: 79% of residents think we are doing a good job

Two: 69% say we are efficient and well run

Three: 72% say we are a good place to live

A AAA rating for this council if ever I saw one!

Mr Mayor

As late as last week, more feedback was received from the final round of scrutiny meetings

Given the proximity of this to tonight, I was more than happy to delegate authority to Cllrs Betteridge and Allison to give the Cabinet response

I am pleased to announce tonight that appendix A to the amendment I am moving shows us in listening mode on all of the recommendations from scrutiny

And I am delighted that the Chair of the Overview and Scrutiny Commission has agreed to second the amendment

Mr Mayor,

At the end of the day,

When all is said and done

And we have all left this chamber

What Merton's residents will want to know is how will this budget affect them?

I have some very good news for our residents especially those on low incomes

I also have very good news for our businesses, especially those that are small firms

I know many of us will have seen stories in the news that council tax benefit for people on low incomes is being cut

But, unlike other authorities, Merton Council will not be going along with this

We have decided to pay the extra money ourselves out of the council budget to make sure the overall income of our people on low incomes is protected

This has only been possible as a result of good financial management in this budget

Mr Mayor,

As we all know, the council does not set business rates

However we will do what we can to support businesses in Merton

We will continue to give the small business rate relief

And we will continue to spruce up our town centres in Colliers Wood

Mitcham

Morden

Wimbledon

And Raynes Park

Mr Mayor,

We have had significant reductions in our funding from central government

A 28% cut over three years with more to come

To deliver value for money we have had to cut spending on some services

But we have managed to keep our council tax low

While at the same time protecting the services that matter most to our residents

And unlike many other boroughs

We have not closed any of our libraries

Any of our children's centres

Any of our leisure centres

By offering more of our services on line,

Getting a better deal from our suppliers and sharing services with other boroughs

We have become a more efficient borough

This has helped us to keep the council tax low

To contain the cost of resident parking and to reduce visitor parking charges

Mr Mayor

Our residents continue to inform us about a range of worrying issues close to their hearts

They are concerned with the lack of growth in the economy

They are also concerned about the rising cost of living

And I remember how hard it was for my parents, hard working people striving to get on when times were hard

Given these very genuine concerns we want our residents to pay no more in their council tax this year than they did three years ago

Therefore

For the third year in a row we are freezing the council tax

This is the first time this has happened in Merton

Tonight we are not only setting a caring, sharing, listening budget

We are also setting a record breaking budget

Of that we can all be proud

Mr Mayor

I commend this budget to the Chamber

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BUDGET SPEECH BY
COUNCILLOR DEBBIE SHEARS
LEADER OF THE CONSERVATIVE GROUP
WEDNESDAY 6 MARCH 2013

Thank you Mr Mayor,

“This Administration has not taken every step and looked at every measure to see how they can save money without cutting front line services.”

These are not my words but those of the current Leader of the Council who was in opposition in 2010 at the Budget Council meeting. Oh, how he must be regretting those words now!

For today, Mr Mayor, we are faced with a lazy budget that is totally lacking in imagination.

Labour has fallen back on its previous formula of building up reserves whilst hiking charges for residents, cutting services to the most vulnerable and reducing funding to arts and community groups.

Labour have also snubbed residents by failing to take the opportunity to use the council's budget wisely. Next year they are proposing to spend £524 million of taxpayers' money – that's a whopping £28million increase since 2011. And yet in a gross misjudgement they refuse to pass onto residents the 5% cut in council tax that the Conservatives called for last year.

Building a war chest of £90 million to bribe residents at the next election is a cynical ploy, but one our residents will see through. The country and Merton residents know all too well that Labour cannot be trusted with the public's money. We only have to remember the mess Labour made of the British economy - a mess the country is paying for today.

And just as Labour nationally seem to have no solution to tackling the deficit other than borrowing more, so Labour in Merton seem to be completely devoid of a plan for managing the council's resources other than persisting in building up their war chest of reserves.

Labour in Merton are now sitting on reserves higher than many councils in London, oblivious to the needs of the residents whose money it is they've got stashed away. Labour try to present themselves as the caring party; in fact Cllr Martin takes every opportunity to tell this Chamber about her care for the Borough's children. Maybe that is why over 3 years she has taken £5.7 million out of children's care services and £1.2 million out of youth services.

If Labour and the other two parties truly cared about Merton's hard pressed residents they would have looked seriously at a council tax reduction this year. Conservative councillors know that this is affordable and we even set out in our council tax amendment how they could go about it. If colleagues in Hammersmith and Fulham can do it then so can we, particularly considering the council is again projecting a £4 million surplus on its budget this year and again proposing a 3% increase in total expenditure.

Council Tax remains the second highest concern of residents, even despite the two previous years of council tax freezes funded by the Coalition Government. Yet when asked to consider a sustainable council tax cut, Labour, the Liberal Democrats and Merton Park Independents all flatly refused. I'm afraid that's typical of the 'Can't do, won't do' approach of this Labour run council.

You may have all scoffed at our call for a 5% council tax reduction but that's what residents want. They want a council that is bold and imaginative and which most of all listens to their views. But of course Labour isn't interested in listening to residents. In fact they have such a low regard for residents' opinions that there has not been one consultation meeting between the Leader or Cabinet and the public on the budget, not through the community forums, through My Merton or even online.

They will consult on bus lanes when they think they're going to generate extra revenue but then when they get the wrong answer back they just ignore the majority view anyway, as seen with Hartfield Road and in Mitcham Town Centre.

We saw this also with the recent consultation on the Budget with business ratepayers. Out of all the businesses in the borough just three turned up. Why? Because once again there was a lack of notice and advertising and the timing of the meeting was inconvenient for many businesses since many are still open at 6.00pm on a Thursday.

Fortunately for residents in Merton all is not lost as they do have a 'Can Do' Conservative-led government who have given Merton nearly £10 million in Council Tax Freeze Grant so that Council Tax can be kept low or reduced. We also have a 'Can Do' Conservative Mayor of London who does actually listen and cares about helping residents which is why he is cutting his precept by 1.2% giving Merton residents a cut in Council Tax. Were it not for Conservatives in power nationally and in London, we would undoubtedly see Labour Merton returning to its natural inclinations - the last time they were in power they increased council tax by 55% in just 8 years.

What this Labour council will do of course is persist in its apparent hatred of the motorist and the motor car. This year alone you have claimed in income and fines from the motorist in excess of £11 million, a whopping £1.6 million more than last year. You've increased beyond the suggested number of mobile enforcement vans and now in this budget you are proposing to not only increase the number of camera vans further but to employ seven more traffic wardens too. What rather gives the game away though is your claim

that this is not a growth item because they will more than pay for themselves through the increase in income from fines. So yet more indirect taxation levied by this council on the motorists of Merton.

The same is true of proposals to charge people to park and use our parks. What a kick in the teeth when the Leader has stood in this Chamber and talked about Olympic spirit and legacy. Councillor Draper has already admitted he has not progressed the Sophie Hosking Challenge Cup for school children, despite the wish of council and the endorsement of the Olympic Champion herself. Now you want to charge our sportsmen and women who use the parks and recreation grounds for weekend sport, running clubs and competitions for young people in our borough.

So much for increasing sport and active lifestyles - this proposal would have the opposite effect in Merton, because sports clubs who are already dissatisfied with the sporting facilities Labour provide will just move out of borough.

Will we ever actually see another Merton Olympic champion?

And all this for what? So that the council can build up its reserves further and presumably enable the administration to have a pre-election spending splurge in 2014. Or Are they thinking of ignoring the vote of this Chamber and resurrecting their gimmick of giving every household a £100 council tax rebate?

It has to be to the credit of Scrutiny that the Commission has at least managed to make some headway in forcing the administration to reconsider some of your proposals for future years. I am only disappointed that it's taken until just 6 days before this meeting for you finally to listen to the views of councillors from all sides of this Chamber.

Mr Mayor, we are here today to consider a budget from a Labour administration with no respect for democracy. The residents we all represent rightly expect all 60 of us to consider this decision carefully, as for many the level of council tax represents one of the highest monthly expenditures they have to pay. Yet Cllr Alambritis has shown a total disregard for this Chamber and for democracy in Merton, because since January he has been writing to residents telling them that council tax will be frozen this year, before a single one of us Councillors has even voted.

This is symptomatic of a lacklustre minority Labour administration. In their total disregard for democracy, they deal with minority parties behind closed doors and both show complete contempt for the residents they represent.

Mr Mayor, Labour have refused to cut council tax; all they are interested in is ripping off residents to build a war chest for electioneering. Labour's mantra is to rip off residents to build huge reserves and they have shown a total lack of respect for democracy, which is why on this side of the Chamber we cannot vote for their budget.

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Agenda Item 5. Budget Council
Councillor Peter Southgate - MPWIR

6 March 2013

Thank you for calling me to speak on behalf of MPWIR, and thank you too for setting out your principles governing the allocation of time between political groups for budget council meetings. As these ensure a fair deal for minority political groups against the big battalions, I hope they will be adapted by your successors for future budget councils.

On the assumption that few people will still be listening by the time I finish this speech (particularly if I use the full six minutes I've been allowed), I'm going to break with convention and thank officers for their input to the budget process of the beginning rather than the end of my speech. In particular I want to thank Caroline Holland and Paul Dale for their support through two or three cycles of budget scrutiny meetings going back to last November plus their support to the Financial Management Task Group. That has helped members to analyse future budget proposals in the context of current financial performance.

I hope members will agree that we are now getting better quality information and better researched proposals than we were getting a few years ago. I realize there are still differences of opinion over the presentation of information and how it may best be integrated, but we are closer to this with the service plan format than we have been in the past.

I mentioned improvements to the capital budget last year, but I make no apology for referring to this again because of the benefits from challenging the programme and cancelling projects that have little likelihood of materializing. That has been combined with a much more realistic approach to slippage. So if you look at the cost of servicing our borrowings (on page 83) you will see they are 10.14% of revenue for 2013/14 rising to 12.14% in 2016/17. That's still a lot of money in absolute terms (around £17m next year) but it's less than we were looking at three years ago. Then, we were forecasting borrowings of £204m in 2013/14, now we are looking at £125m.

Still with the historical perspective, we can see the benefits of freezing council tax for the third year running in the reactions of our residents. If I combine this with the policy of the previous administration of pegging the increase in council tax at or below RPI, the number citing the level of council tax as their main personal concern drops from 45% in 2005 to 27% in 2012. Over the same period (2005 to 2012) the number believing the council provides good value for money has gone from 33% to 54%, the numbers who say the council is efficient and well run is up from 53% to 69% and “doing a good job” is up from 62% to 79%. These are fundamentally important measures of performance in the eyes of our residents, and they demonstrate that a minority administration is no bar to improvement.

Going from the macro to the micro, I'd like to turn now to the savings considered in the final round of scrutiny by the Commission last week, and why they mattered. The first is funding for the voluntary sector. I accept that monies we were previously paying into the London Councils Grants Scheme were not necessarily benefitting Merton residents, but now that they have been repatriated to Merton, the best possible use for them is surely to insist they do start benefitting our residents, rather than being swallowed up elsewhere. As a point of principle, we should strive to maintain funding to the voluntary sector. Elsewhere in this budget we are inviting the voluntary sector to find savings of £98K through their own efficiencies. That's not undoable (for example the merger of MVSC and Volunteer Centre Merton will allow economies of scale), but we can't continue to rely on the voluntary sector if we don't fund it adequately.

As a result of the review of volunteering I have been undertaking with colleagues (particularly Councillor Gilli Lewis-Lavender), I have become convinced that the voluntary sector is our best hope and ally for coping with a prolonged period of austerity, likely to extend through the life of the next council (2014-18) as well as this one. We have a good record for volunteer activity here in Merton, the Annual Residents Survey shows that 1 in 5 people volunteer on a regular basis, and we are

pursuing a number of initiatives to encourage more people to volunteer. So the contribution of volunteers could be what differentiates Merton from other local authorities that have turned out the lights and locked up the libraries and the children's centres. But to get there we have to make sure we treat our volunteers right, we need to keep faith with them by maintaining funding, not cutting it. And we need to do more to help them to adapt if they are to be eligible for grant funding, because we don't want to lose the experience and talents we have in our midst (and let me declare an interest at this point as a trustee of Merton and Morden Guild, which has seen its funding cut by more than half). So I'm pleased we've put in place the offer of interim funding to carry those organizations through the next six months, and not shut them down prematurely.

The other item I'd like to highlight is the proposed saving from the public value review of Green spaces. It seems to me the logical sequence is to carry out the review and then decide where the scope for savings lies – horse in front of cart. To book savings from a review yet to be carried out is not something scrutiny can approve because we need evidence to gauge whether the proposed saving is sound or not. Please note that we're not saying the saving can't be taken, just that we need to see the business case first.

So I was very pleased that Cllrs Mark Betteridge and Mark Allison accepted all of the recommendations from the Commission at its meeting last Thursday, and have incorporated these into the amendment to the main report. Members of the Commission can reflect that they have made a difference to the budget we will approve this evening. I would like to thank the two Marks for their willingness to listen to scrutiny and their openness to making changes to the Business Plan.

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Speech by Councillor Iain Dysart, Liberal Democrat Group Leader

“Thank you, Mr Mayor. It never gets any easier. We now find that Government do not expect the national deficit to be resolved until at least 2018. More pain, less relief. So much for Gordon Brown’s economic miracle. But we will continue to stand up for our beliefs in economic strength and a fairer society. Having 75% of the Liberal Democrat manifesto in the Coalition Agreement matters, but continued delivery matters more. Making difficult decisions, which national Labour duck, is a long, hard slog. But we know the importance of local community action to make our communities better places. And so do the voters of Eastleigh! Go forth, they say. Well, Labour did! But we see from Eastleigh that being in Government and making unpopular choices when inheriting a mess from your predecessors doesn’t necessarily preclude you from winning. And the Lib Dems continue to deliver on our pledge to take low earners out of income tax, Since May 2010, 7,710 people removed from liability. From April 2013, a further £ 92, 600 saved, making a total of £ 55, 560, 000 since April 2010. The pupil premium, which in 2013/4 is worth £ 5.3 million to Merton schools; that’s £900 per pupil on free school meals. Real help. And that’s what we want for our hard-pressed residents. Our values have been and remain to working to protect and support future generations, increased transparency, and better decision-making, protecting front-line services, particularly for the vulnerable. Locally and nationally, a strong economy in a fairer society.

So what of this year’s Budget box of delights? Well, firstly, I’m not delighted. Some savings previously agreed are scheduled to take effect this year and we have placed an amendment on one of these; namely the withdrawal of some discretionary Freedom passes. Additionally, several voluntary groups supplying services to hundreds of elderly and vulnerable residents are being stripped of funding due to changing criteria, such as Merton Mind and the Friends of St Helier, due to work already carried out. But as for tonight’s proposals? The Council has had to find over £ 11million of savings this year. We’re pleased that some efficiencies were found though disappointed that not all were taken when identified in preference to awaiting a Budget meeting. We’re pleased that the Council proposes to freeze council tax again, taking advantage of the Coalition Government’s grant incentive. But the voluntary sector will see cuts of £ 141,000 over four years. We forget at our peril the valuable work they do; and that other Council departments might have to intervene later if this work cannot be continued due to insufficient funding. I’m pleased that the scrutiny process has led to some proposals being re-thought, like the £ 25,000 saving generated by handing over the administration of the Duke of Edinburgh award scheme benefiting a range of children from many of our schools to the schools themselves, who couldn’t or wouldn’t necessarily continue the funding. Again, due to scrutiny pressure, enforcement team cuts have been withdrawn, and the further cut to the Attic Theatre won’t proceed. But the administration remains intent on pursuing false economies, like the reduction to the Walksheets Budget on which we’ve also tabled an amendment given the serious financial and reputational costs, which could

arise. And with 1 year to go before the 2014 elections, we should, on a cross-party basis, do whatever we can to lobby for better settlements and an end to the iniquitous position with the Lee Valley Regional Park, for which Merton is now faced with a higher levy.

Mr Mayor, I'm concerned too for the staff of our authority. I believe they give of their best in difficult circumstances. They need and deserve our support and our thanks. They have to control and work within diminishing budgets. And we know that over the past three years, basic pay has not increased, never mind risen with inflation. We will lose more staff, increasing the pressure on those left. I was reassured to be advised that the figure on page 165 of our report was wrong; the target for sickness absence is decreasing from 8 to 7 days, not rising from 8 to 9. But this in itself presents challenges.

Mr Mayor, we could have had a Budget to protect front-line services, defend our children and young people, and the elderly and vulnerable. We needed to see an end to the month on month colossal underspends on waste services, along with children and adult social care services. A resolution to the inability of some staff departments who wanted them to have electronic payslips, thereby saving this Council money. A sign of how much and by when any legal action against us by the former Connexions providers would cost. We needed recognition that whilst Government funding levels do matter, how those monies are spent is a local decision. No point, of course, in seeking advice on any of this from Mr Miliband; his only idea is; deal with a debt by increasing that debt. Brilliant! And the Shadow Chancellor's surname says everything. We needed a Budget with practical answers to practical answers. Instead, we have a lack of vision and direction. Merton deserves better"