

COUNCIL BUDGET/COUNCIL TAX MEETING
2 MARCH 2011

TIME 7:15pm – 11:14pm

PRESENT: The Mayor, Councillor Oonagh Moulton
The Deputy Mayor, Councillor Margaret Brierly
Councillors Tariq Lord Ahmad of Wimbledon, Agatha Akyigyina, Stephen Alambritis, Mark Allison, Stan Anderson, Laxmi Attawar, Mark Betteridge, John Bowcott, 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, Henry Nelles, Dennis Pearce, John Sargeant, Judy Saunders, Linda Scott, Rod Scott, Debbie Shears, David Simpson, Peter Southgate, Geraldine Stanford, Sam Thomas, Ray Tindle, Gregory Udeh, Peter Walker, Martin Whelton, David Williams, Richard Williams, Miles Windsor and Simon Withey.

Apologies for lateness were received from: Councillor Tariq Lord Ahmad

1 MINUTES (Agenda Item 2)

Further to the written answer from the Cabinet Member to question 33 from Councillor Thomas, a point of order was raised questioning the accuracy of the answer given. The Mayor confirmed that clarification should be provided to Members on this point.

RESOLVED: that the minutes of the meeting held on 2 February are agreed as a correct record.

2 DECLARATIONS (Agenda Item 3)

Agenda Item 4

Councillor Dennis Pearce declared a personal interest on the basis of his being the Chair of F.I.S.H third sector day care for the elderly which is in receipt of a council grant.

Councillor Henry Nelles declared a prejudicial interest on the basis of his being a trustee of Deen City Farm and which is in receipt of a council grant.

3 BUDGET 2011/12. MTSF 2011-15 AND CAPITAL PROGRAMME 2011-15
(Agenda Item 4)

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The Mayor invited the Chief Executive to apprise the meeting of the order of events and as previously agreed between the party group leaders.

The Chief Executive and the Head of Civic and Legal Services, responding to an enquiry from Councillor Stephen Alambritis, confirmed that the motion tendered by the Conservative group is both legal and has no ramifications for the budget proposals.

The Mayor invited the Council's Director of Corporate Services to address the meeting on the key issues around the construction of the proposed budget.

The Director also responded to a number of questions put by members:

Councillor David Dean referred to page 90 of the printed agenda and asked the Director to confirm the council's gross expenditure for last year as being £503m and as being £470m for this year an increase of 7%.

Councillor Diane Neil Mills commented that last years expenditure was £480m and that the figure of £470m takes account of the under-spend.

The Director referred to Appendix 13 of the submitted report on page 466 of the printed agenda which detailed the gross revenue budget expenditure for 2010/11 as being £509m.

Councillor Richard Williams enquired as to what representations the Director has been asked to make in respect of this year or previous years on the level of government grant to Merton and was it ever argued that Merton's grant was inappropriately high in the light of local or national conditions?

The Director confirmed that there had not been any notifications that the level of grant to Merton was too high. A response was made to the Local Government Funding Settlement stating that the level of reductions and the issues around front-loading would make it difficult to make the level of savings required.

Councillor Richard Williams referred to a recent finding of maladministration against the council for a lack of action between 2006/08 and enquired as to what further cases the council may be facing and as to whether the Director was satisfied that the council holds sufficient reserves against future claims.

The Director confirmed that she is comfortable with the level of reserves available to the council and that, with regard to the local ombudsman case published on the previous Friday, whilst this does not refer to a financial item, the level of balances remains satisfactory.

Councillor Richard Williams, in the knowledge that the council was subject to in-year claw-backs on grant for 2010/11, enquired as to what guidance or commitments has the council received in the setting of the current budget that similar action will not be

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taken in 2012?

The Director confirmed that there had not been any guidance received around future claw-backs and that with regard to capital grants the council is seeking to spend as much as it is able to, ensuring that conditions are complied with and that monies are retained against proposed expenditure.

Councillor Krystal Miller enquired as to whether the anticipated redundancy package is included in the budget.

The Director advised that the figures provided are based on the old scheme but that a review of the scheme would be taken to General Purposes Committee on 23 June.

Leaders' Speeches

The Mayor invited Councillor Stephen Alambritis to address the meeting.

"I move the budget proposals as set out in Recommendation 1 with particular reference to the formal resolution as set out in Appendix 1 on Page 90 of the main agenda and our amendment thereto." (the full text of the amendments are appended to these minutes).

Amendment

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

"as amended by the following recommendations set out in Appendix A (Appendix A forms part of the amendment document found at Appendix 1 to these minutes)"

And after "the Medium Term Financial Strategy (MTFS) for 2011-2015" add:

"as amended by the appropriate corresponding increase in the gap for 2012/13 as set out in Appendix 13b (to the submitted report), Page 467 for the revenue impacts of the recommendations

Councillor Stephen Alambritis

"Madam Mayor,

Hard Work has been going on since May 2010 towards putting together the architecture for this balanced budget

Hard work by Officers

Hard Work by my Cabinet Members

and

Hard work by all councillors from all sides of this chamber

Hard work by all councillors again especially during the Overview and Scrutiny

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Commission cycle of meetings

I want to place on record my thanks to all of them and if you will allow me

Madam Mayor,

I shall name three of our colleagues in particular

Caroline Holland the Director of Corporate Services

Cllr Mark Allison the Cabinet Member for Finance

and

Cllr Peter Southgate Chair of the Overview and Scrutiny Commission

Madam Mayor,

Last December, Secretary of State, Eric Pickles announced the financial settlement

This imposed huge front loaded cuts on local authorities and on Merton

Some say that Eric Pickles has “lost the plot”

Now I know our colleagues opposite don't think that way

But this is exactly what the Conservative Cabinet Member for Finance for Torbay said to the Herald Express

Only this Monday in the House of Commons, Mr Pickles himself said “I have not the remotest idea where I am”

Dear Oh Dear!

For all the Tory –led Government's talk of localism and devolving power to local authorities, it has dumped the cuts on local councils and left us facing the toughest financial settlement in living memory

Let us therefore go back in time for a while and back to 1945

If Clement Attlee's government had decided

That the first and top priority was to speedily and completely reduce the debts built up during world War Two

There would have been

No money to fund the creation of the NHS,

No money to rebuild the railways and housing destroyed by the Blitz,

And no money to fund the welfare state!

All the things the Labour movement is proudest of about the post-war government

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would have been jettisoned

Madam Mayor,

Labour's plans to halve the deficit over four years would have meant cuts to local government

But not this fast and not this deep and not up front

Even the Chair of the LGA and Conservative Peer , Baroness Eaton said:

"It still remains the case that the cuts are front loaded rather than spread evenly across the four years"

Perhaps Lord Ahmad of Wimbledon would care to tell us if he agrees with the Noble Lady

Madam Mayor,

Because of front loading Merton faces an immense mountain to climb

The money the government is giving Merton Council in formula grant is reducing by over 13 per cent.

We are also losing millions in other grants

By the time the local government financial settlement was calculated in full our budget gap had increased to over £26million

For this reason tonight is not a happy evening.

Tonight's Council meeting is one that few people of conscience would look forward to

Tonight is a moment of sorrow and an occasion for regret

But we have used our "dented" shield to

Do what we can to protect the services that our community needs most

And to apply our values to protect those most deserving and those most in need

We have done our best to bridge the gap fairly and in a balanced manner

And in that spirit we have done the following:

Corporate Services including the Chief Executives Department is facing cuts of 27 per cent to its net budget

Environmental Services is losing 15% of its net budget but also getting an extra £1.5 million

And here is where our values are embedded in this budget-

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Community and Housing including Social Services is losing just over 7 per cent when the original position looked far far worse

And Children, Schools and Families is losing just 3 per cent but with an extra £1million going into Children's Social Services

So we are protecting the young, the elderly and the voluntary sector

But even savings in our back office aren't without pain

Jobs will be lost as a result and I deeply regret that

And we have undertaken full consultation with our colleagues in the trade union movement

Madam Mayor,

We have listened to and acted upon a number of concerns raised with us during the scrutiny process

As a result:

Taylor Road Community Centre will get a reprieve of an extra three months

Some £30,000 has been put back into the budget for Brightwell Respite Centre

An extra £30,000 will be available to fund Freedom passes for mentally ill people

Free parking in shopping parades will be reduced to 10 minutes not erased altogether

Despite the difficulties the council is facing our aim still remains to offer residents the best value for money

And to that end Madam Mayor,

Labour in Merton is freezing the Council Tax

In real terms that is a Council Tax cut of just over 5 per cent being the current RPI inflation figure

An affordable council tax bill in very difficult times

We have also introduced a free bulky waste service that is proving hugely popular with residents

Can I add here that I am aware of concerns around Weir Road and Garth Road recycling centres and feel that as the free bulky waste collection service picks up full speed, this newest of services will address those concerns

Residents parking permits will be frozen

We have also been able to reduce the price of visitor parking passes

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We are not closing any of our libraries

We are increasing school places

We are using fewer agency staff

We are updating Mitcham Junction Station

We are improving the appearance of Wimbledon Town centre and here a thank you is in order for work started by Councillor Diane Neil Mills

We are progressing on the More Morden project

And another thank you to the former Leader of the Council , Councillor David Williams for his earlier stewardship of this crucial project

And we are being more forceful with the Brown and Root Tower owners in Colliers Wood

Madam Mayor,

I want to share some other good news with you all tonight,

News that even Mssrs Pickles and Shapps should welcome in DCLG

Or more appropriately the Department for Criticising Local Government

This Dynamic duo say to us go forth and share!

Well we are!

On Monday we had final approval to launch a fully shared legal service with Richmond

And an initiative welcomed yesterday by Councillor Hilton's favourite web site- Conservative Home

Only yesterday a pioneering initiative took off with a joint ten year commitment to share a new payroll service with Merton, Sutton and Kingston

Sutton already shares its HR workforce with us

We have the South London Waste Partnership with Croydon, Kingston and Sutton

On education we provide management oversight of School Admissions for Sutton

So here we are doing best practice but still having to find £26 million!

Madam Mayor,

Despite the major changes the council is going through staff continue to work hard to ensure the council delivers excellent services and I pay a tribute to them

I am pleased that the Staff Excellence Awards will go ahead this year as will the

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Mitcham Carnival

And results from Merton's 2010 resident's survey announced in January show that residents feel the borough has made progress in the last year

Fewer residents expressed concern about crime

But with cuts to police numbers scheduled for Merton in 2011 by the party opposite, what chances crime going up again?

Madam Mayor,

In listening to residents we have gone the extra mile

We are tonight addressing their further concerns on libraries especially in West Barnes and Colliers Wood and there is an amendment on this we are moving and others will speak to this

That amendment also refers to our parks which again answers resident's aspirations in this area and to which others will be speaking

While not in the form of an amendment there will be clarification on Community Forums which again addresses concerns we have all been privy to and again others will speak to this

I know the Deputy Leader of the Council, Councillor Mark Betteridge, will touch on the prospects for future budgets in future years when he speaks

Madam Mayor

Our budget contains too many cuts forced upon us

Too many dedicated public servants will lose their job

The Government's cuts are real and Merton will feel it

But our budget is balanced and follows wide consultation especially with the voluntary sector and with scrutiny

Madam Mayor,

This administration, this Labour administration, is fully aware that there are difficult decisions to be made,

But we will make them in a way that is fair, open and transparent, involving and engaging the communities we serve and in a businesslike manner

I therefore commend this budget."

Seconders

Councillor Mark Betteridge seconded the recommendations to the submitted report

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and Councillor Peter Southgate seconded the amendments.

Councillor Debbie Shears

The Mayor invited Councillor Debbie Shears to address the meeting.

Madam Mayor,

“We all recognise that Councils across the country have an important part to play in ensuring that this country’s finances are once again put on a sure footing by the Conservative and Liberal Democrat Coalition. Over the previous 13 years Labour continued to spend public money at an unprecedented rate, increasing year on year services provided by local Councils to residents through ring fencing and time limited grants, without due regard to whether these services were actually affordable to the local taxpayer. This has resulted in the country being billions of pounds in debt. In fact public sector net debt currently stands at a staggering £867.2 billion. I’m afraid we’re now all paying the price with local and central government having to curb its financial spend as a result of Labour’s recklessness with the public purse.

Residents acknowledge that the national debt needs to be reduced and that everyone has a part to play. They recognise that council services will change but they want change to happen in consultation. They do not want a top down imposed solution; they want to see front line services protected whilst everything possible is done to drive efficiencies in the Council’s back office functions.

With regard to Merton’s budget we too recognise that the services that the Council provides and the demands on it from local residents need to change. For many years councils across the country have repeatedly asked central government to relinquish the controls on local financing and give local councils control of the whole budget so that their own local spend is determined by the priorities of the residents they serve. I am delighted to say that the Government’s Localism Bill provides just this opportunity and one that all councils, and especially this Council, should be welcoming and looking forward to embracing. Yet, for this shambolic administration, it’s just one in a line of missed opportunities.

And whilst we talk of shambolic, why has it taken them so long to listen to residents and the opposition? Why is it only now that they are bringing these amendments to the Council on their own budget at the eleventh hour? I’m sure they are probably feeling very pleased with themselves, as are some other colleagues within the Chamber. But we have had three rounds of scrutiny where consistently these savings have been highlighted as those of grave concern to local people, yet the Cabinet Members and the Leader have repeatedly defended them, saying time and again that these savings need to be taken. By bringing these amendments now they have again shown their total disregard for the scrutiny process within Merton.

Now we know that Labour did not expect to take control last May as proved by their

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weak and minimal manifesto pledges. And in case anyone has forgotten, you pledged to give each household back £25 a year - a motion you lost. Just think of the type of budget you would be presenting if you had not lost. In fact at the budget Cabinet meeting, Councillor Allison agreed publicly that the level of reserves built up by the last Conservative administration were at the right level.

You also promised the introduction of wheelie bins, which through our petitioning of residents across the borough, you realised were not wanted. You then craftily came up with the idea of doing a scrutiny review, but again ignoring members on all sides of the Chamber, you decided to tell the press this is what was going to happen before the vote in Council and without the agreement of the scrutiny panel.

Now Councillor Alambritis is nearly a quarter of a way through his tenure as Leader of the Council, and one we will be doing everything we can to ensure is not extended. Yet we have heard no clear vision as to his ambition for the borough and what the Council will be like under his leadership. In fact the best way to describe it is to compare him with his party's leader Mr Ed Miliband. Oh sorry Stephen, you supported the other brother, didn't you?

However in leadership style you're the same: whether vision for the country or vision for the council - under Labour it's a blank book!

So turning now to the budget proposals. No part of the community was protected not even the vulnerable, which Labour have always been keen to stand up and say they would protect at any cost. This has been another top slicing budget with no strategic vision from the Leader of the Council as to where Merton is going to continue to make savings over the next 3 years.

Other Labour councils such as Manchester have cut front line services for political reasons. Looking at the Budget proposals before us, the same could be said of this administration. No effort has been made to protect front line services and focus on driving through savings in back office functions.

There are still greater efficiencies to achieve through the Lean programme and through innovative thinking, some of which we will be presenting to the Council through our motion later on in this meeting.

Councillor Alison in a quote in the local Guardian this year said: "We have had to find savings of £26million. It is effectively 15% of our budget because of what we are having to endure from central Government." That is simply not true. This Labour minority administration are manipulating figures to their own end.

If you dive into the detail of the papers it is clear that the Council under spent by more than £10 million of this year's budget, a figure more than the sum total of reduction in formula grant. The Council has also received an increase of £3 million through new grants from central government leaving a total in grant reduction of £7

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million.

In fact gross expenditure in Merton is increasing from £480 million in 2010/11 to £503 million for 2011/12. That's an increase of £23million. So, you are not decreasing spend in Merton; you are increasing it.

The Conservative opposition regrets that Labour are politically motivated in the figures they are using and the spin they are putting on the size of the budget reduction. They are playing politics with services that affect our residents, and especially the most vulnerable in our borough.

Let me give you an example:

CSF 23 is a saving of £15, 000, reducing the capacity to provide ad-hoc assistance to at risk families. This at a time when, due to Labour's economic legacy, pressures on families' incomes are increasing, which in turn can lead to more domestic violence and substance misuse, which in turn will increase the number of at risk families within the borough. Therefore greater need for assistance will be needed in the long term. Could this supposedly caring Council really not find £15,000 from its £10million under spend to protect this?

In just under 10 months of a Labour administration this Council has gone from one that was willing to listen to its residents, as noted in the recent residents' survey, to one intent on closing its ears to the voices of the local community on areas of concern. Let me give you an example:

There has been an outcry from the Wimbledon and Raynes Park forums against the proposals to reduce their frequency. Now your amendment may have given a reprieve, but not before you have caused anger and resentment in local areas where residents feel disgusted with politicians for again imposing their will on residents with no consultation. The Localism Bill is about giving more say to residents in local areas especially around planning and the use of Section 106 monies. It is a retrograde step to reduce their number and limit the involvement of local people in the Council's proposals.

Local businesses are key to the continued economic revival of the borough. Local parades and shops recognise the importance of free local parking in maintaining a through flow of local and passing trade. One might think Cllr Alambritis would understand that from his previous professional life. Yet his administration's ill conceived proposals on parking, along with a reduced grace in period of loading and unloading, will detrimentally affect local businesses who, due to the recession caused by the previous Labour government, are working on very small profit margins.

Now we have all heard Councillor Judge lecture us on the importance of the green agenda and how under this Labour council the borough will be cleaner and greener and how bad the 'nasty' Conservatives were in this area. Yet to keep his promise to

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the electorate, he is planning to reduce street cleaning, stop collecting green waste for recycling at the same time as closing a recycling centre. So Labour will be leaving our streets dirty at the same time as increasing the risk of fly tipping. Won't our borough be green? And that's not to mention less maintenance of green open spaces so that they become overgrown and full of rubbish.

Now I could continue to highlight the back tracking of Labour but I know my colleagues will be doing so. We will be moving a series of amendments that have the support of local residents and it is up to each group to decide if the savings and the reduction in services in Labour's proposed amended budget, is one they can support and justify to their residents.

Councillor Alambritis and his Cabinet have consistently proposed cuts across the board with out due regard for its partners, Members and residents' views. We are regressing back to the time when a few Members behind closed doors made decisions and imposed them on residents. In the last four years the Conservatives made huge improvements in our partnership working. We did not impose budget reductions on partner agencies and let them find out from ward councillors.

We will continue to highlight the damage this budget will do to residents if agreed. They have a right to know and a right to be consulted on changes that affect them.

It is an exciting time to be in local politics with more empowerment for residents through the Big Society and the Localism Bill. Residents want to be part of the discussions around the future of services in Merton. And what I'm doing today is calling on this administration to grasp this opportunity, work with the residents and shape a borough that meets the residents' priorities not those of the politicians."

Councillor Peter Southgate

The Mayor invited Councillor Peter Southgate to address the meeting.

"Andy Warhol once remarked that "In the future, everybody will be famous for 15 minutes" but for tonight, leaders of minority groups in Merton must do the best they can with 5 minutes. It will encourage us to be concise.

Although the scale of the task that confronts us with this budget is enormous, and unprecedented in comparison with anything we have attempted before, I choose to start on a deliberately gloomy note to highlight that the budget we pass tonight is only the first in a four year sequence that will see our formula grant fall from its present level of £77m. to £67m. next year, £60m. in 2012/13, £54m. in 2013/14 ending at £47m. in 2014/15. So we cannot view tonight's budget in isolation, we have to plan for further cuts in the years ahead. We have to decide how we change and adapt to a new smaller council and we have to lay the groundwork for that process tonight; efficiency savings we delivered under Gershon are not going to do it.

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Faced with such a daunting task, I believe we haven't made too bad a job of it. Comparing notes with scrutiny chairs of other London boroughs at a seminar last week, I felt quietly relieved that we had managed to get this far without closing down any libraries or leisure centres, or without jeopardising the lives of elderly residents who depend on us for their care.

The reason for this comparatively orderly approach is that we started to slim down the council long before the election, when we implemented the Transformation Project two years ago. It might have had a rocky start, but I don't think there has ever been serious dissent from either side of the chamber on the necessity for it. So it is to the credit of the previous, Conservative administration that the project was initiated and supported, and it is to the credit of the present, Labour administration that it has continued without interruption through a change of control. We all recognise that this is too important to be allowed to fail.

If I can say something about the scrutiny process this year. It was perhaps not the best year to choose for cutting back on early stage scrutiny when we were faced with making savings on an unprecedented scale, but we did manage to synthesise a list of savings giving rise to concerns from across the four panels. These were then set in order of priority by the Commission, and the short list was forwarded to Cabinet for consideration.

I'm pleased that Cabinet demonstrated a willingness to respond to those concerns, and showed flexibility in amending some of the savings, despite having little more than the weekend in which to do it. I gather that in many London boroughs the hours spent in budget scrutiny result in no changes to the budget proposals whatsoever. Even if members involved in scrutiny feel they're much better briefed as a result, it's debatable whether scrutiny has added any value at all if nothing changes as a result.

Because of the late notification of the final settlement, and the time pressures to set a balanced budget, the debate on savings proposals has continued past the Cabinet meeting on 14 February right up until tonight. It's helpful that scrutiny has set the framework for that debate by highlighting savings giving rise to concern across parties, because it means we are all focussing on the same subjects and issues. I anticipate some constructive proposals in the debate that is to follow, and I'm beginning to think about how we could get these fed earlier into the scrutiny process another year so that we have more time to establish common ground in advance of this crucial budget setting meeting tonight."

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Councillor Iain Dysart

“When recession hit in 2008 to 2009 it became evident that at the next general election and the next local elections whoever one would have difficult choices to make and expectations to manage and that we might as well face up to it. That’s exactly what Lib/Dems have had to do. Since joining the government last May our ministers have realised how empty the books were as evidenced by the infamous Liam Byrne note a very appalling joke if I ever heard one. But it summed up the economic mismanagement of his government.

I don’t forget the brutal manner in which Gordon Brown through prudence against the wall when she no longer suited his purposes or how he egged on the banks to make more and more irresponsible lending decisions ignoring warnings that it was unsustainable.

So deluded that he’d abolished boom and bust he spent money like it was confetti. Now we have to deal with the consequences. Just to plug the gap between spending and income has necessitated £400m of borrowing every day. This year we’ll spend £43b just on paying debt interest. Just under £119m every day. Unlike Labour who dumped the responsibility, and still won’t face up to reality, LibDems stepped up to the plate and in Government we’ve prioritised services most relied upon by the most vulnerable in our society. LibDems in local government lead the way in prioritising those services, protecting the vulnerable and minimising job losses. For example LibDem Sheffield who planned for less than 300 job losses, Labour Manchester planning for 2000. other LibDem authorities, Bristol, Chesterfield, planned their cuts well in advance to mitigate the effects on their residents and staff. I don’t think realistically the Labour Admin would have preferred a Tory majority Government operating from Whitehall because they would be cutting faster. A Tory minority last May following a populist agenda would have led to another Tory majority. And it’s a shame that all those who protest now against cuts weren’t protesting against Tony Blair’s embrace of Thatcherism, deregulating the banks, being too reliant upon the financial sector, relying on a carbon economy, relying too much on the South East. Labour’s decisions led to the out-Thatchering of Thatcher, and the mess the Coalition is now having to clean up and I believe the LibDems have been a civilising influence in government.

So what are the cuts proposed for Merton? We’re having to find £26m this year. Protecting front line services and those on which we need to keep the reputation of Merton council and also guarding against false economies must be our priorities. In the Scrutiny process, lengthy and robust discussions have taken place. I respect the non-political stance taken by Councillor Peter Southgate and I also thank him for his work as chair of the Commission. I don’t know how he always seems to manage to keep an unflustered complexion but maybe he’ll tell me that secret on another

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occasion.

I also know that in some respects the proposals were changed as a result of that Scrutiny process. For instance the proposal to means test Freedom Passes for mental health users. But as I argued passionately, that should never have been proposed in the first place when members of that group are already prone to feelings of isolation, stigma, and marginalisation and I think any further proposal along those lines would be deeply, deeply unfair.

The reduction in the grant to Deen City Farm is better phased than meted out in one go, as was originally the case and it was communicated very late in the day, and I'm used to that, being a South Wimbledon Community Association Trustee. However it could still have serious consequences for what the Farm can offer its users in the future, some of whom are vulnerable.

In this economic climate more than ever, careers services need to be protected. We shouldn't be reducing funding for the Connexions service. We don't want to increase the number of NEET.

Reducing the transport and training budgets for SEN could have longer term consequences needing to be picked up by staff in that and other departments.

Carriageway patching taking a back seat to the short-term fix of pothole repairs. Not undertaking a proportion of so called non urgent repairs until they become safety issues, or worse, accident scenes. By officers' admission, long-term costs coming later on.

Reducing the street cleaning budget. Our team in Lavender Fields already receive volumes of complaints about cleanliness there. Closing Weir Road so we don't want to engage in recycling in that part of the borough. Introducing ironically by Councillor Judge who now wants to close it. And I have seen a copy of his election manifesto recently in which he says "my priorities are more recycling, greater support for green energy, much more support for carbon reductions." And I didn't read that manifesto with a view to accepting Ed Milliband's invitation to step over and join the Labour Party because I believe in progressive politics.

And of course the proposal to close West Barnes Library on a Monday. I appreciate that a stay of execution from April to July is better than closing on one day on April, however, I think local friends groups should have been given a chance to prove themselves first before any cuts were considered. And again, affecting local users, some vulnerable, in small local communities.

Council has reserves. Today the Evening Standard says we have £21.3m reserves so I question do we actually need to make all these cuts. Yes we should have provision for rainy days, that's only sensible, but some of these cuts could have been avoided. Let's keep our priorities and let's not emulate what Labour are doing

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elsewhere in this country. Thank you.

The Mayor invited Cabinet members to address the meeting and Councillors Peter Walker, Maxi Martin, Linda Kirby and Edith Macauley duly addressed the meeting.

Extension of Meeting

Pursuant to Part 4A, Paragraph 7(m), the Mayor sought the approval of the meeting, duly given, to the extension of the meeting for such period as appropriate to enable the business of the meeting to be concluded.

The Council continued its debate.

Point of Information

Councillor Nick Draper responded to a point raised by Councillor Maurice Groves relating to the closure of Lower Morden and Wimbledon Park libraries confirming that he was not an elected councillor at the time the decision was taken to close Lower Morden library.

Legal Advice

Referring to savings proposal CS3 on page 118 of the printed agenda and having regard to the oral clarification provided by Councillor Betteridge in relation to the arrangements for community forums, Councillor Debbie Shears sought legal advice in respect of the oral clarification which differed from the detail provided in the submitted report and expressed the view that there should have been a written recommendation put to Council amending the recommendation at CS3. In particular, the proposal at CS3 refers to a reduction in communications and marketing activity and this has previously been looked at by scrutiny. Councillor Shears contested that there a written recommendation amending the original proposal CS3 should have been put before Council. Therefore, she enquired as to whether the oral clarification was legal.

The Council's Head of Civic and Legal Services advised that, in consideration of the issues raised by Councillor Shears, she was satisfied that the clarification did not change the budget line or the financial position. This Council is considering the overall budget and, whilst there could have been a form of words that more adequately describes the proposal, the budget line at CS3 does not affect the legality of the proposed budget that is to be voted upon.

Labour Amendment

The Mayor put the Labour amendment previously moved by Councillor Stephen Alambritis and seconded by Councillor Peter Southgate to the meeting and declared it to be carried.

(The original motion as now amended became the substantive motion on which

COUNCIL BUDGET/COUNCIL TAX MEETING
2 MARCH 2011

further amendments were capable of being moved)

Conservative Amendments (the nine Conservative amendments/recommendations are appended to these minutes)

Clarification

Referring to the agreed Labour amendment in respect of ER07, Councillor Krystal Miller referred to an associated line on capital investment (an invest to save element) and enquired as to how this was to be accommodated.

The Director of Corporate Services advised that that which has been recommended under recommendation 1 is a different alternative way of providing the service using a separate source of funding including capital. This would be negated by the proposal detailed in the Conservative amendment.

The amendments/recommendations were prefaced by the following:

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

“as amended by the following recommendations:

See Appendix 1 ‘Budget 2011 – Conservative Group Recommendations’”

and after “the Medium Term Financial Strategy (MTFS) for 2011-2015” add:

“as amended by the appropriate corresponding increase in the gaps for 2012/13, 2013/14 and 2014/15 as set out in Appendix 13b, Page 467 for the revenue impacts of the resolutions”

and after the “Capital Investment Programme” add:

“as amended by the appropriate schemes as set out in the recommendations”

Amendment 1 was moved by Councillor Krystal Miller, seconded by Councillor Linda Scott and, upon the Mayor putting the amendment to the meeting, declared to be lost on a vote of 26 voting for the amendment and 33 against.

Amendment 2 was moved by Councillor Simon Withey, seconded by Councillor David Simpson and, upon the Mayor putting the amendment to the meeting, declared to be lost on a vote of 28 voting for the amendment and 31 against.

Amendment 3 was moved by Councillor David Williams, seconded by Councillor Tariq Lord Ahmad and, upon the Mayor putting the amendment to the meeting, declared to be lost on a vote of 26 voting for the amendment and 33 against.

Amendment 4 was moved by Councillor James Holmes, seconded by Councillor Miles Windsor and, upon the Mayor putting the amendment to the meeting, declared to be lost on a vote of 28 voting for the amendment and 31 against.

Amendment 5 (Councillor Henry Nelles left the room during consideration of this

COUNCIL BUDGET/COUNCIL TAX MEETING
2 MARCH 2011

amendment) was moved by Councillor Suzanne Evans, seconded by Councillor Maurice Groves and, upon the Mayor putting the amendment to the meeting, declared to be lost on a vote of 27 voting for the amendment and 31 against.

Amendment 6 was moved by Councillor Gilli Lewis-Lavender, seconded by Councillor Iain Dysart and, upon the Mayor putting the amendment to the meeting, declared to be lost on a vote of 28 voting for the amendment and 31 against.

Amendment 7 was moved by Councillor Henry Nelless, seconded by Councillor Richard Chellew and, upon the Mayor putting the amendment to the meeting, declared to be lost on a vote of 28 voting for the amendment and 31 against.

Amendment 8 was moved by Councillor David Dean, seconded by Councillor Ray Tindle and, upon the Mayor putting the amendment to the meeting, declared to be lost on a vote of 28 voting for the amendment and 31 against.

Amendment 9 was moved by Councillor Richard Hilton, seconded by Councillor Debbie Shears and, upon the Mayor putting the amendment to the meeting, declared to be lost on a vote of 28 voting for the amendment and 31 against.

Amended Labour Motion

The Mayor thereupon put the substantive motion to the meeting and a roll-call was requested with the following result:

Voting for the substantive motion 31: Councillors Agatha Akyigyina, Stephen Alambritis, Mark Allison, Stan Anderson, Laxmi Attawar, Mark Betteridge, John Dehaney, Nick Draper, Karen Forbes, Brenda Fraser, Gam Gurung, Jeff Hanna, Mary-Jane Jeanes, Philip Jones, Andrew Judge, Linda Kirby, Edith Macauley, Russell Makin, Maxi Martin, Peter McCabe, Ian Munn, Dennis Pearce, Judy Saunders, John Sargeant, Peter Southgate, Geraldine Stanford, Sam Thomas, Gregory Udeh, Peter Walker, Martin Whelton and Richard Williams.

Voting against the substantive motion 28: Councillors Tariq Lord Ahmad, John Bowcott, Margaret Brierly, Richard Chellew, David Dean, Iain Dysart, Chris Edge, Suzanne Evans, Samantha George, Suzanne Grocott, Maurice Groves, Richard Hilton, James Holmes, Janice Howard, Mary-Jane Jeanes, Gilli Lewis-Lavender, Logie Lohendran, Krystal Miller, Diane Neil Mills, Henry Nelless, Linda Scott, Rod Scott, Debbie Shears, David Simpson, Ray Tindle, David Williams, Miles Windsor and Simon Withey.

Not Voting 1: (The Mayor)

The Mayor declared the substantive motion to be carried and it was

RESOLVED: That approval is given to:

18

All minutes are draft until agreed at the next meeting of the committee/panel. To find out the date of the next meeting please check the calendar of events at your local library, online at www.merton.gov.uk/committee or by using the contact numbers at the end of this volume.

COUNCIL BUDGET/COUNCIL TAX MEETING
2 MARCH 2011

- the General Fund Budget as amended by the recommendations set out in Appendix 1 to the submitted report and as appended to these minutes;
- the Council Tax Strategy for 2011/12 equating to a Band D Council Tax of £1,102.99;
- the Medium Term Financial Strategy (MTFS) for 2011-2015 as amended by the appropriate corresponding increase in the gap for 2012/13 as set out in Appendix 13b, page 467 of the printed agenda for the revenue impacts of the recommendations;
- the Capital Investment Programme;
- the Capital Strategy (Appendix 16 to the submitted report);
- the Treasury Management Strategy (Appendix 17 to the submitted report), 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 appended to these minutes.

Conservative Motion

It was moved by Councillor Suzanne Grocott and seconded by Councillor Diane Neil Mills that:

This Council acknowledges the extremely challenging financial circumstances facing local authorities across the country in balancing their budgets for the coming financial year and beyond; and notes that the total grant the Council will receive from the Government is set to fall by £6.8million in 2011/12 compared to 2010/11, representing less than five percent of Merton's net spending.

This Council believes it is essential to drive further efficiencies in the Council's back office functions before seeking to cut the front line services which residents in Merton value so highly. Only by ongoing efforts to identify efficiency savings throughout the organisation can the Council reduce costs and improve its performance over the long term.

This Council therefore resolves to ask officers to examine in depth the following areas and to report to Cabinet and Scrutiny before 30 September 2011 on the potential for delivering revenue savings:

- Re-engineering the Council's performance management system to ensure it provides value for residents, particularly in light of the Coalition Government's abolition of the Comprehensive Area Assessment and Local Area Agreements;

COUNCIL BUDGET/COUNCIL TAX MEETING
2 MARCH 2011

- Using web-based translation services wherever possible to reduce costs; and
- Employing technology to improve efficiencies and identifying opportunities to provide value added options in the bulky waste collection service.

Councillor Peter Southgate enquired as to whether the motion detailed above had been cleared by the Director of Corporate Services and the Head of Civic and Legal Services.

It was confirmed that the motion had been duly cleared.

The Mayor put the motion to the meeting and it was declared to be carried on a vote of 31 for the motion and none voting against.

RESOLVED: That

This Council acknowledges the extremely challenging financial circumstances facing local authorities across the country in balancing their budgets for the coming financial year and beyond; and notes that the total grant the Council will receive from the Government is set to fall by £6.8million in 2011/12 compared to 2010/11, representing less than five percent of Merton's net spending.

This Council believes it is essential to drive further efficiencies in the Council's back office functions before seeking to cut the front line services which residents in Merton value so highly. Only by ongoing efforts to identify efficiency savings throughout the organisation can the Council reduce costs and improve its performance over the long term.

This Council therefore resolves to ask officers to examine in depth the following areas and to report to Cabinet and Scrutiny before 30 September 2011 on the potential for delivering revenue savings:

- Re-engineering the Council's performance management system to ensure it provides value for residents, particularly in light of the Coalition Government's abolition of the Comprehensive Area Assessment and Local Area Agreements;
- Using web-based translation services wherever possible to reduce costs; and
- Employing technology to improve efficiencies and identifying opportunities to provide value added options in the bulky waste collection service.

COUNCIL BUDGET/COUNCIL TAX MEETING
2 MARCH 2011

4 BUSINESS PLAN 2011/12 (Agenda Item 5)

The report was moved by Councillor Mark Betteridge, seconded by Councillor Stephen Alambritis and, following brief debate and upon the Mayor putting the report to the meeting, declared to be carried.

RESOLVED: That approval is given to

- A. the Business Plan package for 2011/12 noting how the Business Plan will be developed for future years; and
- B. Directors being given delegated authority in consultation with portfolio holders to make any necessary further amendments to the Business Plan.

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**BUDGET/COUNCIL TAX COUNCIL MEETING 2/3/11
LABOUR AMENDMENTS**

Agenda Item 4

**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 2011-2015”
add:**

**“as amended by the appropriate corresponding increase in the gap for
2012/13 as set out in Appendix 13b, Page 467 for the revenue impacts of
the recommendations”**

Appendix A

Recommendation	Details	£000	Funding	£000
Recommendation 1 - Libraries	<p>Amend the following saving:</p> <ul style="list-style-type: none"> • LI01 – Revised Library Opening Hours <p>To delay the introduction of the additional day's closure of Donald Hope and West Barnes libraries to give voluntary groups more time to consider options and make necessary arrangements</p>	16	<p>Fund by:</p> <ul style="list-style-type: none"> • A further call on the revenue underspend in 2010/11 <p>Increase in gap in 2012/13</p>	16
Recommendation 2 – Parks	<p>Defer the following saving</p> <ul style="list-style-type: none"> • ER07 – Delete evening parks lock up service for 2011/12 <p>To substitute saving ER07a whilst further work is undertaken with the Friends of Parks groups regarding the risks and potential opening of parks in order to bring back a proposal in 2012/13</p>	57	<p>Fund by:</p> <ul style="list-style-type: none"> • ER07a – see attached additional saving and EIA • A further call on the revenue underspend in 2010/11 <p>Increase in gap in 2012/13</p>	43 14 14

Panel	Ref	Description of Saving		Baseline Budget 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Risk Analysis DELIVERABILITY	Risk Analysis REPUTATIONAL	Type of Saving (see key)
SC	ER07a	Service Area	Greenspaces	299	43	0	0	0	Low	Low	SS1
		Description	The deletion of the post of Design and Delivery manager.								
		Service Implication	None - it is now anticipated that this saving can be achieved as part of the overall Greenspaces transformation. The loss of an established post being brought forward by one year (Design and Delivery Manager) with a saving (including on costs) of £43,000 to allow for the progression of discussions on savings and income generation, and associated risk factors, with Friends of Parks Groups in 2011/12 on the overall Greenspaces savings target. Loss of one FTE (currently vacant)								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								

Initial Equality Impact Assessment for Medium Term Financial Strategy (MTFS) Savings/Growth Proposal 2011/12

Merton's Corporate Equality Scheme sets out the Council's approach to valuing diversity and promoting equality. By mainstreaming equality issues into the proposed budgets for savings/growth helps Merton identify areas that might have a positive or negative impact on particular groups in the community.

Report and Budget Title: ER07a

Outline of proposed savings/growth: Deletion of Design & Delivery Manager post

Summary information

How does the proposal for savings/growth impact on Merton's responsibility to promote equality of opportunity and community cohesion:

This an efficiency saving and it is not expected to have any negative equalities impact

What actions, to address any negative impact have been identified?

N/A

What actions will be taken to mitigate and reduce the negative impact that has been identified?

N/A

Is the proposal to go ahead/be amended (give details) or abandoned?

To be considered at Council 2nd March

Completed by: Head of Service James McGinlay
Authorised by: Director Chris Lee

Date March 2011
Date March 2011

Group	Positive impact	Neutral	Negative impact	Evidence used, e.g. census, user surveys, local research etc	How might the proposal be amended to address any negative impact?	How will any potentially negative impact of the proposal be monitored and reviewed?
Men		X				
Women		X				
Boys		X				
Girls		X				
People of different age groups		X				
Disabled people		X				
People of any ethnic group including both settled and newly arrived communities		X				
People of different faiths		X				
Lesbian Gay Bisexual Transgender (LGBT) people		X				
Vulnerable people e.g. looked after children, or low income households		X				
People living in particular wards or neighbourhoods		X				

SUMMARY OF AMENDMENTS TO THE PROPOSED BUDGET BY COUNCILLORS ALAMBRITIS AND SOUTHGATE - IMPACT ON MTF5 2011-15												
	2011/12				2012/13				2013/14		2014/15	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	Funding in 2011/12:
REVENUE:												
Recommendation 1	16	0	0	0	0	0	0	0	0	0	0	Underspend 2010/11
Recommendation 2	57	0	0	0	0	0	0	0	0	0	0	Underspend 2010/11/Additional Saving
Funded by new saving	73	0	0	0	0	0	0	0	0	0	0	
Funded by 2010/11 underspend	(43)	0	0	0	0	0	0	0	0	0	0	
Balance unfunded	(30)	30	0	0	0	0	0	0	0	0	0	
GAP in Council Report	0	19,974	12,412	12,904	0	0	0	0	0	0	0	
REVISED GAP	0	20,004	12,412	12,904	0	0	0	0	0	0	0	

Key:

Underspend 2010/11 - an underspend is currently forecast against the 2010/11 Revenue Budget. This could be utilised on a one-off basis.
 Additional saving - proposal ER07a is an on-going saving.

BUDGET COUNCIL MEETING – WEDNESDAY 2 MARCH 2011

AMENDMENTS (Conservative)

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

“as amended by the following recommendations:

See Appendix 1 ‘Budget 2011 – Conservative Group Recommendations”

And after “the Medium Term Financial Strategy (MTFS) for 2011-2015” add:

“as amended by the appropriate corresponding increase in the gaps for 2012/13, 2013/14 and 2014/15 as set out in Appendix 13b, Page 467 for the revenue impacts of the resolutions”

And after the “Capital Investment Programme” add:

“as amended by the appropriate schemes as set out in the recommendations”

Recommendation	Details	£000	Funding	£000
Recommendation 1 - Guard our parks	<p>Not to take the following cuts:</p> <ul style="list-style-type: none"> • ER07 – Delete evening park locking up service <p>We want the Council to:</p> <ul style="list-style-type: none"> • Introduce remote park locking for 18 parks, which will require a capital investment of £270,000 and ongoing maintenance costs from 2012/13, estimated at £15,000/year <p>Total cost of Recommendation for 2011/12: Capital Revenue</p>	57 270 270 57	<p>Funding:</p> <ul style="list-style-type: none"> • The surplus on the collection fund will provide a one-off revenue savings to support our parks for one year while we use technology to reduce the cost of providing the service. • The capital investment (2011/12) will be funded from the housing stock transfer capital receipts. 	57 270
Recommendation 2 - Listen to the community	<p>Not to take the following cuts:</p> <ul style="list-style-type: none"> • CS2 – Reduce scrutiny support for corporate capacity, scrutiny commission and borough plan advisory panel (delay half year) • CS3 – Reduce frequency of community forums <p>Total cost of Recommendation in 2011/12: Revenue</p>	25 45 70	<p>Funding:</p> <ul style="list-style-type: none"> • A reduction in the contingency will provide ongoing revenue savings and instil increased budgetary discipline. • These are cuts that impact our ability to listen to residents and businesses in the community. • Therefore this is funded by a recurring saving. 	70
Recommendation 3 - Support local businesses	<p>Not to take the following cuts:</p> <ul style="list-style-type: none"> • ER03 – Increase parking charges and remove 10 minutes free • ER29 – Implement CPZ extensions with no consultation and reduce grace period for loading and unloading <p>We want the Council to:</p> <ul style="list-style-type: none"> • Introduce additional 20 minute free bays to support businesses which would incur a capital investment of £60,000 in 2012/13 and lost revenue of £60,000/year from 2012/13 	30 157	<p>Funding:</p> <ul style="list-style-type: none"> • A reduction in the contingency will provide ongoing revenue savings and instil increased budgetary discipline. • These are cuts in front line services we wish to save long-term. • The capital investment (2012/13) will be funded from the housing stock transfer capital receipts. 	187

<p>Recommendation 4 - Protect the vulnerable</p>	<p>Total cost of Recommendation in 2011/12: Revenue</p> <p>Not to take the following cuts:</p> <ul style="list-style-type: none"> • CC35 – Reduce Freedom Pass for mentally ill people (£70,000/year from 2012/13) • CSF23 – Reduce capacity to provide ad-hoc financial assistance to at risk families • CSF28 – Reduce Brightwell respite services <p>Total cost of Recommendation in 2011/12: Revenue</p>	<p>187</p> <p>15</p> <p>70</p> <p>85</p>	<p>Funding:</p> <ul style="list-style-type: none"> • The remainder of the reduction in the contingency will provide ongoing revenue savings. • The capital receipts from the housing stock transfer will provide additional annual support for the revenue budget. • These are cuts in front line services we wish to save long-term. • Therefore this is funded by a recurring saving. 	<p>63</p> <p>22</p>
<p>Recommendation 5 - Work with the voluntary sector</p>	<p>Not to take the following cuts:</p> <ul style="list-style-type: none"> • CC15 – Reduce Crossroads hourly rate • CSF15 – Reduce funding to Merton Music Foundation (£26,000/year in 2011/12 and further £46,000/year in 2012/13) • ER06 – Reduce funding to Deen City Farm (£15,000/year in 2011/12, further £15,000/year in 2012/13 and further £15,000/year in 2013/14) <p>Total cost of Recommendation in 2011/12: Revenue</p>	<p>16</p> <p>26</p> <p>15</p> <p>57</p>	<p>Funding:</p> <ul style="list-style-type: none"> • The surplus on the collection fund will support these voluntary organisations for one year whilst we work with them to look for alternative savings and funding arrangements. • They need a long term solution. 	<p>57</p>
<p>Recommendation 6 - Save our libraries</p>	<p>Not to take the following cuts:</p> <ul style="list-style-type: none"> • LI01 – Close West Barnes and Donald Hope library opening for one day per week <p>Total cost of Recommendation in 2011/12: Revenue</p>	<p>64</p> <p>64</p>	<p>Funding:</p> <ul style="list-style-type: none"> • The surplus on the collection fund will support these libraries for the proposed closure days whilst we find alternative savings elsewhere in the organisation. 	<p>64</p>
<p>Recommendation 7 - Promote a greener Merton</p>	<p>Not to take the following cuts:</p> <ul style="list-style-type: none"> • ER24 – Stop green waste collection <p>We want the Council to:</p> <ul style="list-style-type: none"> • Commercialise the green waste collection service rather than cut it altogether 	<p>227</p> <p>227</p>	<p>Funding:</p> <ul style="list-style-type: none"> • The underspend will fund a one year extension of this key service until it can be reconfigured, through the commercialisation of the service, and other savings found. 	<p>227</p>

<p>Recommendation 8 – Promote a cleaner Merton</p>	<p>Total cost of Recommendation in 2011/12: Revenue</p> <p>Not to take the following cuts:</p> <ul style="list-style-type: none"> • ER22 – Reduce street cleaning • ER27 – Close Weir Road Waste Centre • ER31 – Restructure park services team resulting in cessation of maintenance of small open spaces <p>We want the Council to:</p> <ul style="list-style-type: none"> • Replant small open spaces to reduce maintenance costs in the longer term <p>Total cost of Recommendation in 2011/12: Capital Revenue</p>	<p>227</p> <p>285 175 350</p> <p>250 810</p>	<p>Funding:</p> <ul style="list-style-type: none"> • The underspend will fund a one year extension of these key services until they can be reconfigured and other savings found. • For example, investment in small open spaces that reduce the ongoing maintenance requirements should be made. • The capital investment (2011/12) will be funded from the housing stock transfer capital receipts. 	<p>810</p> <p>250</p>
<p>Recommendation 9 - Empower headteachers</p>	<p>Total cost of Recommendation in 2011/12: Revenue</p> <p>Not to take the following cuts:</p> <ul style="list-style-type: none"> • CSF24 – Restructure school standards with reduction of 11 posts <p>We want the Council to:</p> <ul style="list-style-type: none"> • Increase electronic school admissions <p>Total cost of Recommendation in 2011/12: Revenue</p>	<p>121</p> <p>121</p>	<p>Funding:</p> <ul style="list-style-type: none"> • The balance of the surplus on the collection fund will protect this service for one year, whilst the other savings are investigated. 	<p>121</p>

SUMMARY OF AMENDMENTS TO THE PROPOSED BUDGET BY THE CONSERVATIVE PARTY - IMPACT ON MTFS 2011-15												
REVENUE:	EXPENDITURE					FUNDING:					Funding in 2011/12:	
	2011/12	2012/13	2013/14	2014/15	2011/12	2012/13	2013/14	2014/15	2011/12	2012/13		2013/14
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Recommendation 1	57	15	0	0	(57)	72	-	-	-	-	-	Collection Fund
Recommendation 2	70	0	0	0	(70)	-	-	-	-	-	-	Contingency
Recommendation 3	187	60	0	0	(187)	60	-	-	-	-	-	Contingency
Recommendation 4	85	70	0	0	(85)	70	-	-	-	-	-	Contingency/ reduced borrowing
Recommendation 5	57	61	15	0	(57)	118	15	-	-	-	-	Collection Fund
Recommendation 6	64	0	0	0	(64)	64	-	-	-	-	-	Collection Fund
Recommendation 7	227	0	0	0	(227)	227	-	-	-	-	-	Underspend 2010/11
Recommendation 8	810	0	0	0	(810)	810	-	-	-	-	-	Underspend 2010/11
Recommendation 9	121	0	0	0	(121)	121	-	-	-	-	-	
	1,678	206	15	-	(1,678)	1,542	15	-	-	-	-	
Funded by Contingency	(320)	-	-	-								
Funded by Collection Fund	(299)	299	-	-								
Funded by 2010/11 underspend	(1,037)	1,037	-	-								
Funded by savings in borrowing costs	(22)	-	-	-								
Balance unfunded	0	1,542	15	-								
GAP in Council Report	0	19,974	12,412	12,904								
REVISED GAP	0	21,516	12,427	12,904								

Key:

Collection Fund - there is a balance of £0.5m on the Collection Fund which could be utilised to fund expenditure on a one-off basis.

Contingency - there is a contingency of £1.820m in the Base Budget for 2011/12. Reducing this will produce an ongoing saving.

Underspend 2010/11 - an underspend is currently forecast against the 2010/11 Revenue Budget. This could be utilised on a one-off basis.

Reduced borrowing - the funding of the capital programme does not assume capital receipts from MPH Right to Buy and VAT shelter. Using these to fund schemes currently included in the Programme will reduce borrowing costs on an ongoing basis.

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RESOLUTIONS**Revenue Report:**

1. Having considered the views of the Overview and Scrutiny Commission set out in Appendix 2 to the revenue report, approval is given to the proposed budget for 2011/12 set out in Appendix 13 of the revenue report, together with the proposed Council Tax levy in 2011/12.
2. That it be noted that at its meeting on 17th January 2010 the Council calculated its **Council Tax Base for the year as 74,485.9** in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992.
3. That it be noted that the Council calculated the **Wimbledon and Putney Commons Conservators Tax Base for the year as 10,721.5** 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 approval is given to 4(a) - 4(i) below, which are calculated in accordance with Section 32 to 36 of the Local Government and Finance Act 1992:
 - a) being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) (a) to (e) of the Act

	£m
Gross Revenue Expenditure of Service Committees	473.149
Corporate Provisions	29.148
Amounts Payable to the Levying Bodies	0.887
Contribution to Financial Reserves	0.000
Gross Expenditure	503.184

- b) being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) (a) to (c) of the Act

	£m
Fees, charges and other income of services	336.113
Corporate investment income and technical adjustments	15.965
Total Income	352.078

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 32(4) of the Act, as its budget requirement for the year

	£m
Total Net General Fund Expenditure	151.106

- 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 redistributed non-domestic rates

	£m
Revenue Support Grant	15.729
NNDR	50.888
Total	66.617

- e) being the amount at 4(c) above, less the amount at 4(d) above calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year

	£m
Required yield from Merton's element of the Council Tax	84.489

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

	£
Wimbledon and Putney Commons Conservators Levy	266,647.43

- g) being the amount at 4(e) above, less the amount at 4(f) above with the result divided by the amount at 2 above, calculated by the Council, 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 item relates, subject to (i)-(ii) below.
- i) being reduced by the amount of any sum which the Council estimates will be transferred from its Collection Fund to its General Fund pursuant to the directions under section 98(4) of the Local

Government Finance Act 1988 made on 2 February 1995 -
£2,065,000 or

- ii) increased by the amount of any sum which the Council estimates will be transferred from its General Fund to its Collection Fund pursuant to the directions under section 98(5) of the Local Government Finance Act 1988 made on 2 February 1995 - **NIL**

	£
Merton's General Band D Council Tax Levy	1,102.99

- 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 by the Council, in accordance with Section 34(3) 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 Levy	1,127.86

- 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 36(1) of the Act, 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	735.33	857.88	980.44	1,102.99	1,348.10	1,593.21	1,838.32	2,205.98
Parts inc. WPCC	751.91	877.22	1,002.54	1,127.86	1,378.50	1,629.13	1,879.77	2,255.72

5. That approval is given to the Council Tax levy for 2009/2010 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	206.55	240.97	275.40	309.82	378.67	447.52	516.37	619.64

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	941.88	1,098.85	1,255.84	1,412.81	1,726.77	2,040.73	2,354.69	2,825.62
Parts inc. WPCC	958.46	1,118.19	1,277.94	1,437.68	1,757.17	2,076.65	2,396.14	2,875.36