

Agenda Item 3

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COUNCIL
4 MARCH 2015
(19.15 - 22.06)

PRESENT The Mayor of Merton, Councillor Agatha Mary Akyigyina,
The Deputy Mayor of Merton, Councillor Laxmi Attawar

Councillors: Stephen Alambritis, Mark Allison, Stan Anderson, Hamish Badenoch, John Bowcott, Michael Bull, Adam Bush, Tobin Byers, Charlie Chirico, David Chung, Caroline Cooper-Marbiah, Pauline Cowper, Stephen Crowe, Mary Curtin, David Dean, John Dehaney, Nick Draper, Edward Foley, Brenda Fraser, Fidelis Gadzama, Ross Garrod, Suzanne Grocott, Jeff Hanna, Joan Henry, Daniel Holden, James Holmes, Janice Howard, Mary-Jane Jeanes, Abigail Jones, Philip Jones, Andrew Judge, Sally Kenny, Linda Kirby, Abdul Latif, Najeeb Latif, Brian Lewis-Lavender, Gilli Lewis-Lavender, Edith Macauley, Russell Makin, Maxi Martin, Peter McCabe, Oonagh Moulton, Ian Munn, Katy Neep, Dennis Pearce, John Sargeant, Judy Saunders, David Simpson, Marsie Skeete, Peter Southgate, Geraldine Stanford, Linda Taylor, Imran Uddin, Gregory Udeh, Peter Walker, Jill West, Martin Whelton and David Williams.

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

No apologies were received

2 DECLARATIONS OF INTEREST (Agenda Item 2)

No declarations were received

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

RESOLVED:

That the minutes of the meeting held on 4 February 2015 were agreed as a correct record.

4 BUSINESS PLAN 2015-2019 (Agenda Item 4)

The Mayor briefly explained procedure for this Budget Council meeting. She also reminded the Council that all Budget related decisions, including proposed amendments, were require to be recorded within the minutes with a list of the names of those who voted for or against the decision or who abstained from voting. To accommodate that, a 'Roll Call' would be used for each of the votes relating to the substantive budget motion or any amendments to it.

The Mayor invited the Director of Corporate Services to present the Business Plan 2015-19 to the Council. The Director of Corporate Services then responded to questions on the report from Councillors John Dehaney, Hamish Badenoch, Abigail Jones, Stephen Crowe, Peter Southgate, Peter McCabe, Brian Lewis-Lavender, Sally Kenny, David Simpson, Geraldine Stanford, Ian Munn, Janice Howard and Najeeb Latif respectively.

The Leader of the Council then addressed the Business Plan 2015-19. Councillor Stephen Alambritis moved the recommendations as detailed in the report whilst making his budget speech to Council. A copy of which is appended to the minutes as Appendix A.

Councillor Peter McCabe formally seconded the recommendations.

The Mayor then invited the oppositions Group Leaders in turn to respond to the Budget proposal and the Business Plan.

The Leader of the Conservative Group, Councillor Oonagh Moulton addressed the meeting and her speech is attached to the minutes, as Appendix B.

The Leader of the Merton Park Ward Independent Residents Group, Councillor Peter Southgate, addressed the meeting and his speech is attached to the minutes, as Appendix C.

Members of the Cabinet were then invited to address the meeting. The following took that opportunity:

- The Cabinet Member for Finance, Councillor Mark Allison
- The Cabinet Member for Adult Social Care and Health, Councillor Caroline Cooper-Marbiah
- The Cabinet Member for Community Safety, Engagement and Equalities, Councillor Edith Macauley
- The Cabinet Member for Children's Services, Councillor Maxi Martin

The Mayor then invited any Councillors to move proposed amendments to the Business Plan.

Councillor Suzanne Grocott moved the Conservative Amendment 1, (which can be found as Agenda Item 5), which was seconded by Councillor Gilli Lewis-Lavender

Councillor David Williams moved the Conservative Amendment 2, (which can be found as Agenda Item 6), which was seconded by Councillor James Holmes.

The Mayor then opened up the general debate on the two proposed amendments and on the proposed substantive Business Plan. Councillors Jeff Hanna, Katy Neep, John Bowcott, Andrew Judge, Stan Anderson, David Dean, Russell Makin, Fidelis Gadzama, John Sargeant, Ross Garrod, Pauline Cowper, Mary-Jane Jeanes, Tobin Byers, Daniel Holden, Brenda Fraser, Marsie Skeete, Linda Taylor, Martin Whelton and Peter McCabe, all spoke in the general debate.

Following the conclusion of the general debate, the Mayor called for the Council to vote on each of the amendments in turn via a roll-call

- **Conservative Amendment 1 (Agenda Item 5)** that had been moved by Councillor Suzanne Grocott and seconded by Councillor Gilli Lewis-Lavender

Voting in Favour: Councillors: Hamish Badenoch, John Bowcott, Michael Bull, Adam Bush, Charlie Chirico, Stephen Crowe, David Dean, Edward Foley, Suzanne Grocott, Daniel Holden, James Holmes, Janice Howard, Mary-Jane Jeanes, Abdul Latif, Najeeb Latif, Brian Lewis-Lavender, Gilli Lewis-Lavender, Oonagh Moulton, John Sargeant, David Simpson, Peter Southgate, Linda Taylor, Jill West, and David Williams. (24)

Voting Against: Councillors: Agatha Mary Akyigyina, Stephen Alambritis, Mark Allison, Stan Anderson, Laxmi Attawar, Tobin Byers, David Chung, Caroline Cooper-Marbiah, Pauline Cowper, Mary Curtin, John Dehaney, Nick Draper, Brenda Fraser, Fidelis Gadzama, Ross Garrod, Jeff Hanna, Joan Henry, Abigail Jones, Philip Jones, Andrew Judge, Sally Kenny, Linda Kirby, Edith Macauley, Russell Makin, Maxi Martin, Peter McCabe, Ian Munn, Katy Neep, Dennis Pearce, Judy Saunders, Marsie Skeete, Geraldine Stanford, Imran Uddin, Gregory Patrick Udeh, Peter Walker, and Martin Whelton. (36)

Not Voting: None (0)

The Mayor declared the amendment to be lost.

- **Conservative Amendment 2 (Agenda Item 6)** that had been moved by Councillor David Williams and seconded by Councillor James Holmes

Voting in Favour: Councillors: Hamish Badenoch, John Bowcott, Michael Bull, Adam Bush, Charlie Chirico, Stephen Crowe, David Dean, Edward Foley, Suzanne Grocott, Daniel Holden, James Holmes, Janice Howard, Mary-Jane Jeanes, Abdul Latif, Najeeb Latif, Brian Lewis-Lavender, Gilli Lewis-Lavender, Oonagh Moulton, John Sargeant, David Simpson, Peter Southgate, Linda Taylor, Jill West, and David Williams. (24)

Voting Against: Councillors: Agatha Mary Akyigyina, Stephen Alambritis, Mark Allison, Stan Anderson, Laxmi Attawar, Tobin Byers, David Chung, Caroline Cooper-Marbiah, Pauline Cowper, Mary Curtin, John Dehaney, Nick Draper, Brenda Fraser, Fidelis Gadzama, Ross Garrod, Jeff Hanna, Joan Henry, Abigail Jones, Philip Jones, Andrew Judge, Sally Kenny, Linda Kirby, Edith Macauley, Russell Makin, Maxi Martin, Peter McCabe, Ian Munn, Katy Neep, Dennis Pearce, Judy Saunders, Marsie Skeete, Geraldine Stanford, Imran Uddin, Gregory Patrick Udeh, Peter Walker, and Martin Whelton. (36)

Not Voting: None (0)

The Mayor declared the amendment to be lost.

Following the end of the voting on the amendments, the Mayor invited the Leader to formal move the Business Plan 2014-19 report.

- Councillor Stephen Alambritis moved the **Substantive Motion** which was seconded by Councillor Peter McCabe

A roll-call was called on the **Substantive Motion**

Voting in Favour: Councillors Agatha Mary Akyigyina, Stephen Alambritis, Mark Allison, Stan Anderson, Laxmi Attawar, Tobin Byers, David Chung, Caroline Cooper-Marbiah, Pauline Cowper, Mary Curtin, John Dehaney, Nick Draper, Edward Foley, Brenda Fraser, Fidelis Gadzama, Ross Garrod, Jeff Hanna, Joan Henry, Abigail Jones, Philip Jones, Andrew Judge, Sally Kenny, Linda Kirby, Edith Macauley, Russell Makin, Maxi Martin, Peter McCabe, Ian Munn, Katy Neep, Dennis Pearce, John Sargeant, Judy Saunders, Marsie Skeete, Peter Southgate, Geraldine Stanford, Imran Uddin, Gregory Patrick Udeh, Peter Walker and Martin Whelton (39)

Voting Against: Councillors: Hamish Badenoch, John Bowcott, Michael Bull, Adam Bush, Charlie Chirico, Stephen Crowe, David Dean, Suzanne Grocott, Daniel Holden, James Holmes, Janice Howard, Mary-Jane Jeanes, Abdul Latif, Najeeb Latif, Brian Lewis-Lavender, Gilli Lewis-Lavender, Oonagh Moulton, David Simpson, Linda Taylor, Jill West and David Williams (21)

Not Voting: None (0)

RESOLVED

That the Council agrees the Business Plan 2015-19 including:-

- A) the General Fund Budget;
- B) the Council Tax Strategy for 2015/16 equating to a Band D Council Tax of £1,102.25, which means that Merton qualifies for Council Tax Freeze Grant;
- C) the Medium Term Financial Strategy (MTFS) for 2015-2019;
- D) the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy);
- E) the Capital Strategy (Section 1: Part A of the Business Plan)
- F) 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 report. (Also detailed as Annex 1 to these minutes).

FINAL RESOLUTIONS**Revenue Report:**

1. Members consider the views of the Overview and Scrutiny Commission summarised in Appendix 14 of the revenue report, and approve the proposed budget for 2015/16 set out in Appendix 7 of the revenue report, together with the proposed Council Tax levy in 2015/16.
2. That it be noted that at its meeting on 8 December 2014 the Council calculated its **Council Tax Base for the year as 69,638.0** in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012(SI 2012: 2914).
3. That it be noted that the Council calculated the **Wimbledon and Putney Commons Conservators (WPCC) Tax Base for the year as 10,880.0** in accordance with regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.
4. That the Council agrees 4(a) - 4(i) below, which are calculated in accordance with Section 31A to 49B of the Localism Act 2011, amending Section 32 of the Local Government Finance Act 1992.
 - a) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) (a) to (f) of the Act

	£m
Gross Revenue Expenditure of Service Committees	539.453
Corporate Provisions	9.410
Amounts Payable to the Levying Bodies	0.926
Contribution to/(from) Financial Reserves	(4.991)
Gross Expenditure	544.798

- 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	467.747

- 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 2015/16 (including special expenses re WPCC)	77.051

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

	£m
Revenue Support Grant	30.425
Baseline funding NNDR & Section 31 Grant	34.820
Formula Grant	65.245

- 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)	1,106.45

- 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	292,946

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

	£
Merton's General Band D Council Tax Levy (excluding WPCC)	1,102.25

- 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	1,129.18

- 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 £
Parts inc. WPCC	734.83	857.31	979.78	1,102.25	1,347.19	1,592.14	1,837.08	2,204.50
Parts inc. WPCC	752.78	878.26	1,003.72	1,129.18	1,380.10	1,631.04	1,881.96	2,258.36

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 2015/16 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	196.67	229.44	262.22	295.00	360.56	426.11	491.67	590.00

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 £
Parts inc. WPCC	931.50	1,086.75	1,242.00	1,397.25	1,707.75	2,018.25	2,328.75	2,794.50
Parts inc. WPCC	949.45	1,107.70	1,265.94	1,424.18	1,740.66	2,057.15	2,373.63	2,848.36

Speech by Cllr Stephen Alambritis the Leader of the London Borough of Merton to the Council Budget Meeting on Wednesday 4 March 2015 at 7:15pm and in the Council Chamber at the London Borough of Merton being situate at the Civic Centre on the London Road in Morden Surrey SM4 5DX

Madam Mayor

Last year's budget was about embedding affordability

This year's budget is about providing hope while taking tough decisions

Tough decisions that we cannot afford to put off

Not taking them now would exacerbate the position for our residents

Because our residents more than ever need an efficient, well run and caring Labour council

A Labour council that can and will give hope to its residents in this budget

I therefore move the business plan and the budget proposals as set out in Recommendation 1 with particular reference to the formal Resolutions as set out in Appendix 1 to the Report before us tonight

In doing so I want to single out a few people for thanks

Cllr Mark Allison my deputy leader and cabinet member for finance and long suffering QPR fan

All councillors who chair and who sit on our scrutiny panels and thank them especially for having more scrutiny meetings about the budget than in previous years

We have listened to suggestions from scrutiny members especially the suggestion to take uncontroversial savings that do not impact on services earlier in the process

Thanks also go to

Cllr Peter Southgate the chair of scrutiny and his two colleagues in Merton Park

To the cabinet members and to all councillors on this side of the chamber

To Cllr Oonagh Moulton and her councillors for the part they have played although I note they are slightly less in number than this time last year!

It would be remiss of me not to thank the even more depleted ranks of our Liberal friends here in Merton and those thanks of course go to the one and only Cllr Mary-Jane Jeanes!

We are as always grateful to our directors and staff and we are indebted to Caroline Holland the director of corporate services

Madam Mayor

Each year we have a duty to balance the budget

We have done so in the past and will continue to do so in the future

Now we all know that councils get much of their funding from central government

But, Madam Mayor, this uncaring coalition government have decided to slash this funding by forty per cent

As a result we will have to make savings of £32million

That is not a one off £32m which would be difficult enough

It is £32m every single year by 2018/19

But this council agreed to a set of key principles

Our July Principles

Dedicating us to provide the services the residents need most

To keeping the council tax to an affordable level without being irresponsible

And

Here is the gulf between us

A prudent, business like and fair Labour council

And

The Conservatives

Coming up with a crazy uncostered manifesto pledge to reduce the council tax by ten per cent

Madam Mayor

That would have meant a further eight million pounds in cuts to services

And I am now looking at Cllr Dean when I say that this madcap idea to decimate council services was quickly consigned to the wheelie bin of history!

Madam Mayor

For the first time ever in the history of this borough we are freezing the council tax for the fifth year running

And going back to our July Principles, we are also keeping council tax down for low income households

Madam Mayor

We will always be a fair Labour council

Here in Merton we have ensured that children's services have less of a share of the cuts than other services

Thanks to my cabinet member for Children Cllr Maxi Martin for putting an extra £1m into children's services

This will help with safeguarding children in the borough including Looked After Children

But Madam Mayor

Even though we have made sure the cuts are also lower in adult social care, the sums involved are so big that sadly services will be affected

However, we are not proposing to close day centres as the Conservatives tried to do when they were in office eight years ago

When council funding was increasing

And before the global financial crisis

We all recall the failed efforts of the opposition to close All Saints Day Centre

Madam Mayor

My cabinet member for Adult Social Care and Health, Cllr Cooper-Marbiah, is keeping our day centres open

And we are not closing our libraries

To the contrary

We have a positive story of hope on our libraries

A story excellently crafted by my cabinet member for Community and Culture, Cllr Nick Draper

We have increased the opening hours in our libraries by working with volunteers and by using new technology

And we are re-developing the worn-out and expensive-to-run library in West Barnes so that we get a new modern library at no cost to the taxpayer

In fact it will actually cost us less to run and maintain

Cllr Draper is also pioneering a new leisure centre in Morden, replacing the current expensive building with a new affordable pool that will also cost less to run and to look after

Madam Mayor

Our children and their parents will look forward to that new facility

But we must also continue to give hope to parents on school places

I am pleased to report that we are on target to create 4,000 extra places in our best local primary schools by 2018

I commend the hard work of my cabinet member for Education, Cllr Martin Whelton

With this budget we are also putting aside £41m to build new classrooms in our excellent secondary schools

Madam Mayor

Before I became leader of the council I was the Chief Spokesperson for the Federation of Small Businesses

So it is a real honour that we have been named as the best all-round small business friendly borough in London

Praise for this must go to my cabinet member for Regeneration, Cllr Andrew Judge and his Future Merton team

And what a coup Cllr Judge had when Close Brothers announced they were moving into the borough and bringing with them over 600 jobs

Madam Mayor

This budget will further cement the attractiveness of this borough to the business community

By creating more jobs for our residents and apprenticeship opportunities for our young people

Our fifth year in a row council tax freeze will also mean that people living in Merton have a bit more to spend with local businesses

Madam Mayor

I see Cllr Dean is animated again so let me try and calm him down by going back to his favourite subject of wheelie bins

I know how important clean streets are to the majority of residents

So I am pleased that my cabinet member for Environmental Cleanliness, Cllr Judy Saunders is taking a zero tolerance approach to the minority who drop litter and fly tip

Cllr Saunders is also going to carry out a modest pilot to see if wheeled bins would offer residents cleaner streets and good value for money

Madam Mayor

My Cabinet member for Engagement & Equalities has ensured that this council has a budget that is fair to all through our rigorous equality impact assessments

Madam Mayor

I need to come to a conclusion

But of more importance is the conclusion of the people we serve - our residents

Their conclusions in our annual residents' survey are crystal clear for all to see

More residents than ever think the council is efficient and well run

Residents consistently agree that Merton council is doing a good job

Concern by residents about the level of the council tax is now at an all-time low

Madam Mayor

Now to my conclusion

With government cuts to councils in the order of 40% and a savings target of £32m

We are having to make some tough choices

However because we have run the council's finances in a business like way

We are able to offer hope and real benefits to residents

A record fifth consecutive council tax freeze

Thousands more school places

Day Centres open

Children's Centres open

A new library

A new swimming pool

A council that is innovative and enterprising

That is sharing services with other boroughs and saving money

That is providing services to other boroughs and bringing in money

And that has other boroughs keen to learn from it adding to our reputation

Madam Mayor

This borough famously came up with the Merton Rule

Adopted by every borough in the land

Abiding by our July Principles we have tonight come up with the Merton Way-
business like; fair; caring and listening

That is the Merton Way under Labour

I commend this budget to the chamber

**BUDGET SPEECH BY COUNCILLOR OONAGH MOULTON
LEADER OF MERTON CONSERVATIVE GROUP**

Thank you, Madam Mayor

'The times, they are a changing'.

I have to admit that I am no great Bob Dylan fan. Truth be told you're more likely to find me bopping to Take That!

Clearly Cllr Alambritis is a Dylan devotee as it was these words he crowed so gleefully at the 1st Council meeting of this new majority Labour administration.

He may well have been beaming like the Cheshire cat but 6 months on that's not a sentiment that is shared by all those people in their wheelchairs or with their guide dogs by their side attending this and our last Council meeting.

Times certainly are a changing for these residents. Unfortunately under this Labour council it's not for the better.

As a result of the choices made by Labour in this budget, they and their carers face losing vital services. Yet unlike Bob Dylan, these residents are not even allowed their peaceful protest. Instead they get moved on by this heavy handed Labour administration.

The truth is that Merton council is losing the confidence of some of the most vulnerable members of our community. The very people we were all elected to protect.

The latest Annual Residents' Survey shows a clear trend of falling levels of satisfaction with the Council among the borough's disabled residents. This is a Merton-specific trend, not one which is replicated across London.

This is also a problem all of Labour's own making. And it is only set to be compounded by the proposals before us tonight.

I hope that every Labour backbencher is ready to justify their support for this budget to disabled residents and their families in every part of our borough. For this is a heartless budget built on the backs of vulnerable residents.

As we have heard ad nauseam, Labour's narrative is simply to blame central government for cuts to local services. They think if they keep saying it enough times then enough people will believe it – especially with a ring fenced communications budget to support their political spin.

Yet their own national party has made clear that, even if a Labour government is elected in May, there would no more money for local government.

Let me just repeat that for the benches opposite. As Ed Balls has made clear: “there will not be additional funding for local government, which includes social services” under a Labour government.

In fact there would probably be less once the irresponsible wrecking ball of Labour’s tax and spend agenda puts Britain’s economic growth in jeopardy.

So there’ll be no Ed Miliband or Ed Balls riding to the rescue of Merton Labour like Wallace and Gromit on horseback.

Every Labour backbencher needs to consider just how they have been hoodwinked by their own leadership into supporting this budget.

A budget of Labour choices where My Merton and communications are prioritised over day care services for the vulnerable.

And where wheelie bins are prioritised over care for the elderly.

Madam Mayor, Labour back benchers must be wondering: if this is the result of just 1 year of majority Labour administration, where on earth will our axe fall next?

The reality is that whatever Labour claim, this is a budget of their own making. It is a budget built on the sands of Labour’s choices because of their mismanagement, their lack of efficiency and their lack of investment.

Whatever happened to the much feted ‘Merton 2015’ Transformation programme? Labour has failed spectacularly over the last 4 years to implement it. They have even failed to implement £2.2million of savings that have been agreed in previous budgets for this year alone.

It’s Labour’s failure to deliver long term, sustainable savings which means they are having to chop away at front line services now.

Labour in Merton are now 4 years behind the curve. That’s how long it took them to roll out the cashless parking programme alone so it’s hardly surprising that the residents of Morden are still waiting in vain for a new swimming pool.

I challenge a single Labour councillor opposite to explain to people in Morden why it was that, when at the same time as the council was stashing away millions and millions more each year in reserves , Labour were proclaiming that they couldn’t possibly afford a new pool. A new pool the money for which was in the 2010 budget.....and in reality has been there every year since.

Morden Park Pool is just once example of the financial mismanagement that is endemic of this Labour administration.

An administration which:

- Can’t tell us how many staff it has at any given time
- Can’t tell us how many vacant posts there are in the organisation
- Can’t even tell us how much would be saved by the different options it consulted on for MAE

Not to mention the gross financial mismanagement when it comes to new schools. Not only did they choose to buy back a school they had flogged off at a cut price rate several years earlier. Not only did they choose not to use the money set aside by the previous Conservative administration to build a new primary school. But to top it all they have now chased away a new Chapel Street free school ...along with the £40 million of DfE funding they would have brought with them.

And who is it that suffers from Labour mismanagement?

- The families who can't get a school place for their child near to their home
- The vulnerable and their carers who are having day care services cut
- The thousands whose life chances are enhanced by the Whatley Avenue MAE centre
- And every resident of Merton who wants to enjoy clean and well maintained streets.

However, Labour can always seem to find the money for one of their own pet projects. So £115,000 for a wheelie bin pilot can be conjured up without any problem at all.

Even their own supporters can't understand how they can contemplate spending the £7million that would be needed to roll wheelie bins out across the borough at a time when they are looking to close down Merton's youth centres and slash a further £9million from Adult Social Care.

Not surprising that one elderly lady was heard to say: 'Well, I won't be able to get anyone to come and help me get up and dressed in the morning but it will be fine because I've got a spanking new wheelie bin outside!'

Madam Mayor, there is a better way to do budgets than this. The Government has given councils more freedom than ever over how they spend money by un-ring fencing much of their funding.

Merton is spending more money every year –an extra £62million this year and another £34million more next year. What is missing is the imagination and political will to do things differently in response to the new normal of lower government funding (regardless of who is in power in Westminster).

Conservatives want a new vision for funding and delivery of our services.

One that puts residents at the heart of decision making.

One that protects front line services whilst ensuring the council lives within its means.

And one that reduces inefficiency and maximises income from the council's assets.

This was the purpose of the last Conservative administration's Transformation programme. Yet its potential has not been realised by Labour. They hijacked the idea but failed to put the policies into practice.

As a result, Merton is being left behind as - all around us – Wandsworth, Westminster, Richmond and Kingston implement new and innovative ways of working to adjust to the new realities.

But Madam Mayor, don't just take my word for it. Listen to what the council's own employees have said about working for a Labour-led Merton:

- Bureaucratic with slow processes
- Insufficiently business-like
- Lacking in urgency, clear priorities and – worst of all - lacking an overarching vision.

Fixing the economic mess left by the last Labour government requires some tough choices for local government. Yet, that's no excuse for bad decisions.

Our amendments give councillors the chance to reconsider the impact of this cynical budget on the people they represent.

Our amendments give time to develop a clear vision for the future.

A vision where residents are not left to pay the price for Labour choices and pet projects, Labour incompetence and mismanagement and Labour's lack of investment and imagination.

Madam Mayor, surely that's the least that Merton's residents deserve?

MPWIR Budget Speech By Councillor Peter Southgate

I came across the discussion paper for the July principles while planning for this speech. I can't remember whether it was the working title, but it was headed – Financial Reality Dominates All. That was four years ago, but for me this is really the first budget in which financial reality does in fact dominate all. There is no escaping from it any more.

No-one here can be proud of the budget we have to pass tonight. These are not cosmetic savings; they are substantial cuts that will affect our more vulnerable communities. I'm thinking particularly of the virtual cessation of our youth service, and the cuts in professional support for adults with learning and physical disabilities in our day centres. In both cases we're looking to the voluntary sector to step in to fill the gap but it's a very big ask, and I'm not convinced that we're resourcing or supporting them sufficiently to take it on.

A year ago we would probably have deferred these savings, but we've run out of road for doing this. It was made very clear to those of us involved in scrutiny that alternative savings had to be brought forward if we wanted to reject specific savings. Of course this is almost impossible to do, because we don't know what other savings might have been considered but then rejected by Cabinet, and we don't have the in depth knowledge to suggest alternative savings ourselves without the risk that they prove even more damaging.

Rather late in the day, we determined that the only scope for offsetting savings lay in the technical and corporate provisions of the budget – and it doesn't help that we received these appendices only on Monday this week. With hindsight, we should have been exploring these options during the first round of budget scrutiny in November last year, but in practice we did not make effective use of this first stage, because we were not given the proposals to scrutinise. The lesson that I take from this is that scrutiny of the assumptions underlying the budget needs to be a year round process, because as the macro economic variables change, so the assumptions determining the budget needs to change. I'm glad to say that the Financial Management Task Group is taking this on board.

If I can give an example of what I mean by changing assumptions, CPI has now dropped to 0.3% while RPI stands at 1.1% in January, yet we are still working with an assumed inflation rate of 1.5%. A 1% reduction in inflation is worth more than £1.5m on the revenue account – think about the implications of possible deflation.

Even if some of the underlying assumptions do change though, I accept that we are still going to be making difficult decisions about the future of our services. So I would encourage our scrutiny panels to do the Frank Field bit, in other words to think the unthinkable in adjusting to our straitened circumstances.

So here's a few ideas for starters. Tonight we're going to raise the council tax on properties that have been empty for two years to 150% - a move that is overdue, and one we advocated last year. How about making that 200% or even 250%? Or copy Islington or Kensington and Chelsea with their higher resident parking permit fees for diesel cars – now 40% of all cars sold? Or review our surplus buildings as the council contracts and staff consolidate into the Civic Centre, and consider how many of those surplus buildings might be suitable for residential use now that planning permission is no longer required?

In case these ideas seem fanciful or impractical, let me remind you of the situation we're now in. We are struggling to achieve in-year savings – that is, for 2014/15 – and will have to take £4.6m from the General Fund to offset the shortfall. Our outstanding debtors are rising year on year, and now total £10.2m – an increase of £1.45m over the previous year. This year we will write off £2.3m of that debt. Whichever way you look at it, our situation is deteriorating. We need all the bright ideas we can get.

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