

Agenda Item 3

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COUNCIL

1 MARCH 2017

(7.15 pm - 9.55 pm)

PRESENT The Mayor, Councillor Brenda Fraser
The Deputy Mayor, Councillor Stan Anderson

Councillors Agatha Mary Akyigyina, Stephen Alambritis, Mark Allison, Laxmi Attawar, Hamish Badenoch, John Bowcott, Michael Bull, Adam Bush, Mike Brunt, Tobin Byers, Charlie Chirico, David Chung, Caroline Cooper-Marbiah, Pauline Cowper, Stephen Crowe, Mary Curtin, David Dean, John Dehaney, Nick Draper, Edward Foley, 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, Peter McCabe, Oonagh Moulton, Ian Munn, Katy Neep, Jerome Neil, Dennis Pearce, John Sargeant, Judy Saunders, David Simpson, Marsie Skeete, Peter Southgate, Geraldine Stanford, Linda Taylor, Imran Uddin, Gregory Udeh, Jill West, Martin Whelton and David Williams

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

There were no apologies for absence.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

Councillor Russell Makin declared a non-pecuniary interest as he is a trustee of Merton Community Transport.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

RESOLVED: That the minutes of the special meeting and ordinary meeting held on 1 February 2017 are agreed as an accurate record.

4 BUSINESS PLAN 2017-21 (Agenda Item 4)

The Mayor outlined the procedure for this Budget Council meeting. She also reminded the Council that all budget related decisions, including proposed amendments, were required 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 vote would be taken for the substantive budget motion or any amendments to it.

At the invitation of the Mayor, the Director of Corporate Services presented the Business Plan 2017-2021. The Director then responded to questions from Councillors Pauline Cowper, David Williams, Judy Saunders, Brian Lewis-Lavender, Peter Southgate, Joan Henry, Janice Howard, Russell Makin, Stephen Crowe, Linda Kirby, David Simpson, Jill West, Gilli Lewis-Lavender, Daniel Holden, and Suzanne Grocott.

The Leader of the Council presented the Business Plan 2017-21 and formally moved the recommendations in the report whilst making his budget speech to Council, a copy of which is appended to the minutes as Appendix A.

Councillor Tobin Byers formally seconded the recommendations, and reserved his right to speak.

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. As part of her speech, she presented the proposed amendment to the Business Plan 2017-21.

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.

The following members of the Cabinet addressed the meeting: Councillors Mark Allison, Katy Neep, Ross Garrod and Caroline Cooper-Marbiah.

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

Councillor Oonagh Moulton moved the Conservative amendment which was seconded by Councillor David Williams.

Councillor Mary-Jane Jeanes moved the Liberal Democrat amendment 1. The amendment was not seconded.

Councillor Mary-Jane Jeanes moved the Liberal Democrat amendment 2. The amendment was not seconded.

The Mayor then opened up the general debate on the proposed amendment and on the proposed substantive Business Plan. The following members spoke in the debate: Councillors Peter McCabe, David Williams, Abigail Jones, Suzanne Grocott,

Jerome Neil, Najeeb Latif, John Dehaney, John Bowcott, Mary Curtin, David Simpson, Laxmi Attawar, Mary-Jane Jeanes, Mike Brunt, Daniel Holden, Sally Kenny, James Holmes, Agatha Akyigina, Adam Bush, Martin Whelton, Charlie Chirico, Judy Saunders, Hamish Badenoch, Imran Uddin and, finally, Tobin Byers.

At the conclusion of the debate, the Mayor called for a roll-call vote on the Conservative amendment to the Business Plan 2017-2021. Voting was as follows:

Votes in favour: Councillors Hamish Badenoch, John Bowcott, Michael Bull, Adam Bush, Charlie Chirico, Stephen Crowe, David Dean, Suzanne Grocott, Joan Henry, Daniel Holden, James Holmes, Janice Howard, Abdul Latif, Najeeb Latif, Brian Lewis-Lavender, Gilli Lewis-Lavender, Oonagh Moulton, David Simpson, Linda Taylor, Jill West, David Williams (21).

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

Not voting: Councillors Edward Foley, John Sargeant, Peter Southgate (3).

The Mayor declared the amendment to be lost.

The Mayor then called for a roll-call vote on the substantive motion for the Business Plan 2017-21. Voting was as follows:

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

Not voting: 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, David Williams (21).

RESOLVED: That the Council agrees the Business Plan 2017-21 including:

- A. the General Fund Budget;
- B. the Council Tax Strategy for 2017/18 equating to a Band D Council Tax of £1,135.31, which is an increase of 3% for Adult Social Care flexibility;
- C. the Medium Term Financial Strategy (MTFS) for 2017-2021;
- D. the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy);
- E. the Capital Strategy (Section 4)
- F. the Treasury Management Strategy (Section 5), 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, as follows:

Revenue Report:

1. Members consider the views of the Overview and Scrutiny Commission set out in a report to Cabinet on 13 February 2017 (agenda Item 6), and approve the proposed budget for 2017/18 set out in Section 2 of the revenue report, together with the proposed Council Tax levy in 2017/18.
2. That it be noted that at its meeting on 12 December 2016 the Cabinet calculated its **Council Tax Base for the year as 72,442.3** 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 Cabinet calculated the **Wimbledon and Putney Commons Conservators (WPCC) Tax Base for the year as 11,131.2** in accordance with regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.
4. That the Council agrees 4(a) - 4(i) below, which are calculated in accordance with Section 31A to 49B of the Localism Act 2011, amending Section 32 of the Local Government Finance Act 1992.
 - a) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) (a) to (f) of the Act

	£m
Gross Revenue Expenditure of Service Committees	522.984
Corporate Provisions	0.317
Amounts Payable to the Levying Bodies	0.933
Contribution to/(from) Financial Reserves	(3.533)
Gross Expenditure	520.701

- 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	438.138

- 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 2017/18 (including special expenses re WPCC)	82.563

- 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 including Transition Grant	15.520
Baseline funding NNDR inc. top-up & Section 31 Grant	36.518
Settlement Funding Assessment	52.038

- 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)	1,139.71

- 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	318,443

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

	£
Merton's General Band D Council Tax Levy (excluding WPCC)	1,135.31

- 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	1,163.92

- 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.

	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Part of the Councils Area	756.87	883.02	1,009.16	1,135.31	1,387.60	1,639.89	1,892.18	2,270.62
Parts inc. WPCC	775.95	905.27	1,034.60	1,163.92	1,422.57	1,681.22	1,939.87	2,327.84

5. To note that the Greater London Authority have issued precepts o 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 2017/18 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	186.68	217.79	248.91	280.02	342.25	404.47	466.70	560.04

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	943.55	1,100.81	1,258.07	1,415.33	1,729.85	2,044.36	2,358.88	2,830.66
Parts inc. WPCC	962.63	1,123.06	1,283.51	1,443.94	1,764.82	2,085.69	2,406.57	2,887.88

Appendix A: Leader of the Council, Councillor Stephen Alambritis' Speech

Madam Mayor

This year's budget is full of help and hope for our residents

Help and hope for all parts of this great borough of ours

Help and hope for all our people be they from the West, East, North or South of Merton

In numbers this budget gives help and hope to all 200,000 residents living in over 80,000 households served by around 7,000 enterprises

Wherever you live in Merton, whatever you do in Merton this is a budget for you

A budget for everyone and a budget for a better brighter future in these hard times

Madam Mayor

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 special thanks
Cllr Mark Allison my deputy leader and cabinet member for finance

All councillors who chair and who sit on our scrutiny panels. We have as always listened to suggestions from scrutiny members

Thanks also go to Cllr Peter Southgate the chair of scrutiny

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

To Cllr Oonagh Moulton and to all her councillors on that side of the chamber

And can I also thank our Liberal friends here in Merton represented by the one and only Cllr Mary-Jane Jeanes!

We are as always grateful to Ged Curran, to our directors and staff. And a really big thank you to Caroline Holland

Madam Mayor

Each year we have a duty to balance the budget

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

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

And that funding has been cut to local authorities by as much as 50 per cent
Not only that but this year we are being cut while the Treasury promise to send more money to their chums in Surrey

A sweetheart deal for Surrey Council is in the offing

The leader there was intent on calling a Referendum to hike the council tax by 15% to pay for ASC

But lo and behold the Referendum is now called off

How do we know this?

In an exchange of text messages between the Leader of Surrey and the Treasury, Surrey's Leader texted this:

"The numbers you indicated are the numbers I understand are acceptable for me to call off the R..."

What does R stand for you may ask?

Well it stands for Referendum....a Referendum he is now calling off because of his very own sweetheart deal

So to the councillors opposite I say this.... "Where is our sweetheart deal?"

Madam Mayor

In Merton we think it is important to look after older disabled residents
So, despite the government's cuts to our funding, we have agreed to spend over £9 million extra on adult social care in the coming year with further investment in the following years

Here I would like to thank Cllr Tobin Byers

Now the Government have not given us any extra money to help pay for ASC
Instead they have created a new council tax increase they call a "precept" which they expect all councils to charge

So Merton's core element of the council tax remains frozen for the seventh year running

But council tax bills will increase by the government's special 3% precept for ASC
This will still not be enough to address the crisis in ASC

We will be lobbying the government hard to face up to their responsibility to properly fund the adult social care system

Madam Mayor

In addition to looking after those relying on our ASC services we also need to look after the children of this borough and here I want to thank Cllr Katy Neep

This Budget will see £1million of growth for Children's Services in the coming year

Cllr Neep has also overseen Merton welcoming twenty unaccompanied asylum seeking children from all over the world

Merton has also been a refugee meeting point, reuniting thirty refugees with their families who live outside the borough

Madam Mayor

We on this side of the chamber appreciate that whatever way people voted in last year's EU Referendum, many people will be worried about how Brexit will affect their families' finances

That is why we think any council tax increases should be reasonable and affordable

Again, we on this side of the chamber do not want to make things harder for families in Merton, especially those who live in the less well off parts of the borough

There are also those people worrying about changes in benefits

There are stories in the press about how council tax benefit for people on low incomes has been cut, and some people unable to pay as a result

So I am pleased to announce that for the fifth year running, Merton Council will not be passing this cut on to people on low income in this way

A measure welcomed by the leading charity the Child Poverty Action Group, a charity urging other councils to follow Merton's example

So Madam Mayor, what do the party opposite say about all this? Nothing apart from tabling an amendment tonight to undo our support for those on low pay

Their amendment talks about passporting onto poorer households a 10% hike in their council tax payments

Why punish households on low income I ask?

Madam Mayor

This budget also means we are able to build a brand new comprehensive secondary school in the very centre of the borough in South Wimbledon to meet demand for places

Here I want to thank Cllr Caroline Cooper Marbiah

Caroline is also working with all our heads and governors to join with us in lobbying the Tories who are busy cutting funding to our schools

The government's new funding system for schools will see a loss of about £210 per pupil in Merton according to London Councils research

Perhaps the side opposite will care to go to a brilliant website: "Fair Funding For All Schools". There they can download a model MP letter they may care to send to Stephen Hammond to put a stop to these unnecessary cuts in funding to our schools

Madam Mayor

Now we know the Member for Wimbledon has a soft spot for the Village but does he have empathy for the businesses there

It does not seem so because his own Ministers are rejecting demands for a rethink of recent business rate hikes

This despite warnings they could destroy local business communities throughout the country

Madam Mayor

We in Labour Merton are doing our best to protect SME's from the ravages of the Government's new rates system

Here I would like to thank Cllr Martin Whelton who oversees our small business rate relief scheme

Who has also ensured the operation of a special local rate discount scheme to help new businesses

We will of course soon have one new commercial ratepayer when AFC Wimbledon return to Plough Lane

Thanks again to Martin for keeping everyone's eye on the ball in this endeavour so the stadium is on course

Madam Mayor

Small businesses operate better in a safer environment and many rely on our public realm cameras to ensure a safe shopping experience for their customers

And so it is satisfying that we remain one of the safest boroughs in London
Thanks here are due to Cllr Edith Macauley and her work with Safer Merton.

This budget means we continue to maintain a 24/7 CCTV service while other boroughs are reducing their coverage

We have also invested in moving from analogue to digital cameras

So a budget for investment

Investment also in our Libraries with Colliers Wood's new library on track to open this summer

Here I want to thank Cllr Nick Draper who has gone out of his way to garner residents' views to define the facilities the library will contain

Merton residents, school pupils and college students are set to enjoy three levels of brand new library space in their new building

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

With continued pressure on budgets I now want to turn to Cllr Ross Garrod. I want to commend him on finding new ways of delivering cleaner streets, waste and recycling collections and green spaces to a continued high standard but at a lower cost

By working with other neighbouring councils in the areas highlighted above we will be saving Merton Council taxpayers an estimated £2million a year

Madam Mayor

As I come to the end of my speech, let us not forget the stunning Capital programme of £40million to include investment for the long term in our roads, roadways, bridges and the expansion of our Special Educational Needs schools

Madam Mayor

Let me mention again growth monies in the coming year

£9million for ASC

£1million for Town Centre Regeneration

£1million for Children's Services

Madam Mayor

I commend this budget to the chamber

Appendix B: Leader of the Opposition, Councillor Oonagh Moulton's speech

Thank you, Madam Mayor,

If a week is a long time in politics, a year must be an eternity. It certainly feels longer than 12 months since we all sat here listening to the following words:

"In Labour we believe in straight talking, honest politics

We made a promise and we are sticking to it"

Yes, that really was the Leader of the Council speaking! The same Cllr Alambritis talking about 'honest politics' who is currently under two independent investigations at taxpayers' expense.

But the challenge is knowing which Labour promise the Leader was referring to. It's been hard to keep up with his plethora of broken manifesto commitments over the last year:

First they voted to introduce fortnightly rubbish collections.....despite pledging to protect the weekly bin collection.

Then they pushed through big rises in the cost of parking permits for the owners of diesel vehicles.....despite saying they would freeze parking permits for 4 years.

And now their promise to freeze council tax for 4 years is another promise lying in tatters.

Labour may of course claim it's a precept and not a council tax rise. But if they said raising an Adult Social Care precept constituted a council tax rise in March 2016 then it must also be a council tax rise now. To claim otherwise would be beyond even Cllr Alambritis' capabilities in the art of spin.

We may now inhabit a 'post truth' world but that would be taking 'alternative facts' to the extreme!

And the new Mayor of London is no better with his series of broken election pledges since last May.

When it comes to 'straight talking, honest politics', Labour time and again simply can't be trusted.

As this tired administration limps on, Cllr Alambritis' colleagues must be ruing that day last year when they decided against levying a precept for 2016-17. Who would have thought it would set off such a chain of events? A resignation, two suspensions, two investigations and a bogus council tax consultation for a start.

It sounds like a classic British Carry On comedy but there's nothing funny about this situation. Or for the residents bearing the brunt of Labour's financial incompetence:

- For the vulnerable residents no longer able to attend their local day centre
- For the older people who rely on meals on wheels.
- For the carers crying out for occasional respite from looking after their loved one.

We met with the Merton Centre for Independent Living recently. They have big fears about sustainable funding for Adult Social Care over the medium to long term. Yet, under Labour since 2010 there has been no plan. More worryingly there is still no plan for the future.

Labour's only answer is to lambast our national government and seek to lay sole responsibility for its own problems at the door of 10 Downing Street. Yet, this same government is dealing with the record deficit left by their Labour colleagues whilst having also:

- Delivered faster economic growth in 2016 than any other major advanced economy;
- Got more people into work than ever before;
- Taken the lowest paid out of income tax; and
- Implemented a new National Living Wage.

Of course national government has an important role in ensuring adequate funding to support Adult Social Care services here and across the country. Conservative colleagues and I on the O&S Commission fully supported the recommendations to Cabinet on lobbying government.

So, let me be very clear. We on this side are very happy to play our part in lobbying the government for a better settlement for Merton. Indeed we have been doing so both through our excellent local MP, Stephen Hammond, as well as via the LGA and London Councils.

Whilst we do need a better government settlement, this does not explain the dire state of Merton Council's finances. Uncertainty around Adult Social Care has been exacerbated by Labour's poor financial management. Many of the problems they face today are of their own making.

The council's finances are on a cliff edge. There is a serious risk that this authority could go bust in the next year or two. That would be catastrophic not only for all those vulnerable residents who rely on the council's frontline services but also for every Merton taxpayer who would inevitably have to pick up the pieces.

Merton Labour have consistently under budgeted for Adult Social Care. This year's overspend for that service alone is currently £8.3million. Yet despite significant overspends, Labour have imposed cut after cut in recent years despite knowing they were unlikely ever to be delivered.

Cllr Alambritis and Cllr Allison's approach has been utterly incoherent just as it has on council tax and balances and reserves. The only lense through which they have looked at the council's finances is political expediency. Every financial parameter has been ignored.

They have known for some time what support to expect from central government in the coming years but have been in complete denial.

The Director of Corporate Services has confirmed that this council could have had an additional £22million to fund frontline services if a different approach had been taken to council tax. Labour chose not to.

Just as they chose not to levy the Adult Social Care precept last year even though it would not have cost council taxpayers a penny more on their bills. Indeed Merton was among just a small handful of councils across the whole country who didn't do so.

Only in January this year did Labour realise these past decisions had come back to roost. Now as well as a 3% precept, Merton residents will be hit with a double Labour whammy as Mayor Sadiq Khan's element of the council tax is also going up.

In fact if you happen to own a diesel vehicle, it's a triple whammy as your diesel levy demands from Labour will be landing on the doormat this April too.

Labour's record on managing council balances and reserves is no better. In their first 6 years they stashed away £26million of council tax income. Money which should have been left in residents' pockets or used to protect services for the vulnerable and elderly.

Having first pocketed residents' money, they now plan on emptying out some £20million over the next 2 years to plug the gaping hole in their budget.

A financially competent administration would use balances to smooth budgets from one year to the next. To spend almost all of them in just 2 years is highly irresponsible not least when the Director has confirmed it would leave Merton with the lowest level of balances she could legally agree to.

But the pain doesn't stop there. Unless the Social Care precept is levied again in 2018-19, next year's budget hole will be £8.5million but with nothing left in the coffers to fill the gap.

And Labour can't rely on efficiency savings or revenue raising measures to solve their budget crisis. The Deloitte report commissioned by Cllr Williams during the last

Conservative administration may have seen them through the first few years since 2010. However, now that's been exhausted Cllr Allison seems devoid of new ideas of his own.

Like the helpful opposition we are, Conservatives have suggested various commercial revenue raising measures via the scrutiny process. Many have even been agreed by Cabinet and yet, as Cllr Holmes will highlight, in almost all cases they have not been implemented. Millions of pounds of potential income for this council have been squandered.

Even where Labour have sought to transform service delivery and release savings, they have been unsuccessful:

The Customer Contact Programme – DELAYED indefinitely

Or Automatic Number Plate Recognition where the software is yet to be fully functional 8 months after the go-live date

Thousands of pounds lost from botched attempts to hold music events in Wimbledon Park and a further £150,000 wasted on a masterplan...just to agree virtually no change!

And of course Morden Park Pool is so many years' delayed now that residents must be wondering if it will ever really happen!

Finally the famous Phase C contract where costs rocket month on month whilst projected savings shrink. With the council now picking up the entire cost of employer pension contributions for all outsourced staff, the contractors must be laughing all the way to the bank.

If you ran a business like this, it would be bankrupt. Just like the country was in 2010 after 13 years of Labour. Indeed, when we win back control in Merton next year, I expect to find on Cllr Alambritis' desk the note Liam Byrne so famously left for his successor:

"I'm afraid there is no money. Good luck!"

Labour have learnt nothing from their time in government nor from their previous administrations in Merton. It was the same 15 years ago when there was no more than a few thousand pounds in the council coffers. The same when Cllr Brunt increased council tax by 12.8% over 2 years or Cllr Jones by 12% in just 1 year. And the same when Cllr Judge left a £5.5million black hole in the Adult Social Care budget.

It's the same cycle of financial mismanagement in which our elderly, disabled and youngest residents ultimately suffer. Labour can't be trusted with the finances so it falls to the Conservatives to come to the rescue. That's why our amendment tonight sets out a new approach.

Madam Mayor, there is a better way. And Merton's residents certainly deserve better:
- A council that works for everyone!

I move our amendment.

Appendix C: Leader of the Merton Park Independent Residents, Councillor Peter Southgate's speech

In contrast to the drama of last year's budget meeting, with its eleventh hour agreement to hold a consultation on whether council tax should increase to fund Adult Social Care, the progress towards tonight's meeting has been quite orderly. There seems to be a consensus around levying the ASC precept at 3%, the permitted maximum for the next two years.

Levying the precept became inevitable once the scale of the overspend in Adult Care was recognised as permanent and irreversible. The signs had been there for some years in the demographic changes we're all familiar with; people are living much longer, and needing more complex care in their final years. But for some years the implications were concealed by underspends elsewhere.

All that's changed now. Care homes are no longer willing to freeze fees for local authorities, and some are exiting the market; witness this morning's news that Mitie has sold its care homes for just £2. But as we place more emphasis on supporting the elderly to continue living in their own homes, it becomes apparent that for those with complex needs, the costs of day and night care packages can be very high indeed, probably exceeding the costs of residential care. Right sizing the budget for adult social care is a welcome development, but money alone will not solve the problem, we need more radical solutions that involve the wider community. In this context I've asked the Healthier Communities panel to look into Homeshare, a scheme that matches elderly people living alone in a home bigger than they need, with young workers looking for a room but unable to pay London rents, in exchange for companionship and 10 hours help a week. This stops short of formal care, but equally it could delay its onset. Local authorities cannot be expected to meet the full costs of adult care alone, and we hope the Chancellor will recognise this when he delivers his budget next week.

But for the time being we have to look to our own resources to fund the budget gap in future years, £3.5m in 2018/19 and £9.7m in 2019/20. Thereafter we're investing our expectations in the 100% retention of business rates, and we should definitely be accepting the government's invitation to become a pilot authority in 2018/19. If it's good enough for Surrey County Council, it's good enough for Merton.

You will remember that we favoured introducing the ASC precept last year. Had we increased council tax by the maximum amount permitted last year, and were we to do so again this year and next year, we would have raised the council tax base by £6.5m which would take us two thirds of the way towards closing the £9.7m gap in 2019/20. Now we failed to do that last year, and we're not going to propose an amendment to increase council tax by the maximum amount permitted for next year, because I know it would not be supported.

But the choices we have to make are becoming more difficult all the time, and we don't want to be reduced to providing only statutory services like adult care. What defines Merton as a place, what makes our residents pleased they chose to live here,

are our universal services – our thriving libraries, our parks and open spaces, and our leisure centres including the new Morden Park Pool. These are the things that make us proud and set Merton apart, but they're also discretionary services. Should it become necessary, I would have thought that 2% on council tax was a price worth paying to keep such valuable assets.

I'm sorry that I've not left sufficient time to do justice to the Conservative amendment, which contains many interesting ideas – but not enough I'm afraid, for us to feel fully confident in supporting it. Overall we don't think it's wise to fetter Cabinet by imposing an overly prescriptive approach to the budget setting process, and the core principles applicable in 2017/18 may not survive to later years.

Do we really want to commit to raising fees for parking permits every year? – that's going to be mightily unpopular.

“Everyone should pay something” towards their council tax sounds fine in principle, but the practical experience of councils like Brent and Lewisham when trying to collect suggests otherwise.

There are some really strong ideas here, but we've already got the structures in scrutiny to progress them, notably the Financial Monitoring Task Group.

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