

Agenda Item 7

COUNCIL
28 FEBRUARY 2018
(7.15 pm - 10.07 pm)

PRESENT The Mayor, Councillor Marsie Skeete,
 The Deputy Mayor, Councillor Judy Saunders

Councillors Agatha Mary Akyigyina OBE, Stephen Alambritis, Mark Allison, Stan Anderson, Laxmi Attawar, Hamish Badenoch, John Bowcott, Kelly Braund, Mike Brunt, Michael Bull, Adam Bush, Tobin Byers, David Chung, Caroline Cooper-Marbiah, Pauline Cowper, Stephen Crowe, Mary Curtin, David Dean, John Dehaney, Nick Draper, Edward Foley, Brenda Fraser, 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 MBE, Russell Makin, Peter McCabe, Oonagh Moulton, Ian Munn BSc, MRTPI(Rtd), Katy Neep, Dennis Pearce, John Sargeant, David Simpson CBE, Peter Southgate, Geraldine Stanford, Linda Taylor OBE, Gregory Patrick Udeh, Martin Whelton and David Williams

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies for absence were received from Councillors Charlie Chirico; Fidelis Gadzama; Jerome Neil; and Jill West.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of interest made.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

RESOLVED: That the minutes of the meeting held on 7 February 2018 are agreed as an accurate record.

4 BUSINESS PLAN 2018-22 (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 2018-2022. The Director then responded to questions from Councillors Brenda Fraser, David Simpson, John Dehaney, Janice Howard, Pauline Cowper, Mary-Jane Jeanes, Adam Bush, Stan Anderson, Najeeb Latif, Laxmi Attawar, Brian Lewis-Lavender, David Williams, Peter Southgate and Jeff Hanna.

The Leader of the Council presented the Business Plan 2018-22 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 opposition 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 amendments to the Business Plan 2018-22.

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, Edith Macauley and Nick Draper.

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

Councillor Oonagh Moulton moved the Conservative amendment 1 which was seconded by Councillor David Williams.

Councillor Oonagh Moulton moved the Conservative amendment 2 which was seconded by Councillor David Williams.

The Mayor then opened up the general debate on the proposed amendments and on the proposed substantive Business Plan. The following members spoke in the debate: Councillors Kelly Braund, David Williams, Philip Jones, Abdul Latif, Mary Curtin, James Holmes, Andrew Judge, Gilli Lewis-Lavender, Agatha Akyigyina, John Sargeant, Peter McCabe, Mary-Jane Jeanes, Daniel Holden, Abigail Jones, John Bowcott, Sally Kenny, Suzanne Grocott, Dennis Pearce, Michael Bull, Greg Udeh,

Stephen Crowe, Ian Munn, Hamish Badenoch, Judy Saunders and, finally, Tobin Byers.

At the conclusion of the debate, the Mayor called for a roll-call vote on the Conservative amendment 1 to the Business Plan 2018-2022. Voting was as follows:

Votes in favour: Councillors Hamish Badenoch, John Bowcott, Michael Bull, Adam Bush, Stephen Crowe, David Dean, Edward Foley, Suzanne Grocott, Daniel Holden, James Holmes, Janice Howard, Abdul Latif, Najeeb Latif, Brian Lewis-Lavender, Gilli Lewis-Lavender, Oonagh Moulton, John Sargeant, David Simpson, Peter Southgate, Linda Taylor and David Williams (21)

Votes against: Councillors Agatha Akyigyina, Stephen Alambritis, Mark Allison, Stan Anderson, Laxmi Attawar, Kelly Braund, Mike Brunt, Tobin Byers, David Chung, Caroline Cooper-Marbiah, Pauline Cowper, Mary Curtin, John Dehaney, Nick Draper, Brenda Fraser, 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, Dennis Pearce, Geraldine Stanford, Greg Udeh, Martin Whelton, Deputy Mayor Councillor Judy Saunders and the Mayor Councillor Marsie Skeete (34)

Not voting: Councillor Mary-Jane Jeanes (1)

The Mayor declared the amendment to be lost.

The Mayor then called for a roll-call vote on the Conservative amendment 2 to the Business Plan 2018-2022. Voting was as follows:

Votes in favour: Councillors Hamish Badenoch, John Bowcott, Michael Bull, Adam Bush, Stephen Crowe, David Dean, Suzanne Grocott, Daniel Holden, James Holmes, Janice Howard, Abdul Latif, Najeeb Latif, Brian Lewis-Lavender, Gilli Lewis-Lavender, Oonagh Moulton, David Simpson, Linda Taylor and David Williams (18)

Votes against: Councillors Agatha Akyigyina, Stephen Alambritis, Mark Allison, Stan Anderson, Laxmi Attawar, Kelly Braund, Mike Brunt, Tobin Byers, David Chung, Caroline Cooper-Marbiah, Pauline Cowper, Mary Curtin, John Dehaney, Nick Draper, Edward Foley, Brenda Fraser, Ross Garrod, Jeff Hanna, Joan Henry, Mary-Jane Jeanes, Abigail Jones, Philip Jones, Andrew Judge, Sally Kenny, Linda Kirby, Edith Macauley, Russell Makin, Peter McCabe, Ian Munn, Katy Neep, Dennis Pearce, John Sargeant, Peter Southgate, Geraldine Stanford, Greg Udeh, Martin Whelton, Deputy Mayor Councillor Judy Saunders and the Mayor Councillor Marsie Skeete (38)

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 2018-22. Voting was as follows:

Votes in favour: Councillors Agatha Akyigyina, Stephen Alambritis, Mark Allison, Stan Anderson, Laxmi Attawar, Kelly Braund, Mike Brunt, Tobin Byers, David Chung, Caroline Cooper-Marbiah, Pauline Cowper, Mary Curtin, John Dehaney, Nick Draper, Brenda Fraser, Ross Garrod, Joan Henry, Abigail Jones, Philip Jones, Andrew Judge, Sally Kenny, Linda Kirby, Edith Macauley, Russell Makin, Peter McCabe, Ian Munn, Katy Neep, Dennis Pearce, Geraldine Stanford, Greg Udeh, Martin Whelton, Deputy Mayor Councillor Judy Saunders and the Mayor Councillor Marsie Skeete (33)

Not voting: Councillors Hamish Badenoch, John Bowcott, Michael Bull, Adam Bush, Stephen Crowe, David Dean, Edward Foley, Suzanne Grocott, Jeff Hanna, 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 and David Williams (23)

RESOLVED that the Business Plan 2018-22 be agreed, including:

- A. the General Fund Budget;
- B. the Council Tax Strategy for 2018/19 equating to a Band D Council Tax of £1,169.36, which is an increase of 3% inclusive of 1% Adult Social Care flexibility;
- C. the Medium Term Financial Strategy (MTFS) for 2018-22;
- D. the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy);
- E. the Capital Strategy (Section 1, A)
- F. the Treasury Management Strategy (Section 1, A) including the detailed recommendations in that Section, incorporating the Prudential Indicators as set out in this report; and

the formal resolutions as set out in Appendix 1 to the report be agreed as follows:

Revenue Report

1. Members consider the views of the Overview and Scrutiny Commission set out in a separate report on the agenda and approve the proposed budget for 2018/19 set out in Section 2 of the revenue report, together with the proposed Council Tax levy in 2018/19.
2. That it be noted that at its meeting on 11 December 2017 the Council calculated its Council Tax Base for the year as 74,124 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 11,308.8 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	554.121
Corporate Provisions	(2.725)
Amounts Payable to the Levying Bodies	0.938
Contribution to/(from) Financial Reserves	(1.342)
Gross Expenditure	550.992

- 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	463.983

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. Final LGF Settlement

- 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 2018/19 (including special expenses re WPCC)	87.009

- 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	0
Baseline funding NNDR inc. top-up & Section 31 Grant	49.996

Settlement Funding Assessment	49.996
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- 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)).

	£m
Merton's General Band Council Tax Levy (including properties within Wimbledon and Putney Commons Conservators area)	1,173.83

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

	£m
Wimbledon and Putney Commons Conservators Special Levy	331,349

- 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.

	£m
Merton's General Band D Council Tax Levy (excluding WPCC)	1,169.36

- 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.

	£m
Wimbledon and Putney Commons Conservators Band D	1,198.66

- 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 Council's Area	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
	779.57	909.51	1,039.43	1,169.36	1,429.21	1,689.08	1,948.93	2,338.72
Parts inc. WPCC	799.10	932.30	1,065.48	1,198.66	1,465.02	1,731.40	1,997.76	2,397.32

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 2018/19 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 £
GLA	196.15	228.85	261.54	294.23	359.61	425.00	490.38	588.46

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 £
	975.72	1,138.35	1,300.97	1,463.59	1,788.83	2,114.08	2,439.31	2,927.18
Parts inc. WPCC	995.26	1,161.14	1,327.02	1,492.89	1,824.64	2,156.40	2,488.15	2,985.78

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

Thank you Madam Mayor

Last year's budget was about reaching out to all parts of this great borough of ours with help and hope for all our residents

This year's budget will continue in that vein but with an eye to looking after our vulnerable residents in particular

To this end, Madam Mayor, we have been consulting all the parties here in Merton

Consulting the community here in Merton

Consulting our partners here in Merton

And so here in Labour Merton we have increased the budget for older and disabled people by more than £9m a year from 2017

Madam Mayor

To continue to look after our most vulnerable residents, I and many other local government leaders from all parties have publicly said this:

The money to address the national crisis in adult social care

Which is this government's making, should come from this government.

This has not happened and indeed the government grant has been halved since 2010 to councils

And so despite my instincts for a low council tax regime it has been absolutely necessary to fund services for older people by a 3 per cent council tax increase in 2018

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 Madam Mayor

Cllr Mark Allison my deputy leader and cabinet member for finance

All councillors who sit and chair our scrutiny panels

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 lone Liberal friend Cllr Mary-Jane Jeanes!

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

Meanwhile, in a not so far away place

A council has spent £53 million on its new headquarters opened last October
This council has tried to set up a sell-and-lease-back deal but nobody wants to buy
(remind you of anything?)

It is said this council has over 500 children and adults in need of support but with no
allocated social workers

This same council has had to bring in a section 114 notice to ban new expenditure

The leader there said this was caused by something akin to today's perfect storm

Namely: increases in demand for services and constant cuts in government funding

And the leader?

the council?

The local MPs?

All blaming each other for this financial collapse

Which political party are they from I hear you ask?

Why the party opposite of course

The Conservative Party

Because I have been referring to:

Northampton County Council...Conservative, Madam Mayor

The Leader there, Cllr Heather Smith...Conservative, Madam Mayor

Local Northamptonshire MP's including the Leader of the House of Commons....All Conservative, Madam Mayor

So we will take no lessons from the party opposite on budgetary matters and will vote down their amendments

Madam Mayor, we all clearly recall Merton Conservatives' main manifesto promise from 2014

In which they committed to cut the council tax by 10%

Can you imagine the havoc that would have ensued had they had their way on this?

Merton would have been the next Northampton

And do we all recall the strap line from their 2014 local election manifesto

It was grandly headed:

Our Vision for a better Merton

Roll on 4 years and the strap line today is:

Making your life a bit better

What do you mean...not better but only a bit better?

Perhaps a teeny weeny bit better

Not much better?

Tories in Merton going backwards as normal

We here in Labour Merton are much more ambitious for our residents
This and our past budgets with our business-like approach are steeped in ambition

My cabinet member for finance is ambitious about protecting people and has stepped in and made up for government cuts in council tax support to low income families

My cabinet member for education is ambitious for our schools. 91% of all schools in Merton are now rated Good or Outstanding and top in the country for progress

My cabinet member for leisure is ambitious for our library users and our swimmers with a brand new library and a new leisure centre due

My cabinet member for children is ambitious for every child's potential and safety. Our Children's Services are Good with Outstanding Features and in the top five in the country for safeguarding

My Cabinet member for regeneration is ambitious for our sporting fraternity with AFC Wimbledon coming back home to Merton and for more housing and improved air quality

My cabinet member for Street Cleanliness is ambitious about recycling and is introducing a new waste collection service that will save us £2m a year and increase in recycling

My cabinet member for adult social care is ambitious in looking after our vulnerable residents. The Managing Director of the CCG described Merton Council's work in dealing with Delayed Transfers of Care as "extraordinary", very impressive.

My cabinet member for community safety is ambitious for the safety of our residents and we retain our position within the top four safest boroughs in London

Madam Mayor, our budget tonight is aimed at building on all these ambitions

So if anyone says that to fight on does not get you anywhere

That politics can't make a difference

That all parties are the same

Then look at what we as Labour Merton have achieved together since 2010

Frozen council tax for 7 years

Protected council tax support for low income families

High levels of working age people in employment

Prevented homelessness with lowest numbers in temporary accommodation

First ever YCube Modular housing scheme built in Mitcham

Increased the budget for adult social care by £9m

Campaigned to save St Helier Hospital

Children's services outstanding for safeguarding

4,000 extra primary school places

A new Secondary School on the way

Best performance for GCSE progression in the country

All Secondary Schools good or outstanding

New dementia friendly Library in Colliers Wood

Award winning libraries with all Merton five-year-olds automatically in membership

New leisure centre in Morden on the way for all the family

Morden Court Parade completed and shortlisted for a RIBA award
Plans for Morden Town Centre advanced

New Stadium for AFC Wimbledon bringing regeneration to a run down area

That's the Merton we have been building

That's the change we choose

That's been the impact of our business like budgets

Madam Mayor, while the side opposite can choose to ignore all that is good about Merton

Others have rightly chosen to recognise Merton and its work since 2010

Here are some of the prizes we have been awarded:

MJ Best Achieving Council in the UK

LGC award for Innovation

London Boroughs of Culture Impact Award

Numerous Green Flag Awards for our Parks

National Guardian Public Civil Servant of the Year, Christine Parsloe.

Award winning Merton led shared legal service

Cabinet Office Compact Awards

London Councils Most Small Business Friendly Borough Award

Madam Mayor, we also get top marks from our residents

Our annual residents' survey says:

76% Merton Council residents - is efficient and well run - highest ever

Two thirds say we are value for money – well above most other councils

75% say the council listens to them and acts on their concerns

90% say they are satisfied with Merton as a place to live

Madam Mayor

It may be cold out there but our residents certainly warm to us

Madam Mayor

As I come to the end of my speech I want to pay a glowing tribute to all our outgoing colleagues who are stepping down on 3rd May from both sides of this chamber

I really want to thank them all. Thank you.

Madam Mayor

Today the former Rutlish schoolboy and ex-Prime Minister John Major has said he is out of step with his Party over Brexit

I am afraid that what is also true is that the side opposite is out of step with the priorities of our residents

Because their ambition in their election literature for 3 May is to make the lives of our residents ONLY a bit better

Madam Mayor

This Budget is aimed at and will make the lives of our residents a whole lot better and much, much more

I commend this budget to this chamber. Thank you Madam Mayor.

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

Thank you, Madam Mayor.

The final budget of this administration provides an opportunity to review and evaluate Labour's record in governing Merton over the past four years.

And we also have the chance to look forward to what the next four years – and more – will look like under the Merton Conservatives.

I am pleased to have that opportunity to look to the future, because the record of the past four years is only too visible in this budget. Tonight's budget, like each of those that has preceded it, is a reflection of:

- Labour's financial mismanagement;
- opportunities either squandered, or not even noticed by this administration; and
- unnecessary cuts to frontline services.

Councillor Alambritis and his cabinet will have you believe that they have been the mere victims of funding constraints imposed by central government. As though, during their time running Merton, they have had no agency of their own. This abdication of responsibility has been a refrain which has underpinned their whole administration.

As though they have simply been passengers, with no ability to set the creative, well stewarded kinds of budgets which could have managed the assets and services of our borough in the way our hard-working residents deserve.

The truth is that they have had the opportunity to deliver, and, that they failed to do so is down to them alone.

They never truly delivered on their promises. This budget, as with those that preceded it over the course of this Labour administration, reveals a leaden approach which has let our borough down, and let our residents down, time and time again.

Since 2014, Merton Labour's mismanagement of the council's finances has wasted millions of pounds:

- they have repeatedly overspent their budget;
- they have failed to deliver their own efficiency savings;
- they have failed to implement agreed revenue generating opportunities; and
- they have given away valuable community assets.

Madam Mayor, Merton Labour have consistently under budgeted for adult social care. The over-spend for the community and housing budget currently stands at £1.1 million, just for this year.

Yet, there is still £1.7 million unspent out of the additional £2.7 million of funding – given to them by central government for adult social care for 2017-2018 – and there’s no plan to spend it this year.

Where money has been set aside for projects, those projects have not been carried out in a timely manner, and so further revenue has been lost. Morden Leisure Centre was in the council’s budget as far back as 2010, but we have yet to see it open. Instead, delay has followed delay.

There has been a similarly long saga over locating the much needed, and much wanted, new secondary school for Wimbledon. The council’s eventual plan, which has included a controversial land swap with an existing community asset – Merton Hall – has proved an unpopular and unhappy one, despite there being other viable alternatives.

Merton Conservatives would pass budgets that do what Labour’s have manifestly failed to do. It is time to fix the council’s finances.

We would:

- competently manage the council’s property portfolio, to raise revenues and retain assets in the hands of the community, where they belong;
- offer residents additional value-added services by developing the Merton brand; and
- use new powers to maximise fees and charges, where appropriate, so that users pay an equitable contribution for the service they receive.

To further cut costs and ensure value to the council tax payer, we will also get a grip on the council’s various delayed IT projects, such as the customer contact programme.

In contrast to Labour, Merton Conservatives will fund frontline services fully, and responsibly.

We will operate services such as street cleaning and waste collection differently. We will do so by finally delivering on opportunities for the council to generate commercial income – opportunities that Labour has repeatedly and routinely failed to grasp.

We will renegotiate the failed Veolia contract, and retain the weekly bin collection that residents so obviously want, and that they have a right to expect.

The additional money paid by people fined or prosecuted for fly tipping and graffiti will also be channelled into cleaning up the borough. We will turn ‘Mucky Merton’ into a borough that we can all be proud to live and work in.

Madam Mayor, finally, as a further demonstration of Labour’s missed opportunities, I wish to turn to the matter of Wimbledon police station. The future of this important station is an issue which perfectly describes the differences between Labour’s

approach to finance and delivery, and what will happen when the Conservatives run Merton Council.

This Labour administration has been content to accept the closure of the police station as inevitable. We all know that Wimbledon is a thriving town centre, with a vibrant night-time economy. In that environment, it is hardly surprising that residents across the borough have been overwhelmingly concerned about the removal of such an important police hub from the area.

Yet, this Labour-controlled council has failed to negotiate any arrangement, which could overturn or ameliorate this unpopular enforced closure, with the Labour Mayor of London, from whom these closure plans originate. A *Labour* Mayor is seeking to close our station, not this national Conservative government, whom Cllr Alambritis and his cabinet routinely blame both for their woes and their woeful underachievement.

One might ask, Madam Mayor, if Labour are unable to do a deal with a London Mayor from their own party, where *will* they be able to gain any influence on such matters?

Merton Conservatives, on the other hand, have presented council in recent weeks with a fully-costed proposal which could ensure a continuing, and much wanted, police presence – and a rapid response team – in the heart of Wimbledon itself. It was voted down by this Labour majority at the last council meeting, despite the hundreds of messages of support we have had for our plan from residents across large swathes of the borough.

What is clear from this budget is that the funds are available for a sensible arrangement to maintain our vital police service, within our own community. We all understand that councils, everywhere, have been facing difficult financial choices in recent years.

But the approach of the Conservative group in Merton is not to abdicate all responsibility.

It is, rather, one of rising to the challenge of using creative, innovative ways of raising revenue to support our vital services.

That is why we are again proposing the purchase of Wimbledon police station within our amendments to the budget tonight.

Our amendments reflect the thinking that Merton will benefit from when the Conservatives win back control in a few short weeks. They indicate a clean break from the consistent pattern of financial mismanagement demonstrated by Labour over the past four years.

Merton Conservatives are heralding a future of fiscally responsible Local Government in Merton; one which fully funds, and enthusiastically supports, our vital local

services, for the benefit of the whole community. That is the clear alternative that voters will have as they go to the polls on 3 May.

Our amendments tonight are just one indicator of that new approach for Merton – one our Borough so desperately requires.

Madam Mayor, Merton is a great place to live and work, but it is time to make life in Merton a bit better for **all** its residents.

Madam Mayor, I will be moving our amendments.

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

Deciding on our budget when we are little more than two months away from local elections in May is not exactly a recipe for sober analysis of our prospects in the longer term. So let me remind you of the situation the incoming administration will face when they sit down for their first away day with the Directors after the May elections.

It's not quite in the league of Liam Byrne's note to his successor as Chief Secretary of the Treasury, when he wrote: *I'm afraid there's no money. Kind regards – and good luck.*

So let me make it clear, we are not in such dire straits yet – no Northants CC, where the auditors refused to sign off the budget for next year without drastic changes. Nor are we amongst the ten or so authorities allegedly on the brink of following Northants into insolvency. But we do face difficulties on a scale we have not previously encountered, with little left to meet them. We are going to be taking £1.25m out of earmarked reserves to balance the budget for next year, and we have already allocated £5.4m from reserves towards balancing the budget in 2019/20. And the General Fund now stands at £12.3m, which is within a few £'000's of the prudent £12.1m minimum. So we cannot look to the General Fund to cover any overspends, yet we are forecasting an overspend of £0.6m for the current 2017/18 year.

How did we get here, and what might we have done differently in the past to avoid getting into this situation? With the benefit of hindsight, I would suggest the decision to cut council tax by 1 1/4% in the 2010/11 budget (just before an election, coincidentally) looks ill advised now. Then Labour had the bright idea for their manifesto of giving every council taxpayer £100 out of reserves, at an estimated cost then of more than £7m.

Yet Labour's manifesto in 2014 again committed to not increasing council tax in the life of this council, ie. 2014 – 2018. Assuming the maximum permitted increase in council tax over that 4 year period means the council tax base is now £17.0 m. lower than it need be, all other things being equal. That represents £24.6m in tax revenues foregone. I know each percentage point also represents £11 pa. on a Band D property, but the evidence from the council's own consultation which introduced the Adult Social Care precept is that Merton residents are willing to pay more to safeguard essential services. I believe they also understand we've reached the end of the line when it comes to finding efficiencies from which to extract further savings.

Unfortunately it doesn't seem to be something that central government understands, even after 8 years of austerity measures which have hit local government harder than almost any other part of the public sector. As the Chairman of the Local Government Association pointed out recently: "*The reality is that many councils are now beyond the point where council tax income can be expected to plug the growing funding gaps they face*".

For Merton that point comes with the budget for 2020/21, two years from now. The budget gap for that year is expected to be £15.4 m. with no visible means of closing it at present. So we will need to be more realistic about increasing council tax next year up to the maximum permitted – but that will only take us a small way to closing the gap.

Thereafter we will need to be more enterprising and more willing to take a commercial approach than we have done in the past. Our housing company, Merantun, is a good start; we should look for opportunities to extend this model as we move into the regeneration of Morden. Increasing dividends from CHAS show we can make a success of commercialisation (and we will be supporting the Conservative amendment on this subject). And to end on an upbeat note, as one of the boroughs recognised and rewarded by the Mayor yesterday for its cultural potential, we clearly have the creativity to achieve great things.

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