

**Merton Council - call-in request form****1. Decision to be called in: (required)**

Item 7 on the agenda, Cabinet 11 November 2019

**Feasibility and Costs of a Council Tax Voluntary Scheme**

1. That consultation will not be progressed with band H council tax residents to establish if a council tax voluntary scheme should be implemented.
2. That any benefits to introducing the scheme would not outweigh the likely financial losses of implementation, as concluded in paragraph 2.23 of the Cabinet report.

**2. Which of the principles of decision making in Article 13 of the constitution has not been applied? (required)**

Required by part 4E Section 16(c)(a)(ii) of the constitution - tick all that apply:

(a) proportionality (i.e. the action must be proportionate to the desired outcome);	
(b) due consultation and the taking of professional advice from officers;	
(c) respect for human rights and equalities;	
(d) a presumption in favour of openness;	X
(e) clarity of aims and desired outcomes;	
(f) consideration and evaluation of alternatives;	X
(g) irrelevant matters must be ignored.	

**3. Desired outcome**

Part 4E Section 16(f) of the constitution- select one:

(a) The Panel/Commission to refer the decision back to the decision making person or body for reconsideration, setting out in writing the nature of its concerns.	X
(b) To refer the matter to full Council where the Commission/Panel determines that the decision is contrary to the Policy and/or Budget Framework	
(c) The Panel/Commission to decide not to refer the matter back to the decision making person or body *	
* If you select (c) please explain the purpose of calling in the decision.	

#### 4. Evidence which demonstrates the alleged breach(es) indicated in 2 above (required)

Required by part 4E Section 16(c)(a)(ii) of the constitution:

At full Council in April 2019 a motion was passed calling on the Cabinet to look at ways in which a charitable fund, based on the models used by some other Councils, could be established to help mitigate some of the cuts in national education funding.

We feel that the Cabinet's decision to not progress a consultation on this, on grounds that any benefits of the scheme would be outweighed by the financial costs of implementation, breaches two of the principles of decision-making required by the constitution.

#### **Consideration and evaluation of alternatives; the presumption of openness**

Cabinet spent circa 4 minutes on this agenda item.

The motion to full Council stated that the models used by other councils should be examined.

The report presented to cabinet simply looked at one local authority (Westminster), rather than looking at wider possibilities and options, with no reference to any other local authority's current or proposed model. There was no direct discussion at Cabinet of the evidence base relied on in the report.

In addition, neither the report nor the Cabinet meeting considered:

- Potential local authority models for the charity set up, nor proposed models nor evidence that other authorities setting up a voluntary council tax schemes have investigated;
- Potential ways to increase the amount of predicted donations to make the scheme more cost effective. The main potential difficulty highlighted in the report is that Westminster request donations from 15,600 Band H properties, whereas Merton only has 1751 such properties. Neither the report nor Cabinet considered that other categories of Council taxpayers could be written to (eg what would the impact of also writing to Band G property owners be) to overcome this difficulty.
- That the report measures only first year potential income against first year costs. First year costs would likely be higher, and once the charity was established, additional fundraising methods would be possible (eg it could be a Mayoral charity, educational grants could be applied for).
- That raising £40-60K in the first year compared to £10K costs does not obviously justify the decision that "any benefits to introducing the scheme would not outweigh the likely financial losses of implementation" (emphasis added).
- The impact on the costs of the proposal of using the Merton Giving Scheme mentioned in para 2.20/Appendix 2.

We note that in an answer to a question from a councillor on such a scheme at the April full Council, the Cabinet member for Finance said "We also would not want a

fund to pay for important or strategic services that should be paid for as a matter of course out of council budgets”.

In the absence of the consideration of alternatives in the report, or full discussion of the issue or alternatives at Cabinet, it allows a perception to arise that the decision was predetermined, and therefore has not been taken in an open and transparent manner.

In this climate of the continuing local authority funding crisis, there is a need for Merton to be innovative and creative in developing solutions on behalf of residents. It is disappointing that this opportunity, which was backed with cross-party support, has not been seized upon to the benefit of local children.

## 5. Documents requested

## 6. Witnesses requested

Relevant officers from local authorities that have developed, or are developing, such schemes, so that their approach and evidence base can be looked at (or indeed, the establishing of local authority charitable trusts generally)

## 7. Signed (not required if sent by email):

**Councillor Anthony Fairclough**

**Councillor Simon McGrath**

**Councillor Carl Quilliam**

**Councillor Eloise Bailey**

## 8. Notes – see part 4E section 16 of the constitution

Call-ins must be supported by at least three members of the Council.

The call in form and supporting requests must be received by 12 Noon on the third working day following the publication of the decision.

The form and/or supporting requests must be sent:

- **EITHER** by email from a Councillor’s email account (no signature required) to [democratic.services@merton.gov.uk](mailto:democratic.services@merton.gov.uk)
- **OR** as a signed paper copy to the Head of Democracy Services, 7<sup>th</sup> floor, Civic Centre, London Road, Morden SM4 5DX.

For further information or advice contact the Head of Democracy Services on 020 8545 3864

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