

Agenda Item 3

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CABINET

7 FEBRUARY 2022

(7.15 pm - 7.57 pm)

PRESENT Councillors Councillor Mark Allison (in the Chair),
Councillor Agatha Mary Akyigyina, Councillor Owen Pritchard
and Councillor Martin Whelton

ALSO PRESENT Councillor Peter Southgate
Councillor Nick Draper
Louise Round (Managing Director South London Legal
Partnership) and Richard Seedhouse (Democratic Services
Officer)

**ATTENDING
REMOTELY** Councillor Brenda Fraser, Councillor Natasha Irons, Councillor
Rebecca Lanning, Councillor Marsie Skeete and Councillor
Eleanor Stringer.

Councillor Nick McLean
Councillor Daniel Holden

Hannah Doody (Chief Executive), Caroline Holland (Director
Corporate Services), Chris Lee (Director Environment and
Regeneration), John Morgan (Interim Director Community and
Housing), Jane McSherry (Director Children, Schools and
Families), Matt Burrows (Head of Communications), David
Keppler (Head of Revenues and Benefits), Octavia Lamb
(Research and Policy Officer – Labour Group) and Amy
Dumitrescu (Democracy Services Manager)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

No apologies were received.

Councillors Fraser, Irons, Lanning, Skeete and Stringer attended remotely.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of interest.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

RESOLVED: That the minutes of the meeting held on 17 January 2022 are agreed as
an accurate record.

4 REFERENCE FROM THE OVERVIEW AND SCRUTINY COMMISSION -

SCRUTINY OF THE BUSINESS PLAN 2022-26 (Agenda Item 4)

The Chair advised that items 4, 5 and 7 would be taken together. For the purpose of the minutes these are minuted separately.

At the invitation of the Chair, Councillor Southgate, Chair of the Overview and Scrutiny Commission presented the reference report which set out the recommendations of the Commission and the Scrutiny Panels following the preceding round of budget scrutiny in January 2022.

Councillor Southgate gave an overview of the recommendations by the Overview and Scrutiny Commission, noting that in future the scheduling of Scrutiny and Cabinet meetings could be timetabled more closely.

Councillor Southgate thanked Councillor Pritchard and the Director for their work.

The Deputy Leader and Cabinet Member for Finance responded and agreed that more could be done in regard to the timetabling of meetings.

The Director of Corporate Services advised that the timetabling of meetings had been amended for 2022-23 and these meeting dates had been agreed at February Council.

RESOLVED:

That Cabinet, in taking decisions relating to the Business Plan 2022-26, took into account the recommendations made by the Overview and Scrutiny Commission (set out in paragraphs 2.7 to 2.12 below) and references from the other Overview and Scrutiny Panels (set out in paragraph 2.4)

2.4. The Sustainable Communities Panel RESOLVED to recommend Cabinet hold saving ENV2022-23 03, regarding Deen City Farm, on the basis that it is a saving to be made in 2023/24 and in anticipation of finding an alternative saving.

2.7. Commission members welcome the opportunity to scrutinise the Budget and Business Plan 2022-26, and acknowledge the difficulties officers have faced in finalising it while the legacy costs of the pandemic remain unfunded and unresolved.

2.8. Because of the timetable for the budget process, the Commission has consistently been one step behind the Cabinet e.g. scrutinising the third (December) iteration of the budget on 19 January when Cabinet has approved the fourth iteration two days earlier, on 17 January. The timetable should be reviewed to see whether the final Commission meeting can be delayed to ensure scrutiny of the latest budget iteration, while still allowing time to feed back to the final Cabinet meeting on 7 February.

2.9. In recent years heavy reliance has been placed on the Balancing the Budget Reserve to close the gap and set a balanced budget ((£11.5m in 2022/23).

2.10. The text notes: "It should be recognised that the use of reserves is a one off form of funding and alternative ongoing savings need to be identified to address the budget gap over the long term". Is the Cabinet satisfied that this dependence on the BtBR is sustainable?

2.11. Resolution of the DSG deficit is now tantalisingly close, with the potential to impact the final budget for 2022/23. Cabinet will be faced with various options for allocating the provisions released, including amongst others: • replenishing the Balancing the Budget Reserve • cancelling “unachievable” savings • funding priorities identified by “Your Merton” • moving forward with the Climate Change Action Plan

2.12. Cabinet is requested to ensure that scrutiny members are involved in the discussion of these alternatives

5 BUSINESS PLAN 2022-26 (Agenda Item 5)

The Joint Deputy Leader and Cabinet Member for Finance, Performance, Recovery and the Local Economy presented the report, noting there would be an increase in Council Tax of below three percent and that the GLA precept had not yet been agreed by the London Assembly and therefore the figure within the report was provisional. The report presented a balanced budget. The Council were still awaiting the results of discussions with the DFE regarding the DSG.

The Cabinet Member for Local Environment and Green Spaces advised that in partnership with Deen City Farm and following discussions with their trustees, it was proposed that saving ENV2022-23 03 not be taken in full in 2023/24 but tapered off throughout the following five years, with a drop of 10% each year. This would be alongside exploring capital investment in projects which would allow Deen City Farm to generate income and work with the Council’s greenspaces team to ensure the decrease in Council funding is covered through other grant funding and other sources.

The Director for Corporate Services advised that the final Government settlement had been published and the figures would be updated accordingly. It was noted that the Council Calendar for 2022/23 had been amended to schedule the Scrutiny and Cabinet budget meetings more appropriately. The Wimbledon Putney and Commons Conservators had announced a 3.7% increase in the precept, which has impacted on the level of Council Tax Merton can raise and this was being monitored closely. In response to questions from the Joint Deputy Leader and Cabinet Member for Children and Education, the Director for Corporate Services advised that the Conservators were able to increase their levy by the rate of inflation and the Council were working closely with neighbouring Boroughs on the impact of any increases. With relation to the DSG, it was proposed that 100% of the deficit would be funded at the end of 2021/22 and then 50% going forward and discussions were continuing with the DFE on the DSG.

The recommendations were agreed, whilst noting that the proposals put forward for Deen City Farm would feed into the next round of the budget process.

RESOLVED:

1. That Cabinet considered and agreed the response to the Overview and Scrutiny Commission and agreed that saving ENV2022-23 03 be delayed until 2023/24.
2. That the Cabinet resolved that, having considered all of the information in this report and noted the positive assurance statement given by the Director of Corporate Services based on the proposed Council Tax strategy, the maximum Council Tax in

2022/23, equating to a Band D Council Tax of £1,380.87, which is an increase of below 3% be approved and recommended to Council for approval.

3. That the Cabinet considered all of the latest information and the comments from the scrutiny process, and makes recommendations to Council as appropriate

4. That Cabinet resolved that the Business Plan 2022-26 including the General Fund Budget and Council Tax Strategy for 2022/23, and the Medium Term Financial Strategy (MTFS) for 2022-26 as submitted, along with the draft Equality Assessments (EAs), be approved and recommended to Council for approval subject to any proposed amendments agreed at this meeting;

5. That the Cabinet resolved that, having considered all of the latest information and the comments from the scrutiny process, the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy); the Treasury Management Strategy (Section 5), including the detailed recommendations in that Section, incorporating the Prudential Indicators and the Capital Strategy (Section 4) as submitted and reported upon be approved and recommended to Council for approval, subject to any proposed amendments agreed at this meeting;

6. That Cabinet noted that the GLA precept will not be agreed by the London Assembly until the 24 February 2022, but the provisional figure has been incorporated into the draft MTFS

7. That Cabinet requested officers to review the savings proposals agreed and where possible bring them forward to the earliest possible implementation date

8. That Cabinet noted that there may be minor amendments to figures and words in this report as a result of new information being received after the deadline for dispatch and that this will be amended for the report to Council in March.

9. That Cabinet considered and approved the Risk Management Strategy.

6 COVID-19 ADDITIONAL RELIEF FUND SCHEME (Agenda Item 6)

The Deputy Leader and Cabinet Member for Finance, Performance, Recovery and the Local Economy presented the report – applications to the Council from businesses which had not received or were not eligible to receive the extended retail discount were able to submitted over the following three weeks.

The Head of Revenues and Benefits advised this would be a reduction to the business rates bills.

The Chair thanked the officers for their work and it was

RESOLVED:

That Cabinet reviewed and agreed the Covid Additional Relief Fund (CARF) policy

7 FINANCIAL MONITORING REPORT - PERIOD 9 DECEMBER 2021 (Agenda Item 7)

The Deputy Leader and Cabinet Member for Finance, Performance, Recovery and the Local Economy presented the report.

The Director for Corporate Services advised that there was still an anticipated adverse variance at the end of the financial year however noting that the debts owed to the authority had decreased. The report would also be brought to the Financial Monitoring Task Group later in the month.

RESOLVED:

- A. That Cabinet noted the financial reporting data for month 9, December 2021, relating to revenue budgetary control, showing a forecast net adverse variance at year end on net service expenditure of £5.373m, increasing to £7.276m when corporate and funding items are included, a decrease of £82k compared to last month
- B. That CMT noted the contents of Section 5 and approve the adjustments to the Capital Programme contained in Appendix 5b and 5d
That Cabinet noted the contents of Section 5 and Appendix 5b of the report and approved the adjustments to the Capital Programme in the Table below:

	Budget	Narrative
Corporate Services	£	
Business Systems - Payroll	3,000	Additional Costs Funded
Invest to Save -	(397,240)	Revised Grant Funded
Business Systems - SENDIS	(109,410)	Remaining or Revenue MIB Money
Children, Schools and		
Harris Academy Wimbledon	72,740	SCIL Funding for additional costs of the scheme
Links - Capital Maintenance	(15,000)	Virement reflecting projected
Sherwood - Capital	15,000	Virement reflecting projected
Environment and Regeneration		
Borough Regeneration -	150,000	Section 106 Scheme
Total	(280,910)	

8 MERTON'S CLIMATE DELIVERY PLAN YEAR 2 (Agenda Item 8)

The Cabinet Member for Housing, Regeneration and the Climate Emergency presented the report, which provided a review of progress during the first year of the Strategy and Action Plan as well as projects planned in 2022. It was noted 28 school streets had been introduced and were in the process of being made permanent.

The Cabinet Member thanked officers for their work.

The Cabinet Member for Local Environment and Green Spaces spoke on plans to move towards electric vehicle fleets.

RESOLVED:

A. That Cabinet adopted the Climate Delivery Plan – Year 2

B. That delegated authority was given to the Director of Environment and Regeneration, Chris Lee in consultation with Cllr Martin Whelton, the Cabinet member for Housing, Regeneration and the Climate Emergency to make minor amendments.

C. That Cabinet approved the allocation of £150k from Merton's Carbon Offset fund to top-up national funding in the delivery of the Green Homes Grant Local Authority Delivery Scheme to retrofit fuel poor homes in Merton.