

**Colliers Wood and North East Mitcham
Community Forum Meeting
20 October 2015**

Update on Merton Council

**Cllr Martin Whelton Cabinet Member
for Education**



**Best
Achieving
Council**



Where Merton gets its money

- About half Merton's "spending power" is from Council Tax
- The other half comes from the main Government settlement or other Government grants
- So a fall in our government funding is bound to affect services

The Financial Challenge

- Since 2010, the government have cut **40%** of the funding for local council's.
- In September, we calculated the budget gap until 2019/20 would be £15m.
- This will mean **significant** cuts to council services on top of all of the cuts already agreed.

2016/17	2017/18	2018/19	2019/20
£0m	£0m	£3.5m	£15.3m

It may be even worse

- But this doesn't take into account government's recent announcement of a further **40%** cut to council funding.
- For Merton, this would mean a **further** £9m in savings, bringing the total potential gap to £24m.

	2016/17	2017/18	2018/19	2019/20
Existing Gap	£0m	£0m	£3.5m	£15.3m
+ 40% cut	£2.8m	£6.1m	£6.8m	£8.9m
Potential Gap	£2.8m	£6.1m	£10.3m	£24.2m

Additional Pressures

- It's becoming more and more difficult to deliver services on the funding we currently have, let alone to make further cuts
- We overspent by £3.7m last year
- And we're overspending by £3.5m this year already

Adult Social Care

- Our residents are living longer, but as a result there is a greater need for council funded care services (ASC)
- We spend almost 40% of our budget on ASC
- We overspent in ASC by £2.6m last year
- **ASC is already predicted to overspend by £1.5m this year**
- The government has announced an “in year” cut (to public health funding)
- **We expect to lose half a million pounds of public health funding**

Children's Services

- Welcome advances in medical care mean more disabled children survive into adulthood, but this means increased need for council funded care
- It can cost £50,000 a year to care for one disabled child
- Need to look after children in care up to the age of 25, including university costs, and unaccompanied asylum seekers
- Increased birth rate means we need to expand schools
- We overspent in CSF by £2.7m last year
- **Children's Services is already predicted to overspend by £2m this year**

Can't we use our reserves?

- We are **already** using our reserves
- Last year we spent some of our reserves in order to cover the overspend of £3.7m
- This reduced our general reserve to £15m
- If we have to do the same thing this year our reserves could go down to just £10m
- What will we do if we overspend again in the following years?

What are the options?

- We can't refuse to agree a budget
- Central government would just take over the council and agree the cuts themselves
- We could cut every area equally
- Or we could try to protect services for the people who need it most
- We think it's fairer to make lower levels of cuts to Children's Services and Adult Social Care

The principles underlying the budget process

In July 2011, Merton Council agreed the following priorities for the Administration.

- Protect statutory services to vulnerable groups
- Low Council Tax and Clean streets
- To be a good place to grow up and go to school
- Be the best we can for the local environment
- Everything else is up for discussion

How we protect priority services

- First we look for savings in procurement, shared services, back offices and other efficiencies.
- After that, we try to protect services for the vulnerable.

Department	Budget	Savings Target	Percentage Savings
Corporate Services	£11m	£3m	27%
Chief Executives Dept	£2.5m	£0.4m	15%
Environment & Regeneration	£32m	£4.7m	15%
Community & Housing	£62m	£4.5m	7%
Children's Services	£37m	£1.4m	4%

How we save you money

- Shared Services with other boroughs
- Better deals with our contractors
- Looked at everything the Council does and cut out inefficiencies
- Better use of IT e.g. libraries
- These moves have helped us to protect services and deliver low Council Tax

Difficult Decisions

- Still have to make significant cuts – no area is safe
- **£2m** in Corporate Services (smallest budget)
- Over **£6m** cuts in Environment & Regeneration
- **£3.4m** in Community & Housing (including Adult Social Care)
- **£2m cuts** in Children's Services
- Currently working on finding these savings

Our achievements

Despite the financial pressures, there's lots to be proud of:

- Introduced Street Cleaning hit squads
- New FREE Bulky Waste Collection scheme
- Food waste collection scheme rolled out borough-wide
- No Library closures and No Children's Centre closures
- New library in Colliers Wood
- Fastest improving GCSE results in London
- Expanding local schools including an additional 420 places at Singlegate
- Resident parking permit charges frozen; Visitors' parking permit prices reduced

Our six year Council Tax freeze

We have kept our promise to freeze Council Tax:

- We delivered a zero Council Tax rise for 2011/12
- We delivered a zero Council Tax rise for 2012/13
- We delivered a zero Council Tax rise for 2013/14
- We delivered a zero Council Tax rise for 2014/15
- We delivered a zero Council Tax rise for 2015/16
- And we propose a zero Council Tax rise for 2016/17
- Plus no cuts to rebates for low-income households

We have done this by taking a prudent approach to our finances.



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Council



Challenging Times - but we're confident

- We have the right strategy
- We've kept council tax low
- We've protected the services you care about
- Resident satisfaction with the Council at a record high
- Voted "Best Achieving Council" in the country