

Merton Council Council

8 July 2020

Supplementary agenda

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Councillor questions to Cabinet Members

From Councillor John Dehaney to the Cabinet Member for Finance

Can the Cabinet Member please provide the current best estimate of the shortfall between the cost to the council of the coronavirus outbreak and the funding being offered by the government?

Reply

The net cost of Covid – 19 to the Council as per our return to MHCLG for May 2020 is illustrated below:-

	£m
Additional service expenditure	8
Shortfall in savings/projects delays	10
CT & BR Shortfall	14
Loss of income	<u>14</u>
Total	46
Government Grant	<u>-11</u>
TOTAL Net Impact	<u>35</u>

The net costs from the June return to MHCLG will be reported to Cabinet as part of Month 2 monitoring report, although it is unlikely there will be an announcement on further support to offset the costs at this stage.

Supplementary

Yes Madam Mayor, thank you. I have a supplementary for the Cabinet Member. Can I ask the Cabinet Member, following the Government's announcement that further funding for Councils it is now providing, they are going to cover the full cost of the epidemic for the Council, and if so, will the Council be able to use any surplus from the Government to support local businesses?

Reply

Thank you Madam Mayor, I would like to thank him for his follow up. I have tried throughout the epidemic to be positive about the Government because this is an unprecedented pandemic and any government would have struggled to respond. I think that in good faith many of them are doing their best to prevent the spread and reduce the economic impact. I do understand that some commentators have been concerned that the Government lockdown was so late and many people have struggled as a result. However to be fair, they have recognised there would be high costs and promised to do whatever it takes. If this was the case, we would be very happy to use the extra funding to help local businesses as well as charities. We have

been praised by the Government for the speed and business like way we have given so much support to our businesses sector and more than 95% of the funding available has already been handed over. But, in answer to his question, no, I am afraid that the latest announcement from the Government still falls a long way short of what they promised, probably by more than £20 million, or around double of our entire allocated reserves. They have also made it very clear in their guidance that many of the businesses we would like to support cannot be helped using this government money as they are too big or in the wrong sector. So I want to use this opportunity to ask all Councillors to work together to persuade the Government to deliver what they promised and ensure the Council and our businesses receive whatever it takes to get through this awful Coronavirus outbreak.

From Councillor Hayley Ormrod to the Cabinet Member for Children's Services and Education

Education of schoolchildren is critical. We are only a few weeks away from the summer holidays. Can the cabinet member tell us what she is doing to get schools ready to open fully by September?

Reply

Schools need to plan for how they will reopen in some way in September to all pupils. Although government guidance is awaited, and it is hoped will arrive in good time before the end of term, schools supported by the LA are already thinking ahead about what they will need to prepare for. There are broadly speaking three scenarios which Merton schools are thinking about:

- Total reopening, with no social distancing, all children back all the time.
- Some social distancing in place, meaning that there may need to be some form of rota system in place to allow part year groups back at any one time, and/or a relaxation of the current guidance saying that schools are not able to use other venues to teach all children across more spaces. This would mean that there will be a need for some continued remote learning for most pupils
- Schools do not reopen because of a second spike.

Schools will need to consider further developing their remote learning strategies to accommodate the last two of the three scenarios above. The Local Authority has produced a Strategy to support schools in their thinking with this.

Thousands of children will have missed out on their normal education over the six months between March and September. The Government announced a £1 billion catch up fund to be implemented from September. This will need to be implemented quickly and carefully once details are available, alongside schools' own planning to adapt their curriculum to meet pupils' needs. The Government has also suggested that GCSE and A level exams might be pushed back by a month to enable more time for the current Year 10 and Year 12 pupils to cover the exam curriculum. The

Local Authority is beginning work with schools to think how the curriculum might need to be adapted.

Children's mental and physical health will have been affected in different ways by the period of lockdown. Schools are considering how this can best be supported not just now, as wider opening begins, but in the year(s) ahead.

Supplementary

Thank you Madam Mayor. Last week the Government announced the lifting of restrictions on all schoolchildren returning to class in September. In light of the new guidance, what steps has the Cabinet Member taken to prepare for a full reopening in September? Thank you

Reply

I would like to thank Councillor Ormrod for her question and for her support for Merton children over the past few months. Indeed, the Government is expecting all children to come back in September and the guidance that was released towards the end of last week was quite long, quite comprehensive but also quite flexible. So we are currently helping schools to understand how it works, how it applies in their situation, because all schools are not identical, to help them work out the best way that all pupils can go back in a way which allows them to continue with their education and to continue to receive a broad and balanced curriculum, but also keep them and the staff safe. This includes regular weekly meetings with secondary heads, with representatives from primary heads, with individual primary schools getting regular calls from their Merton education partner and we're getting daily updates from the team about how to interpret the guidance and making sure also that schools are working together because sometimes the decision one school makes will have an effect on another schools so we need to make sure it works as a community. Thank you.

From Councillor Nick Draper to the Cabinet Member for Regeneration, Housing and Transport

Can the Cabinet Member please let us know what discussions Ministers have had with him regarding their decision to end free travel on TfL services for Under-16s and Freedom Pass holders, and whether this is likely to have an impact on inequalities in the borough?

Reply

Discussions have been coordinated by London Councils and Transport for London and we are contributing to the case to retain free transport in London for young people. It is important that young people retain free transport to assist in them being able to enjoy a full and active life accessing all that London has to offer including volunteering, work interviews, culture and sporting activities as well as attending school and college. The late inclusion of this condition in the package of support for Transport for London will cause a disproportionate impact on the most disadvantaged young people

especially those living in the east of the borough, as they may be unable to afford travel to access training, work and leisure opportunities. It is a retrograde step and I fully support the retention of free travel.

Supplementary

Thank you Madam Mayor and thank you to the Cabinet Member for making clear that it was the Government's and not the London Mayor's decision to deny free travel on TfL services for the under 16s and for Freedom Pass holders without entering into any consultation. What does he see is going to be the longer-term impact in Merton for how easy it will be to travel around the Borough, particularly for disadvantaged and for young residents, particularly for those in the east of the Borough?

Reply

I would like to thank Councillor Draper for his supplementary. I believe that this is a completely retrograde step that the Government have taken and many hard working families will suffer potentially as a result of many hard working families will suffer potentially as a result of additional costs by having to pay for the fares for their children to go to school. It also concerns me as well that it will potentially fall upon the local authority to pay for travel passes, as it is a statutory responsibility. We have been saved by TfL having that responsibility since 2004, but I fear that there will be long term consequences of this and it is yet another cost and another burden that the Government have placed on hard working families in Merton. I would ask that Government reconsider this change, as I believe that it is wrong, and free travel for under 18s is something I welcome as Cabinet Member and should be kept and I will fight to keep it along with fellow London council leaders. Thank you.

From Councillor Nick McLean to the Cabinet Member for Finance

The governments furlough scheme has protected over 25,000 jobs in Merton. What steps has the council taken to help those who are unemployed?

Reply

Residents will be able to claim Universal Credit from the Department of Work and Pensions. Those liable for council tax will be able to apply for council tax support.

Since the end of March, we have seen a large increase in council tax support claims. The average number of claims pre Covid19 was around 500 per month, in April we received 2172 and in May 822.

The DWP have confirmed an average increase of 508% in Universal Credit claims in Merton. We are now assisting an additional 950 working age residents with their council tax and the cost of the scheme has increased by over £1 million.

For our working age claimants not in receipt of full council tax support we will credit up to £200 to their council tax account from the council tax hardship fund. The government recommended councils award £150 to those eligible.

Residents will continue to be able to access our local welfare support scheme to assist with financial hardship and access to our Community Hub and foodbanks.

We are concerned that without further support from the government for businesses that will still be affected by the economic downturn from coronavirus, combined with the impact of Brexit, there could be a substantial increase in unemployment in the short and medium term.

In addition, without further support from the government for the council, there could be an additional impact on unemployment. The council is awaiting further instalments from the government following its promise to provide “whatever funding is needed”. Currently, we estimate the cost to the council of the outbreak at £46m, and although the government has given just £10.6m, we look forward to receiving the remaining instalments.

Supplementary

Thank you Madam Mayor. I would like to thank the Cabinet Member for his response and for highlighting the Government funded Council Tax Hardship Fund. We also welcome the discretion shown to increase the payment to £200. It was a shame that similar courage had not been shown when it comes to supporting Merton business. Council Allison, can you explain why you chose to apply such a narrow interpretation of Government business grant funding guidelines and doing so failing to demonstrate political leadership?

Reply

Thank you Madam Mayor. I would like to thank the Councillor for his follow up. I am very sorry that this appears to be becoming a partisan debate. As I said earlier, I have tried throughout the epidemic to be fair to the Government when others have criticised the way they locked down and the damage this has caused the country, let alone the excess debts and to be fair, the Government has provided an unprecedented package of financial support for the country and that is laudable. However, as I said earlier it is still not “whatever it takes”. They have given some funding, but they have specifically forbidden us in the eligibility criteria from helping a number of Merton’s businesses using the funds that they have provided and this is very frustrating for us. We have done an astonishing job getting money to businesses and I would like to thank him for praising us for the work we have done to get money to our residents. Ministers have singled us out for praise in the House of Commons for that work but I repeat what I said earlier, the Government are still a long way short of giving Merton what they promised, by tens of millions of pounds and they are a long way short of giving local businesses what they deserve or allowing us to provide the money that they so much need.

From Councillor Eloise Bailey to the Cabinet Member for Women and Equalities

Could the Cabinet member please outline the process for the equality impact assessment of decisions taken relating to the Council’s Covid19 response, including examples of any mitigations following these assessments?

Reply

The Equality Analysis (EA) process is well embedded in the council's day-to-day business and the process is the same for Covid-19 related matters.

However, in taking forward Emergency Planning measures to respond to the pandemic the council has been implementing national or regional policy/guidance. Most of the Covid-19 services were implemented at speed to reduce risk to life and to protect vulnerable people.

An EA was recently conducted for the Local Authority Discretionary Grants Policy and a mitigating measure identified is the need to collect Equality data at the application stage, to try to identify potential negative impact if the grant criteria excludes local specialist companies, particularly Community Interest Companies, whilst recognising that this might be difficult to identify from the information provided.

Supplementary

Thank you Madam Mayor and thank you to the Cabinet Member for your reply. The disproportionate effect of Covid-19 on BAME communities highlights a whole range of structural inequalities that exist within our society. Can the Cabinet Member please tell us how she will use her role to address these and improve outcomes for BAME people?

Reply

We have already started a piece of work on this very subject and have engaged with BAME Voice to engage with the community to establish the lived experience of the community and that will inform the work that we will take forward from this.

From Councillor Dave Ward to the Cabinet Member for Regeneration, Housing and Transport

Can I please have an update on the impact the Covid-19 outbreak has had on the opening of the new Harris Wimbledon buildings and AFC Wimbledon's new stadium at Plough Lane?

Reply

All construction sites in Merton shut down for a period during the Covid19 lockdown and there has been some consequential delay to both sites but I am pleased to say that this delay has been minimised by the efforts of the site owners, construction firms and their suppliers. Both of these sites are under construction again. Harris Wimbledon has announced that the new premises is expected to open directly after October 2020 half term and won't be open from September 2020 as previously scheduled. Arrangements have been made to extend the temporary facilities at Whatley Avenue for the first half of the term. AFC Wimbledon's Stadium is also expected to open in October 2020 from the previous date in early September 2020. AFC Wimbledon are working closely with the Safety Advisory Group. The government guidelines on

Covid19 that are in place at the time of the first events in or after October 2020 will determine whether fans will be able to attend matches or not.

Supplementary

Thank you Madam Mayor. I would like to first thank Councillor Whelton and everyone else involved for keeping the inevitable delays to both the stadium project and the new school to an absolute minimum. Does he agree with me that as we come out of this crisis and the recovery from it, that planning and regeneration are going to play a large part in the recovery of Merton?

Reply

Thank you Councillor Ward for your supplementary and can I also thank you for the work you do on the Planning Committee. In terms of the recovery, I think housing and regeneration will be absolutely key to that. We need to build a lot more homes in this borough, that is clear, but there also has to be more affordable homes and genuinely more affordable homes at that. We have over 10,000 people on the waiting list and we still have a major housing crisis both here in Merton and in London as a whole, so building has to be part of that recovery and there should also be in my view more money for social homes for rent and I don't welcome the change the Government made in terms of funding last week. Yes, we need to build more homes, and yes, we need to deliver going forward. There are many, many opportunities in terms of regeneration sites in the Borough and I hope to see the Planning Committee approve many of them over the coming year. Thank you.

From Councillor Edward Gretton to the Cabinet Member for Finance

Can the cabinet member confirm the total amount of funds and support from central government to the council to support the local economy?

Reply

At the outset of the coronavirus outbreak the Secretary of State told councils that they would get "whatever funding is needed for councils to get through this".

Merton Council currently estimates that the cost to the council of the coronavirus outbreak will be £46m. Thus far, we have received £10.6m, but we are grateful to the government for its promise to deliver the rest.

Below are additional funds from government to support the local economy. This excludes some funding e.g. the Hardship Fund which local residents may then use in the local area. A full list of funding is included within the Council report.

Support	National Allocation £bn's	LBM Allocation/Cost £m's	LBM Funds Allocated £m's	Comments
		-		

S31 Business rates relief	1.800	3.471		Fully received
Business support grant		29.318	27.11	Over 95% of funding paid– 95% of businesses paid–
Business rates holiday		N/K	Fully Allocated	Over £43 million in extended retail reliefs and nursery reliefs granted
Business Discretionary grants		1.3	None	Council is currently reviewing applications and processing for payment, within government restrictions
Reopening the High Street Fund	0.30	182k		ERDF funds for action plans, comms, awareness and temporary public realm changes.
Emergency Active Travel Fund - Indicative Allocations	0.25	704k	100k	Gov allocation of 704k for active travel and social distancing highway measures. £100k granted initially by 5 June. £604k available in second bidding round

Supplementary

Thank you Madam Mayor. I asked the Cabinet Member for Finance what the total of the Government support was for the Council for local businesses but he was not able to add them up. Obviously, we have seen in the Council papers tonight references to things like £11m of cash and £29m going to small businesses in our borough and £46m of discretionary support. These are very large sums totalling up, as you will see in the papers to around £100m. On that basis Madam Mayor, will the Cabinet Member for Finance perhaps kindly acknowledge that his description of that level of Government support as “little by little” at the previous Cabinet meeting was perhaps not the best choice of words to describe that strong level of support?

Reply

Thank you Madam Mayor and again I would like to thank him for his response. I can only say what I said earlier that I am sorry people want to be partisan here and I am sorry if my words have been taken in a context like that. I have really striven through all of this to avoid being partisan and to be fair to the Government. This is obviously not been any easy thing. It has not been easy for them, it has not been easy for us and the sums of money that have been provided have been unprecedented. However, as I have explained earlier, they are still a long way from being enough. They are a long way from “whatever it takes” which is what they promised and so I can only try and repeat what I said earlier because we know that more than 15,000 of our residents in Mitcham and Morden have been furloughed and more than

10,000 in Wimbledon. There are going to be great struggles ahead. The Government has fallen a long way short of giving Merton what they promised and I do think that they need to come forward with the money for our businesses. We take a business-like approach and we certainly ask the Government to do the same, but frankly we are on the verge of going bust and so we have no means of providing extra support unless the Government can help us. I really do ask everybody here, including Councillor Gretton and Councillor McLean, to use their influence that they have over the Government through their friend Stephen Hammond MP to persuade the Government to give us the help that they promised and save local businesses that might close if they do not act.

NOTE - The Mayor announced that no further supplementary questions after the one below would be taken as the 15 minutes allocated for this item had been reached.

From Councillor Peter Southgate to the Cabinet member for Regeneration, Housing and Transport:

In view of the low take up of the Ward Allocation Funds (£290,000 unspent from a budget of £300,000), would the Cabinet member consider allowing Ward councillors greater discretion in putting forward proposals for the benefit of the communities they serve?

Reply

The Ward Allocation Scheme has run for just over a year and has just under two years left to run and councillors have this time to put forward bids. Nine out of 20 wards have expressed an interest in the scheme and seven have submitted bids. All three ward councillors have to support the bids before officers can implement them.

The principles behind the Ward Allocation Scheme is to have a fixed list of key local projects in order to maximise the amount of money spend on the ground in local communities and delivered within the council's existing capacity while minimising the funds required for project administration (e.g. procurement, legal issues, project management).

Greater flexibility in choice of bespoke projects for each ward would be challenging to deliver within the council's existing capacity as it would require a greater proportion of the £15,000 ward allocation scheme to be spent on project administration.

Officers are continually reviewing interest and take-up, particularly in the light of Covid19 demands and challenges which have also delayed everyone's capacity to submit bids. Should there be any factors that mean it appears that the Ward Allocation funds won't be spent in local communities within the next 18 months then officers will make recommendations to the cabinet member.

We will keep this matter under review to identify whether and what further flexibility can be provided

Supplementary

Thank you Madam Mayor and thank you to the Cabinet Member for his reply. I am heartened that he is willing to consider some flexibility in the operation of the Ward allocation funds. We submitted a bid that complied with all the criteria, highly prescriptive criteria, on 21 November last year. Perhaps my suspicions should have

been aroused that no fewer than six officers were named in the response to that as responsible. Since then really there has been no inclination on the part of any of them to get on and get these projects done. I do feel that, putting it simply, that officers do not see this as part of their day job. So my question, twofold, can we a clear line of accountability to one officer responsible for getting these projects carried out; and can he also perhaps consider other “shovel ready” projects that meet the criteria in addition to those presently set out in the ward allocation funding list?
Thank you.

Reply

Thank you Councillor Southgate for your supplementary. If you do send me on the details I will certainly look at it. Clearly the ward allocations were introduced last year and we are going through a learning process in terms of their allocation and in term of their bids. This is something I very much welcome in terms of wards having the ability to spend projects in their own local areas and we will certainly look obviously as suggestions come forward and I will certainly follow up further on the points that you have raised tonight Councillor Southgate.

From Councillor David Chung to the Cabinet Member for Commerce, Leisure and Culture

Can the Cabinet Member please explain how the Council has monitored and continues to monitor compliance with Covid-19 guidance in parks and in retail premises?

Reply

Merton is blessed with many parks and greenspaces all of which remained open during the pandemic. Within parks and open spaces , the safe and compliant use of these spaces is firstly communicated through appropriate signage to advise users of government guidance while restricted equipment such as outdoor gyms and playgrounds have been secured or altered to deter use. The service has engaged our environmental enforcement provider, Kingdom Security Ltd., to monitor our parks and open spaces daily, including weekends, during this period to provide advice, guidance and direction when socially distancing or improper use of the open spaces is not adhered to. They also have utilised their environmental enforcement delegated powers to tackle littering and have issued over 175 fixed penalty notices since April 2020. The service receives daily reports of social distancing compliance and park user behaviours from our parks and open spaces and this information allows us to determine where to deploy teams in order to provide coverage and intervention where needed. Issues of non-compliance that cannot be managed effectively by the team, such as groups not willing to disperse and demonstrating anti-social behaviour, have been escalated to the Police.

At the start of lock down in March the Regulatory Service Partnership provided a duty rota to advise both businesses and members of the public around business closures and other business restrictions including the use of outdoor tables and chairs.

We have provided advice and guidance to hundreds of premises across the borough and limited enforcement activity has been required. Our approach has been to support and sustain business where we possibly can.

As circumstances have changed we have adapted and at present in addition to the duty team have a dedicated Environmental Health Officer working with businesses, including retail ,to help them comply with the necessary Risk Assessments, signage and social distancing requirements. We have also been working with departments across the Council to ensure businesses can reopen safely. We have worked closely with business on a High Street Reactivation plan following the reopening of non-essential retail on 15th June.

Another strand has been collaborative work with public Health on the development of our Local Outbreak Plan to ensure in the unfortunate event of a local cluster of Covid Cases we have the correct procedures in place to take prompt and appropriate action.

From Councillor Paul Kohler to the Cabinet Member for Finance

I would like to again thank officers for the speed with which grants and business rate discounts were distributed to many Merton businesses under the Government's Business Rates Expanded Retail Discount Scheme; the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund.

Please could the Cabinet member confirm:

- How much of the monies received under these schemes remains undistributed?
- Whether the Council is still proposing to return this surplus or any part of it to Central Government, as suggested by the Director of Corporate Services?
- And given the discretion set out in the Government guidance, the example of other Councils across the country in using that discretion, and the explicit assurances from the Chancellor of the Exchequer in the House of Commons, why are Merton choosing not to use this surplus to support a wider range of businesses, for example Merton's English language schools (including the Wimbledon & Milner Schools of English); event companies (including White Light and Oxygen); market research companies (including Plus Four Market Research); and medical businesses (including Physiocentric)?

Reply

In March 2020, the government announced that local councils would distribute grants to all businesses in the borough that receive small business rates relief, and to those eligible to extended retail relief. The government allocated £29,318,000 to the council to award grants to those businesses meeting the qualifying criteria. As at the 29 June, we have paid £27,315,000 to businesses. We were in the top 3 in London out of 32 boroughs for the speed with which we processed this first lot of aid thus helping businesses as quickly as possible. The rest of the grants will be paid as soon as we obtain details from the remaining qualifying businesses. We anticipate that

most of any undistributed grant monies will still be allocated to Merton businesses, as well as through the £1.3m discretionary grant tranche.

From Councillor Daniel Holden to the Cabinet Member for Regeneration, Housing and Transport

The government has offered councils the opportunity to bid for funds to make walking and cycling safer. Will the cabinet member assure residents that this council will submit bids as and when each opportunity arises?

Reply

The Council has now adopted its Active and Healthy Travel Response to Covid-19, setting out our ambition for strategic cycling, low traffic neighbourhoods, school streets and pavement widening. Details can be found in the Cabinet Report of 15 June.

<https://democracy.merton.gov.uk/ieListDocuments.aspx?CId=146&MIId=3689&Ver=4>

Merton Council has allocated £80,000 from existing highway budgets to support emergency measures.

We have also bid to DFT and TFL to deliver our wider covid-19 transport programme. The total value of bids to DFT & TFL is £1,495,680. We have received £88,000 in the first tranche of bids, with announcements expected in mid-July on the remaining bids.

From Councillor Brenda Fraser to the Cabinet Member for Children's Services and Education

Can the Cabinet Member outline how the opening for key workers' children and the further reopening of schools during the Covid crisis has been managed and received in Merton? What are the numbers of Merton's children back at school now?

Reply

From Monday 23 March to Friday 29 May, Merton schools have been closed to the majority of pupils, but open to the children of key workers, and to vulnerable children (children with a social worker or an EHCP). From Monday 1 June, primary schools were permitted to open more widely to pupils, prioritising children in nursery, reception, Yr1 and Yr6, and from Monday 15 June, secondary schools were permitted to make arrangements for some face to face learning for pupils in Yrs 10 and 12, while pupil referral units have been permitted to make similar arrangements for Yrs10 and 11. Since 1 June, special schools have been permitted to welcome back more pupils, where it is safe to do so, on a bespoke basis with no specific year group prioritisation.

Throughout this period (including during the designated holiday weeks over Easter and the May half term), the approach in Merton has been for the Children, Schools and Families directorate to support all schools to stay open to children in line with the published guidance of the time, and subject to the schools being able to implement

required social distancing measures within the context of their own available staffing and space constraints. This has been successful in ensuring that all schools have stayed open to children of keyworkers and vulnerable children throughout, with a small number of schools choosing to operate on a 'hub' basis by sharing a single site.

Since 1 June more and more children have been returning to Merton schools, which have opened more widely to prioritised year groups in line with government guidance. Not all children in prioritised year groups have returned, even when schools have been open to them. This is a matter of parental choice, and government guidance is clear that it is not appropriate to apply sanctions for non-attendance at this time.

Attendance continues to be highly variable day by day, but on 23 June (the date of highest attendance so far) 4895 children attended. This compares with 2321 pupils attending on the day of highest attendance in week commencing 1 June, and with just 338 children attending on 27 March (the first day in this period for which we received attendance figures back from DfE).

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