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SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY PANEL 15 MARCH 2017

(7.15 pm - 9.35 pm)

PRESENT: Councillors Abigail Jones (in the Chair), Daniel Holden, Stan Anderson, Michael Bull, David Chung, Russell Makin, John Sargeant, Imran Uddin and Stephen Crowe

ALSO PRESENT: Councillors Abdul Latif, Nick Draper (Cabinet member for Community and Culture), Ross Garrod (Cabinet Member for Street Cleanliness and Parking), Martin Whelton (Cabinet Member for Regeneration, Environment and Housing) and officers Jason Andrews (Environmental Health Pollution Manager), Mitra Dubet (Future Merton Commissioning Manager), Paul Foster (Head of the Regulatory Services Partnership), John Hill (Head of Public Protection and Development, ENVR), Anthony Hopkins (Head of Library and Heritage Services), Chris Lee (Director of Environment and Regeneration), Paul Walshe (Parking Services Manager), Kris Witherington (Consultation & Community Engagement Manager) and Annette Wiles (Scrutiny Officer)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Councillor Holden gave his apologies for agenda item 4 (Call-in: Emissions Levy – Statutory Consultation). Councillor Crowe substituted for this item only with Councillor Holden returning to the Panel for the remainder of the meeting.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

Councillor Makin declared a pecuniary interest as Chair of Merton Community Transport.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The minutes of the previous meeting were agreed as a true and an accurate record.

4 CALL-IN: EMISSIONS LEVY - STATUTORY CONSULTATION (Agenda Item 4)

Councillor Jones, as Chair of the Panel, reminded members that the monitoring officer has determined the scope of the call-in to be exclusively:

- How the statutory consultation was conducted (including older and disabled residents);
- The due notice given to the views received as part of the consultation;
- Teachers' permits; and
- The electric vehicle reduction for business and trade permits.

Introduction of the call-in

Councillors Holden and Abdul Latif introduced the call-in to the Panel.

Councillor Holden believes the process followed has not been fair:

- Application of the diesel surcharge to teacher parking permits was not mentioned as part of Cabinet's policy decision in November 2016. Rather teachers are an addition to the application of this policy decision which had not previously been considered;
- The statutory consultation received 141 responses with all but nine in opposition to the surcharge. It was highlighted that Wimbledon residents reported not knowing this was happening with the Council not having written to existing resident parking permit holders;
- No consideration had been given to older and/or disabled residents with the application of a flat rate surcharge disproportionately affecting residents on low incomes; and
- Whilst the £40 reduction on electric trade and business vehicles was welcomed, it was noted that this is the same value as for electric cars and insufficient to generate business investment in new, cleaner fleet vehicles.

Councillor Abdul Latif spoke more broadly on the diesel surcharge. As such his comments are outside of the scope of the call-in.

In response to member questions, Councillor Holden reported that no questions, comments or complaints had been received from teachers in Merton about the diesel surcharge although it has been mentioned to him by some at the school where he is a governor. Councillor Crowe noted he has received a complaint from the Headteacher at Hollymount School who highlighted the impact this will have on school funds and as a result sees it as an unfair imposition.

Representations from Witnesses

Colin Francis, of the Federation of Small Businesses, informed members that the organisation's policy is supportive of efforts to improve air quality and remove diesel vehicles from roads. However, there is a concern about how this is being achieved and the effect it is having on business. This is seen as an additional form of taxation with 11 out of 30 London boroughs being in the process of applying similar surcharges on diesel vehicles. Mr Francis called on the Council to lobby government to bring in a diesel scrappage scheme to support businesses that are locked into expensive leasing arrangements.

In response to member questions, Mr Francis provided an illustration of one local business that faces a cost of £200K to exit early its contract for a diesel fleet of around 20 vehicles. It was noted that these contracts will come to an end in three years at which point any additional early end costs will be avoided.

Sara Sharp, a local resident, addressed the Panel highlighting the inadequacy of the consultation process which she regards as minimal considering the surcharge is projected to achieve an annual income of £500K. Noted that of the 141 responses

received to the consultation only nine were in support of the surcharge and that diesel car owners are being penalised for believing in good faith the previous advice from government that stated these were better for the environment. Believes the surcharge will result in more residents installing off-street parking on their properties.

In response to member questions, Ms Sharp stated that there is a difference between new and older diesel vehicles with those in the Euro5 emission category and above much less polluting. Highlighted that Kensington and Chelsea applies a £10 levy dependent on specific car pollution levels which reflects that some diesel cars now have pollution levels very similar to those of petrol vehicles. Stated that the surcharge is about the Council demonstrating to the Mayor of London that action is being taken. Thinks it is unfair that carers who own diesel cars will be penalised as any exemption will only apply to those who have disabled parking permits.

Officer response

Chris Lee, Director of Environment & Regeneration, provided the officer response to those introducing the call-in and the witnesses:

- Teacher permits: these weren't included in the scope of the policy initially however they were highlighted through the statutory consultation which resulted in them now being considered. This shows how the consultation has influenced the application of the policy. There are potentially approx. 77 teachers who will be affected by this change. They are adding to air pollution in the borough and therefore it is legitimate that they are included in the policy;
- Consultation: this has complied with the Council's statutory duty. The level of negative responses received is towards the lower end of what might have been expected;
- Lower income: this is not a protected characteristic but it should be noted that no one who has a disabled parking permit will be subject to the surcharge;
- Business and trade: welcomed the suggestion that the Council lobby Government for a diesel scrappage scheme and recognised that the ability of businesses to cease their use of diesel vehicles depends on a suitable alternative vehicle being available which currently isn't always the case. Noted that the surcharge value is the same as for residential parking and therefore is proportionally lower for business vehicles based on the current value of business and trade parking permits. The intention is to review this going forward. Highlighted that there is no intention to disadvantage Merton's businesses. Noted that for a fleet of 20 vehicles the cost of covering the diesel surcharge would be max £3,000 per annum for three years until the end of existing leasing arrangements;
- Council car fleet: this is already being decreased in size and with the move to electric vehicles being made;
- Legality: the diesel surcharge is designed around the Council's existing powers to allow it to affect use of diesel vehicles which are the most polluting. The legal power for the Council to impose this policy absolutely exists;
- Vehicle idling: an approach to improve air quality through a policy to reduce vehicle idling is already being explored with discussions happening with other boroughs that have this in place. This would be enforced through Fixed Penalty

Notices. This isn't seen as an alternative to the diesel surcharge but an additional measure. This is being pursued as fast as possible; and

- Emissions: as demonstrated by the diagram on page 75 of the agenda pack, it is clear that even newer, Euro6 emission category diesel vehicles pollute beyond the limit allowed. The diesel surcharge is a proportionate response given growing awareness of the health impact. Noted that the UK is facing legal action from Europe over air quality especially in London.

Cabinet member response

This was provided by Councillor Martin Whelton, Cabinet Member for Regeneration, Environment and Housing who highlighted that he had read all representations made through the consultation. However, in the light of the significant health issues being caused by air pollution he noted the Council would be failing in its duties if it did not act; these factors overrode the consultation responses received. With regard to the application of the surcharge to teachers' permits, noted it is right for action to be taken across the borough. He stated that he is satisfied that the Council has consulted widely, fulfilled its statutory duties in doing so and is confident that the consultation complies with legal requirements.

Member questions

In response to member questions, officers clarified:

- The objective of this policy is to change behaviours rather than to generate income. There is potential for this to raise £500K per annum if it doesn't result in behaviour change. Funds raised have to be used for transport purposes. This includes a multitude of costs such as *Freedom Passes*;
- It is not known whether or not email addresses are captured as part of paying for resident parking permits online. This will be clarified and explored as a way of providing notifications about relevant consultations by email; and
- The suggestion that diesel vehicles receive an additional charge every time they use Council car parks across the borough was welcomed. This is something the department would like to bring forward. However, this would require all parking payments to be made electronically (to go cashless); this system is underpinned by the parking payment system having a direct link to the DVLA database to check vehicle fuel types to determine the price of parking.

Panel member comments

Councillor Bull: believes it is more appropriate that this is dealt with nationally. This is at odds with the treatment of diesel vehicles through road taxation. Expressed his sorrow for residents and suggested a different approach be explored that would do more to encourage residents to switch to hybrid and petrol cars;

Councillor Uddin: highlighted this policy is one part of a wider strategy being developed to address the clear and present danger of air pollution. This is being addressed by the air quality task group;

Councillor Sargeant: believes it would be better to be announcing this policy and not introducing it for a year to allow residents to act. Due to the way it is being introduced it looks like a revenue raising measure;

Councillor Chung: highlighted the potential to ban cars around schools to achieve a health improvement. Recommended the need to educate residents about the health implications of air pollution to ensure they are making informed decisions; and

Councillor Crowe: recommended a bigger reduction in the cost of parking permits for electric vehicles.

Councillor Bull proposed and Councillor Crowe seconded the motion to refer the decision back to the Cabinet Member for Regeneration, Environment and Housing for reconsideration. Two Councillors voted for the motion (Bull and Crowe) with five voting against (Anderson, Chung, Sargeant, Makin and Uddin). As a result the motion fell.

Councillor Uddin proposed and Councillor Chung seconded the motion not to refer the matter back to the Cabinet Member for Regeneration, Environment and Housing. Four Councillors voted for the motion (Anderson, Chung, Makin and Uddin) and three voting against (Crowe, Bull and Sargeant). The motion was resolved.

RESOLVED: not to refer the matter back to the Cabinet Member for Regeneration, Environment and Housing in which case the decision took effect immediately.

5 PERFORMANCE MONITORING: MERTON ADULT EDUCATION (Agenda Item 5)

Anthony Hopkins, Head of Library, Heritage & Adult Education Service, introduced the item in line with the information provided in the officer report.

In response to member questions, the officer clarified:

- The *Prevent* programme was identified as an area of service good practice by Ofsted. This is achieved by weaving information supporting British values into classes and through providing dedicated training for tutors. This is an increasing area of focus for Ofsted so the service is currently looking at good practice by other colleges around the country;
- Support for more vulnerable students starts at pre-screening when objectives and learning levels are established with next steps identified. Suitable courses are identified which provide access to the development of functional skills. Better tracking of progression is a key change in the service;
- Outreach and community engagement is on-going to ensure performance targets are achieved. Some difficulties with venues have been experienced in the first term. These have delayed progress but work is happening now to get to know residents and plan effectively. An example of the type of provision being used to engage new learners is a family learning event happening at Wimbledon Library;
- Funding from the Skills Funding Agency for next year isn't yet confirmed although it is anticipated that no reduction will be received. Student numbers for this year will effect funding for the subsequent year; and

- There has been a drop in demand for community learning opportunities such as modern foreign languages and arts and crafts (with an increase in demand for functional skills courses). This reflects the drop in demand nationally for this provision although it was acknowledged this might also reflect that there was a particular attachment to the old site despite South Thames College having a far superior offer. It was noted the College is working on learner engagement, offering a wider breath of courses (for example, hair dressing and construction).
- 6 PRE-DECISION SCRUTINY: ENVIRONMENTAL HEALTH, TRADING STANDARDS AND LICENSING SHARED SERVICE EXPANSION (Agenda Item 6)

John Hill, Assistant Director – Public Protection, introduced the item in line with the information provided in the officer report.

In response to member questions, John Hill clarified:

- There is clear benefit to an expanded shared service as this brings a greater skills base and resilience. This reflects the same principles as when the shared service was initially set-up. Merton will remain as the lead and host authority;
- The expansion of the shared service from preparation of business case through to final implementation is expected to take 18 months. Any authority wishing to withdraw from the RSP needs to give 12 months notice;
- It is intended that all back office support will be provided by either existing RSP staff or staff who will be TUPE transferred to Merton and based at the Civic Centre. It will also be necessary to retain some physical presence in each of the partner boroughs. How this will look has yet to be determined. There is confidence about arrangements for TUPE given this was dealt with successfully when the shared services was initially established between Merton and Richmond;
- Sufficient floor space is available within the Civic Centre first floor to accommodate the expanded shared service;
- Confidence in being able to successfully expand the shared service to include a further borough is based on having already done this in the past and having been working with counterparts in Wandsworth for the past nine months. With an enlarged service comes the opportunity to offer staff career development as well as an improved customer offer based on having a workforce with a widened skill-set; and
- A gradual approach to IT integration is proposed (and this has worked successfully when the shared service was initially established) although it was acknowledged that eventually a single IT platform is expected.

John Hill introduced Raj Patel, Interim Project Manager for expansion of the shared service and thanked him for his hard work in developing the business case together with Paul Foster, the Head of the RSP.

- 7 PERFORMANCE MONITORING (Agenda Item 7)

Chris Lee, Director for Environment and Regeneration, introduced the item highlighting three measures:

- CRP044 Parking services estimated revenue: the improving performance since the last report supports the position taken at the last meeting about how the performance of the new Automatic Number Plate Recognition system is being optimised;
- CRP049/SP059 Number of fly tips reported in streets and parks: highlighted as below the annual target demonstrating the Council's efficiency in dealing with these before they are reported; and
- SP046 Total income from commercial waste: this is a better performance than was being reported at the last meeting. This shows what looked like previous underperformance was the result of how the billing is phased. This is now ahead of the monthly and year-to-date targets.

In response to member questions, it was clarified:

- February shows a better performance in terms of staff sickness. It was highlighted that in the run-up to the transfer of the green infrastructure and parks maintenance contract staff sickness worsened due to genuine health issues and falling morale. However, with the first transfer of staff these issues are for the contractor to address. This position will further improve with the transfer of waste services.

8 UPDATE REPORT: EXTERNALISATION OF THE SOUTH LONDON WASTE PARTNERSHIP PHASE C (Agenda Item 8)

Chris Lee, Director for Environment & Regeneration, provided a verbal update on the externalisation of the South London Waste Partnership (Phase C) in line with the resolved motion to Full Council in September 2016:

- The transfer of Lot 2 of Phase C (green infrastructure and parks maintenance) came into effect on 1 February 2017. Performance data received since is healthy and there has been little negative comment received. This is a good time of year for the transfer because the horticultural pressures are low;
- The transfer of Lot 1 of Phase C (waste management services) will come into effect on 1 April 2017. Work is currently on-going to finalise TUPE transfers successfully with resulting changes to terms and conditions. Neighbourhood client officers have been appointed with the new team starting before the end of March 2017;
- There will be an 18 month process of service change for waste management services. This will bring in a flexible system as a one size fits all approach isn't feasible. Service design will be based on what is consistent with our waste and street cleanliness objectives and is reasonable;
- Veolia, the waste management services contractor, is developing a timetable for resident engagement supported by a £150K investment. This will be the focus of detailed discussions with comprehensive press and publicity anticipated in order

to raise resident awareness. Based on what has been achieved in Sutton, it is anticipated that this will be very positive;

- Engagement with park friends groups is happening now through individual meetings. Funding bids are being prepared in order to develop Friends groups further; and
- Savings resulting from Phase C are anticipated to meet or exceed those stated in the Medium Term Financial Strategy. For Lot 1 these start at £1.6m for 2017/18, rise to £2.2m in 2018/19 and exceed this annually thereafter. This is against a current annual overspend of £400K. For Lot 2 the immediate saving is anticipated at £300K initially and rising to £390K per annum. This is against a current overspend of £80K per annum and doesn't include other anticipated minor cost savings.

Councillor Garrod, Cabinet Member for Cleanliness and Parking, welcomed the officer's report and expressed his pleasure in the flexibility offered by the service.

Councillor Sargeant requested a ride along with Veolia in Sutton to experience the service first hand as it is being established and to see what can be learned for when the same happens in Merton. **Action:** Annette Wiles, Scrutiny Officer, to set-up with officers.

RESOLVED: The members of the Panel collective expressed their thanks to Cormac Stokes, out going Head of Street Scene and Waste, for all his work in supporting the Panel and in the externalisation of Phase C.

9 SCRUTINY TOPIC SUGGESTIONS (Agenda Item 9)

Panel members expressed their interest in using one of their meetings to focus in depth on one specific issue and to look at this in much greater detail than this year's work programme has allowed. Traffic congestion was suggested as a possible subject area (with the involvement of Transport for London).

RESOLVED: to take the deferred item on facilities for physical activity in children's playgrounds at its meeting on 8 June 2017.