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OVERVIEW AND SCRUTINY COMMISSION

15 NOVEMBER 2017

(7.15 pm - 8.55 pm)

PRESENT: Councillors Peter Southgate (in the Chair), Peter McCabe, Mike Brunt, Brenda Fraser, Abigail Jones, Sally Kenny, Dennis Pearce, Oonagh Moulton, David Williams and Michael Bull

ALSO PRESENT: Councillor Mark Allison (Deputy Leader and Cabinet Member for Finance)

Kris Witherington (Consultation & Community Engagement Manager), Caroline Holland (Director of Corporate Services) and Julia Regan (Head of Democracy Services)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillor Hamish Badenoch (substituted by Councillor Michael Bull) and from co-opted members Helen Forbes and Colin Powell.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of pecuniary interest.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The minutes were agreed as an accurate record of the meeting.

4 BUSINESS PLAN UPDATE 2018-22 (Agenda Item 4)

Caroline Holland, Director of Corporate Services, introduced the report and highlighted the changes that had been made to assumptions in the Medium Term Financial Strategy since it was last reported to Council in March 2017.

Revenue budget

In response to a question about the impact of the pooled arrangement for the retention of business rates that is currently being negotiated by the London boroughs, Caroline Holland said that the figures were still being modelled but that the council is likely to receive more than it would otherwise have received. However, all of the boroughs have to sign up to the deal for it to proceed.

Caroline Holland provided additional information in response to other questions about the revenue budget:

- the projected income figures from council tax on page 29 assume a year on year increase in the council tax base of at least 0.5% and a 2% increase in council tax charged from 2019/20 onwards
- the balancing the budget reserve will be used in 2018/19 and 2019/20, after which point there will be no money left in that reserve
- all Directors have been asked to review and regularly monitor the delivery of previously agreed savings.

The Chair noted that there had been no reference to the Commission from any of the Scrutiny Panels on the business plan this year.

Capital Budget

Members commented on the large size of the capital budget given that it had been underspent in previous years. Caroline Holland said that she was continuing to challenge officers on the capital bids put forward. Caroline Holland undertook to provide an explanation for the mismatch between figures given on pages 30 and 31 that are inconsistent with those on page 14. ACTION: Director of Corporate Services

In response to a question about the ongoing revenue implications of the cost of servicing the capital programme, Caroline Holland said that the council has tried to use capital receipts to minimise the cost of borrowing and has not needed to borrow since 2006.

Reference to Cabinet

The Chair presented the referral made to the Commission by the financial monitoring task group at its meeting on 14 November 2017 and sought the Commission's agreement to forward this to Cabinet for consideration at its meeting on 11 December.

The Commission RESOLVED to make a reference to Cabinet asking Cabinet to be mindful of the financial monitoring task group's discussion when reviewing the draft Business Plan 2018-22. In particular, Cabinet is asked to note:

1. The proposed use of £2.9million from the earmarked reserves to balance the budget;
2. That there is just £0.5million head room left on the General Fund; before it reaches the minimum prudent level set for 2017/18
3. That the predicted shortfall of savings to be carried forward from previous years will be £860,000 for 2018/19;
4. That some of the problems experienced in achieving savings are longstanding and persistent, including demographic pressures in Adult Social Care and the unfunded costs of supporting unaccompanied asylum seeking children and those with no recourse to public funds; and intensifying price competition where council services compete with the private sector eg. building control
5. The vacancy rate and use of agency staff and number of unfilled vacancies, after allowing for brought forward savings

5 RESULTS OF THE RESIDENTS' SURVEY 2017 (Agenda Item 5)

Kris Witherington, Consultation & Community Engagement Manager, introduced the report. He reminded the Commission of the background to the survey and said that the findings showed a positive shift in resident satisfaction against many of the measures. He added that where residents expressed dissatisfaction, one of the key concerns was street cleanliness.

Kris Witherington assured members that the 1,000 sample size was the norm for market research and was sufficiently large and selected through quotas to provide statistically valid representative information on the views of Merton residents.

Members expressed concern at the lower satisfaction levels expressed by disabled residents. Kris Witherington said that the 2014 residents survey had shown a similar picture and that he was seeking comparative data from other authorities.

Kris Witherington provided additional information in response to questions:

- follow up work is being carried out in relation to the increase in the proportion of residents who reported difficulties in contacting the council by phone
- individual services have a number of additional feedback mechanisms in place to track customer satisfaction on a regular basis
- the list of services in the survey of children and young people differs from the adult survey because it was agreed with the youth parliament in order to obtain a list that was more relevant to young people

Councillor Mark Allison, Deputy Leader and Cabinet Member for Finance, said that the survey is useful to the council as it flags up residents concerns, identifies which policies are working and identifies trends over time.

Commission Members agreed that they wish to see the survey continue on a biennial basis.

6 WORK PROGRAMME (Agenda Item 6)

RESOLVED: that the Commission agrees the work programme for the remainder of 2017/18 as set out in the report