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## OVERVIEW AND SCRUTINY COMMISSION

13 NOVEMBER 2019

(7.15 pm - 9.45 pm)

PRESENT: Councillors Peter Southgate (in the Chair), Peter McCabe, John Dehaney, Sally Kenny, Owen Pritchard, Edward Gretton, Natasha Irons, David Williams MBE JP and Simon McGrath

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

Caroline Holland (Director of Corporate Services), John Dimmer (Head of Policy, Strategy and Partnerships), Mitra Dubet (Future Merton Commissioning Manager) and Julia Regan (Head of Democracy Services)

### 1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillor Nick McLean (substituted by Councillor David Williams) and Councillor Paul Kohler (substituted by Councillor Simon McGrath). Apologies were also received from co-opted members Emma Lemon and Colin Powell.

The Chair welcomed three members of the LGA Corporate Peer Review Team who were attending the meeting as observers.

### 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 of the meeting held on 11 September 2019 were agreed as an accurate record.

The Chair reported that there were two matters arising from the minutes:

- The BCU Commander had provided details of the cost of policing the Eastern Electrics festival, estimated at £140,000.
- The Chair of the Stop and Search Monitoring Group, Josh Talbot, has confirmed that he will be able to attend the Commission's meeting on 2 April 2020.

### 4 BUSINESS PLAN UPDATE 2020-2024 (Agenda Item 4)

Members agreed to take this item and agenda item 5 together.

Caroline Holland, Director of Corporate Services, introduced the report and outlined the current assumptions on inflation, council tax collection and government grants that underpin this updated medium term financial strategy. She explained the approach that was planned to address the Dedicated Schools Grant (DSG) deficit through additional growth to be held to offset the deficit as well as some potential additional funding from the government.

Caroline Holland drew the Commission’s attention to the predicted budget gap in future years and to the first round of savings proposals and two growth proposals that were set out in the report, as well as details of new capital bids within the capital programme. She highlighted the unprecedented level of uncertainty around the local government settlement 2020 and said that assurances had been received from the Ministry of Housing, Communities and Local Government that this would be a priority for the new government.

Medium term financial strategy(MTFS)

Caroline Holland provided additional information in response to questions:

- the DSG deficit is the largest unknown item within the MTFS. It will be dealt with through a combination of New Burdens growth funding, departmental underspending and some additional grant built into future budgets
- identifying funding for the climate change agenda will become an issue from 2021 onwards
- the assumptions on the pay provision for staff have been increased from 1% to 2% in response to government announcements about awards for other groups of public sector staff. 2% is below the increase for other parts of the public sector and the private sector
- the monies transferred from reserves to meet part of the budget gap for 2020/21 have been taken from the Balancing the Budget Reserve, which was built up for this purpose
- the ringfenced income and expenditure from the potential 2% adult social care precept has not been included in the draft MTFS as further work is needed to identify how much of the additional income could be used for existing spending plans within the MTFS and how much will be new spending on adult social care

Corporate Services proposed savings (pages 48-55)

Commission members reviewed each of the proposed savings. Comments made by members and responses from Caroline Holland are set out below:

<p>CS8 – Facilities Management – reduction in the repairs and maintenance budget for corporate buildings</p>	<p>A member noted that the reputational risk was high and asked what the impact would be. Caroline Holland said that this included the experience that visitors to the Civic Centre had of the reception area and toilets on the ground floor as well as</p>
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	a potential impact on staff morale.
CS9 – Facilities management – reduction in frequency of cleaning within the council’s corporate buildings	In response to a question about the impact, Caroline Holland said that the saving was being made partly as a consequence of a reduction in the number of bins in order to encourage staff to increase the level of recycling and reuse.
CS11 – Commercial Services restructure and deletion of post in 2022/23	In response to a question about the impact that this would have on the achievement of agreed corporate procurement savings, Caroline Holland said that it is anticipated that the full £14m will have been delivered before the post is deleted but there is a risk this will not happen. The majority of the large planned procurements will be completed and staff will be trained so will be less reliant on the central team.

In response to a comment on Corporate Services savings collectively, noting the increase in headcount and budget in recent years, Caroline Holland said that the increase was largely due to the transfer in of staff from other boroughs to the shared legal service – South London Legal Partnership

The Chair drew the Commission’s attention to paragraph 2.12.3 – “it is not possible to predict the council’s budget gap going forward with any certainty” and said that it was the first time that such a statement had been made and therefore underlined the difficulty of the situation. Caroline Holland said that the full picture may still not be available by the time the Commission next meets on 22 January 2020 and there may therefore be a need for an additional meeting.

Growth items (page 75)

In response to a question about what sort of emergencies the growth item CSG1 Emergency Planning would assist with, Caroline Holland said that this would include large and smaller scale emergencies such as Bishopford Bridge as well as staff training and compliance with new Londonwide standards that are currently being drawn up in response to lessons from the Grenfell fire.

Capital programme (pages 80 and 84).

In response to questions, Caroline Holland provided clarification on what some of the items were and undertook to find out what “Project General” referred to. ACTION: Director of Corporate Services

Members asked a number of questions about the relationship between the climate emergency and the use of the capital programme to ensure that sustainable solutions were found for heating and lighting of council buildings. Caroline Holland said that

decisions on those capital items had been deferred so that the most energy efficient technology could be deployed but cautioned that the boilers in the Civic Centre were very old and may need to be replaced sooner. She added that a combined heat and power unit had been installed for the IT server using the latest technology.

#### References from the Scrutiny Panels

The Chair of the Sustainable Communities Overview and Scrutiny Panel, Councillor Natasha Irons, introduced the reference from the Panel, explaining that the Panel had endorsed the proposed saving as long as signage, layout and road markings were checked to ensure that residents would not be unfairly penalised.

The Chair of the Children and Young People Overview and Scrutiny Panel, Councillor Sally Kenny, said that although the Panel had not made a reference, it had expressed concern at the growth on Educational Health and Care Plans (EHCPs) which can be costly and therefore contribute to financial pressures.

The Commission RESOLVED to forward to Cabinet the reference from the Sustainable Communities Overview and Scrutiny Panel.

#### Reference to Cabinet

The Commission RESOLVED to send the following reference to Cabinet:  
“The Overview and Scrutiny Commission notes the difficulties currently faced by the administration in setting a balanced budget and drafting the medium term financial strategy. The Commission therefore asks Cabinet to join the Local Government Association and London Councils in lobbying the government to release additional monies to meet the cost pressures faced by local councils and to provide a multi-year funding settlement rather than continuing with a year by year approach”.

#### 5 BUSINESS PLAN - COMMENTS AND RECOMMENDATIONS FROM THE SCRUTINY PANELS (Agenda Item 5)

See minute for agenda item 4.

#### 6 COMMUNITY PLAN 2020-25 (Agenda Item 6)

John Dimmer, Head of Policy Strategy and Partnerships, introduced the report and undertook to feed back the Commission’s comments on this draft strategy to the Merton Partnership Executive Board. He explained that the plan would be a tool to focus partnership working to increase social capital across the borough and thereby to improve a range of outcomes for residents. The eight priorities in the draft Plan had been chosen by the four thematic partnership groups following extensive consultation with local residents.

Members commented that the links between the different aspects in the draft Plan were not clear and that an explanation of how principles, themes and priorities had been developed should be included. One member requested additional information on what information had been collected that wasn’t in the draft Plan as this would help to inform scrutiny of the document.

**ACTION:** Head of Policy Strategy and Partnerships to provide the background research to members of the Commission

Members expressed interest in the ward data and said it would be helpful for this to be shared with ward councillors.

Members discussed the extent to which councillors were able to find time to work on increasing social capital in their wards and cautioned against being seen as an alternative to officer provision. It was agreed that some councillors have more time and inclination for this role than others.

John Dimmer and Caroline Holland explained that the intention was to ensure councillors have the opportunity to get involved and don't feel excluded. It was suggested that councillors are embedded and clearly visible in their communities and are a valuable source of local knowledge. Councillor involvement is optional and not an intrinsic part of the delivery of the Community Plan.

Members made a number of suggestions:

- To use the Community Forums to help to develop the direction of the Plan, through presentations or workshops.
- To collate the many examples of community action taken by councillors and use the information to assist with the ward level mapping of social capital.
- To provide information to councillors about things happening in their wards so that they could, with support, assist in making linkages. Councillor Natasha Irons volunteered to discuss this further with John Dimmer.
- To identify scope for using the £5k ward funding and CIL money to support this work
- To ensure there are clear and challenging objectives and targets within the Plan

In summary, the Chair identified three actions **AGREED** by the Commission:

- that ward level data on social capital should be provided to councillors
- that councillors should be invited to provide information/case studies on social capital projects that they are already involved in
- that the sources of social capital should be mapped out for one or two wards as a pilot exercise – Councillor Natasha Irons expressed interest in being involved in this

## 7 SHARED SERVICES - UPDATED LIST OF SERVICES (Agenda Item 7)

Councillor Ed Gretton welcomed this report which had been provided following a topic suggestion made by the Conservative Group. He said that it was a clear and comprehensive summary and asked whether it would be possible to contextualise it through a list of all council services showing budget information and an assessment of readiness for a shared service approach.

The Commission was reminded that a previous task group review of shared services had found limited scope to apply this delivery model to other services. Members expressed interest in revisiting this and in ensuring that non-executive councillors have an overview of models of provision and how they are working on a service by service basis.

The Commission RESOLVED to delegate this matter to the Financial Monitoring Task group, asking it to review the findings of the shared services task group and consider whether a further task group review was required.

#### 8 ROAD SAFETY AROUND SCHOOLS - CABINET RESPONSE TO TASK GROUP RECOMMENDATIONS (Agenda Item 8)

Mitra Dubet, Commissioning Manager, provided additional information about the STARS travel plans in response to questions from members. She informed the Commission that Transport for London have commissioned an officer to provide assistance to schools to support them in developing STARS travel plans – this would be two days a week over the next 3 years. Members noted that some of the larger schools in the borough did not have a STARS travel plan and suggested that ward councillors could assist in encouraging them to take part. ACTION: Commissioning Manager and ward councillors

The Commission noted that recommendation 7b, to advise schools on how to employ a school crossing patrol (lollipop man/woman), had not been agreed. Members expressed surprise that the role had been difficult to recruit to and wondered if higher pay would provide a solution. Mitra Dubet advised that the key issue was a lack of flexibility on working hours rather than remuneration. A member asked if monies raised from parking fines could be used to fund school crossing patrols. ACTION: Head of Democracy Services to ask Director of Corporate Services for advice on this.

The Commission agreed that it was satisfied with Cabinet's initial response and RESOLVED to receive an update report on implementation of the task group's recommendations in six months time.

#### 9 REVIEW OF THE OVERVIEW AND SCRUTINY FUNCTION - ACTION PLAN (Agenda Item 9)

The Commission RESOLVED to consider the action plan once members of the working group had been given an opportunity to review and comment on the proposals first. ACTION: Head of Democracy Services

#### 10 LOCAL DEMOCRACY WEEK JOINT SCRUTINY EXERCISE WITH THE YOUTH PARLIAMENT ON THE CLIMATE EMERGENCY (Agenda Item 10)

Councillor Sally Kenny commented that the joint scrutiny exercise with the Youth Parliament had worked well and that she would like to identify further opportunities for involving young people in the council's decision making processes.

The Commission RESOLVED to forward the report and recommendations for consideration by Cabinet at its meeting on 16 December 2019.

11 FINANCIAL MONITORING TASK GROUP - NOTE OF MEETING HELD ON 29 AUGUST 2019 (Agenda Item 11)

The Commission noted the minutes of the meeting held on 29 August 2019.

12 WORK PROGRAMME (Agenda Item 12)

Members of the Commission made the following comments about the work programme:

- there should be a small number of items at each meeting to allow sufficient time for discussion
- it would be helpful if lengthy appendices could be circulated prior to agenda publication to give members time to digest the information
- the brevity and clarity of officer reports varies considerably and some reports are difficult to read.