

Agenda Item 3

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OVERVIEW AND SCRUTINY COMMISSION

15 NOVEMBER 2016

(7.15 pm - 9.55 pm)

PRESENT: Councillor Peter Southgate (in the Chair),
Councillor Peter McCabe, Councillor Hamish Badenoch,
Councillor Mike Brunt, Councillor Abigail Jones,
Councillor Sally Kenny, Councillor Dennis Pearce,
Councillor Oonagh Moulton and Councillor David Williams.
Co-opted members Helen Forbes and Geoffrey Newman

ALSO PRESENT: Councillors Edith Macauley MBE, Cabinet Member for
Community Safety, Engagement and Equalities.
Khadiru Mahdi, Chief Executive, Merton Voluntary Service
Council.
John Dimmer (Head of Policy, Strategy and Partnership), James
McGinlay (Head of Sustainable Communities), Neil Milligan
(Development Control Manager), Paul Walshe (Parking Services
Manager), Caroline Holland (Director of Corporate Services),
Chris Lee (Director of Environment and Regeneration) and Julia
Regan (Head of Democracy Services)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

There were no apologies for absence.

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. There were no matters arising.

4 BUSINESS PLAN UPDATE 2017-2021 (Agenda Item 4)

Proposed replacement savings

The Commission considered each of the proposed amendments to previously agreed savings for Corporate Services and Safer Merton.

Caroline Holland, Director of Corporate Services, explained that the amendments relating to Corporate Services resulted in part from delays in delivery of key projects that had impacted on staffing savings and also from a review of HR savings following the withdrawal from the shared service with Sutton. In response to a question about energy savings (CSD2) she said that this had been deferred for a year to provide more time to identify other ways of achieving energy efficiency savings.

Chris Lee, Director of Environment and Regeneration, said that the amendments to the Safer Merton proposed saving resulted from a comprehensive review of the service budget and changes to ways of working that would mean staffing levels could be maintained.

The Commission RESOLVED to accept the proposed amendments to the previously agreed savings for Corporate Services and Safer Merton.

Capital programme

The Commission reviewed and RESOLVED to accept the proposed capital programme for Corporate Services.

Members asked questions about the impact that the capital programme has on the revenue account. Caroline Holland said that the cost of borrowing is shown in the revenue account (on the treasury/capital financing line on page 33) and that every effort was made to maximise grants and other capital receipts in order to minimise this impact. The cost is accounted for as a 4% repayment on capital debt, as directed by government – this is a complicated issue and discussion is taking place with the council's external auditors to explore options for treating it differently.

Medium term financial strategy

The table on page 33 of the agenda sets out the draft medium term financial strategy (MTFS) 2017-21. Caroline Holland explained what each line represented and how the figures had been reached.

In response to questions, Caroline Holland confirmed that the draft MTFS currently shows a balanced budget for 2017/18 and 2018/19 and that this is reliant on the delivery of all planned savings and use of the departmental reserves and the Balancing the Budget Reserve. Departments have been given savings targets for 2019/20 and proposals that begin to balance 2019/20 will be brought forward to scrutiny in January 2017.

Members discussed the contribution that would have been made to the overall budget situation if council tax increases had been applied in previous years. Caroline Holland said that the autumn statement was expected to set out the maximum permitted level of council tax increase that could be taken without triggering a referendum. The autumn statement may also include the options on the adult social care precept.

Referral from the financial monitoring task group

The Chair presented the referral made to the Commission by the financial monitoring task group at its meeting on 10 November 2016 and sought the Commission's agreement to forward this to Cabinet for consideration at its meeting on 12 December.

Members discussed the referral and were mindful of the impact that savings in adult social care were having on service users (demonstrated by representations to the

Healthier Communities and Older People Overview and Scrutiny Panel) as well as the impact than an increase in council tax would have on hard pressed residents.

In response to a question about the recent consultation on council tax and council spending, Caroline Holland shared preliminary results from over 2,000 respondents. She said that there had been broad agreement with the July 2011 priorities and that a majority of respondents would support an increase in council tax in 2017/18 and 2018/19.

Members noted that the Merton Clinical Commissioning Group (CCG) has indicated that it is not minded to continue the current level of Better Care Funding if the council does not take the adult social care precept for 2017/18. Caroline Holland confirmed that other London CCGs had indicated they were reducing the BCF funding to councils and that one of these councils had successfully challenged this. She added that the financial standing of the CCGs was not know. Members said that they hoped that the council would provide a robust challenge to the CCG on this matter.

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 2017-21, in particular:

1. The potential impact of the predicted overspend in 2016/17 service budgets of almost £10m;
2. The statement given to the task group by the Director of Community and Housing in response to a question on whether it would be possible to achieve all of the previously agreed savings. The Director said that it was his professional advice that given the scale of the predicted overspend in 2016/17 he does not believe that it will be possible to retrieve the overspend and achieve all of the previously agreed savings as well as meeting the council's statutory duties in relation to adult social care;
3. Upcoming negotiations between the council and Merton Clinical Commissioning Group about the level of Better Care Funding for 2017/18.

5 VOLUNTARY SECTOR AND VOLUNTEERING STRATEGY (Agenda Item 5)

John Dimmer, Head of Policy, Strategy & Partnerships, set out the context and approach taken to develop the draft voluntary sector and volunteering strategy. He highlighted the key themes that were emerging in the strategy and had been discussed at the Merton Partnership Conference on 14 November. Comments on the direction of travel and content of the draft strategy were being sought from the Commission prior to taking it to Cabinet and the Merton Partnership Board for further consideration.

Khadiru Mahdi, Chief Executive of Merton Voluntary Service Council (MVSC), said that although the voluntary sector was thriving in Merton, there were some risks and challenges now and ahead. He highlighted the need for voluntary sector

organisations to diversify income streams plus the role of public sector commissioning functions in responding to the Social Value Act.

Several Commission members shared some of the difficulties they had experienced whilst bidding for contracts as part of or on behalf of small voluntary organisations. They welcomed the concept of social value being taken into account as part of the bidding process but cautioned that this should be done in an open and transparent way alongside price and quality considerations.

Caroline Holland, Director of Corporate Services, said that revised contract standing orders would be brought to the next meeting of the Standards and General Purposes Committee and that this would include proposals to incorporate social value in a transparent and measurable way.

In response to a question about the future for the myriad of very small voluntary organisations in the borough, Khadiru Mahdi said that MVSC had established a small groups forum that brought them together for action learning sets and this knowledge sharing had been beneficial. John Dimmer added that smaller organisations would face challenges from funding decreases and from the changing nature of service provision that would result in the commissioning of much more complex services in future.

John Dimmer said that it was imperative for the Council and MVSC to communicate those challenges to the voluntary sector and to encourage smaller organisations to work in partnership. Khadiru Mahdi added that the MVSC had started a pilot consortium of health and social care providers to bring together large and small organisations as a template for the future.

In response to a question about the role of the Charity Commission in encouraging partnership working, Khadiru Mahdi said that the Charity Commission had retrenched and was looking to organisations such as MVSC to lead on this.

A member commented that 36 recommendations was rather a lot and that it would be helpful to see how they would be prioritised, measured and given a timeline. John Dimmer agreed and said that a small number of costed actions would underpin and drive the strategy.

In response to a question about the Merton Community Fund John Dimmer said there was a lot of untapped potential and that Merton could learn from successes with similar funds in other boroughs.

The Commission thanked the officers for the report and RESOLVED:

1. To endorse the direction of travel taken by the draft voluntary sector and volunteering strategy
2. To give political backing to the concept of including social value in the contracting process as long as this is done in a transparent and measurable way alongside price and quality considerations.

6 CCTV: UPDATE REPORT ON PROGRESS OF IMPLEMENTATION OF CCTV STEERING GROUP RECOMMENDATIONS (Agenda Item 6)

Paul Walshe, Head of Parking and CCTV Services, introduced the report and drew the Commission's attention to progress made on the recommendations arising from the 2014 review. The new CCTV equipment is much more reliable and takes better quality images. Chris Lee, Director of Environment and Regeneration, added that the service has been contributing to Londonwide work that should result in revenue generation through third parties buying-in to the service.

Councillor Edith Macauley, Cabinet Member for Community Safety, Engagement and Equalities, said that the new cameras and consequent clearer images have been successful in assisting the police to prosecute crime.

Members said that they were pleased with the progress made and pleased to hear that the new cameras had made a positive contribution to the council's partnership work with the police.

The Commission RESOLVED to welcome the progress with implementation of the CCTV Steering Group recommendations.

7 PLANNING ENFORCEMENT UPDATE (Agenda Item 7)

James McGinlay, Head of Sustainable Communities, introduced the report and highlighted the information on the functions of the service, caseload figures and the achievement of a considerable reduction in the backlog of outstanding cases. He said that the service was planning to use an e-form system and to provide information to help residents to classify cases and direct them elsewhere if appropriate.

Members commented that breaches of planning control were of concern to residents and asked what the impact of a reduction in staff would be. James McGinlay and Neil Milligan said that the proposed reduction from 4 to 3 team members could be achieved without a reduction in service quality through a greater use of web information and eforms. Based on their current experience of the service, members requested an improvement in engagement with residents and councillors, in particular faster responses to emails.

Members also commented that they received a lot of complaints about planning enforcement and were therefore surprised at the small number of enforcement notices served. Neil Milligan said that the low numbers reflected success in addressing the issues raised without having to take protracted and expensive legal action.

In response to a question James McGinlay said that the two temporary staff had been in post for more than two years because these are hard to fill posts Londonwide but that the situation was reviewed regularly. Caroline Holland, Director of Corporate Services, said that the council is hoping to be able to use the apprenticeship levy to attract and train its own enforcement officers. James McGinlay said that the Building

Control service had trained staff in junior posts to enable them to take up technical officer posts in the team.

The Commission RESOLVED to recommend that officers issue the service information in the report as a briefing note to all councillors, residents association and community forums.

ACTION: Head of Sustainable Communities

8 WORK PROGRAMME 2016-17 (Agenda Item 8)

The work programme was AGREED.

Councillor Peter Southgate said that he was interested in carrying out a piece of individual review work to investigate toilet provision available to the public in the borough. He undertook to keep the Commission updated.