

Agenda Item 3

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CABINET

20 FEBRUARY 2023

(7.15 pm - 8.12 pm)

PRESENT Councillors Councillor Ross Garrod (in the Chair), Councillor Eleanor Stringer, Councillor Stephen Alambritis, Councillor Billy Christie, Councillor Caroline Cooper-Marbiah, Councillor Natasha Irons, Councillor Andrew Judge, Councillor Sally Kenny and Councillor Peter McCabe

ALSO PRESENT Hannah Doody (Chief Executive), Roger Kershaw (Interim Executive Director of Finance and Digital), Jane McSherry (Executive Director of Children, Lifelong Learning and Families), John Morgan (Executive Director, Adult Social Care, Integrated Care and Public Health), Louise Round (Interim Executive Director of Innovation and Change), Charles Baker (Waste Strategy and Commissioning Manager), John Bosley (Assistant Director Public Space Contracts and Commissioning), Keith Burns (Assistant Director, Commissioning), Matt Burrows (Head of Communications and Customer Experience), Robert Cayzer (Interim Head of Cabinet Office), Sara Murtaugh (Senior Systems Officer) and Amy Dumitrescu (Democracy Services Manager)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

The Leader of the Council opened the meeting and spoke on Ukraine and the earthquakes in Turkey/Syria.

Apologies were received from Councillor Fraser.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of interest.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

RESOLVED: That the minutes of the meeting held on 16 January 2023 are agreed as an accurate record.

4 REFERENCE FROM THE SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY PANEL – CLARION HOUSING (Agenda Item 4)

At the request of the Chair, Councillor Neaverson, Chair of the Sustainable Communities Overview and Scrutiny Panel introduced the report and spoke to give an overview of the recommendations which been put forward unanimously by the scrutiny panel. Councillor Neaverson urged the Cabinet to adopt the recommendation

however noted that many of the recommendations would be for Clarion Housing, noting that progress had been seen on some of these.

The Cabinet Member for Housing and Sustainable Development spoke to welcome the recommendations and thanked Councillor Neaverson and the Scrutiny Panel for their reference.

The Chair added his thanks to the panel and to Councillor Neaverson and the Cabinet expressed their support for the reference.

RESOLVED:

That Cabinet noted the reference set out in paragraph 2.5 to 2.12 of the report

5 WASTE & STREET CLEANSING CONTRACT (Agenda Item 5)

The Cabinet Member for Local Environment, Greenspaces and Climate Change presented the report, thanking colleagues for their time and noting the process of consultation which had taken place. The Cabinet Member noted that the survey had highlighted lower levels of satisfaction with the street cleansing service which had not improved. The Cabinet Member further reported that all options had been considered and the best value analysis had been looked at, forming the final recommendation to bring Street cleansing services in-house and to outsource the refuse collection services to the wider market. The Phase 2 specification would be brought to Cabinet in due course.

Councillor Neaverson, at the invitation of the Chair, spoke to note that there had been no major challenges at Scrutiny and thanked Councillor Irons for her work. Councillor Neaverson gave an overview of the recommendations from the scrutiny panel which had been agreed unanimously by that panel.

The Cabinet Member expressed that the recommendations were practical and useful and would help to shape how the service was scrutinised in the future.

Cabinet Members thanked officers and Councillors for their work and asked questions in relation to the management and control of refuse services and how skills and capacity would be built into an in-house service. The Cabinet Member for Local Environment Greenspaces and Climate Change responded that governance and monitoring was built into all contract and that there was a robust exit plan from the current provision alongside a strong mobilisation plan.

RESOLVED:

- That Cabinet noted the reference of the Sustainable Communities Overview and Scrutiny Panel set out in paragraph 2.5 to 2.12 of the report

A. That Cabinet noted the Best Value Assessment of the four identified service delivery models for both waste and recycling collection, and the street cleansing service.

B. That Cabinet noted the findings from the Resident Engagement survey undertaken by the service which identifies high satisfaction with waste and recycling collection along with identifying areas of required improvement within the street cleansing service.

C. That Cabinet agreed, based on the Best Value Assessment and Resident Engagement findings, to a model of securing service delivery that disaggregates the street cleansing service from the waste and recycling service.

D. That Cabinet agreed that a competitive procurement offers the Best Value approach to securing a waste and recycling service; authorise the publication of a Prior Information Notice to notify the market of the intention to tender for a waste and recycling service; and confirm that officers can proceed to prepare all necessary tender documentation.

E. That Cabinet agreed with regards to the waste and recycling service that the tender opportunity is advertised on the basis that the successful bidder will be required to ensure all employees who are wholly or substantially engaged in delivering the contract have terms and conditions of employment that are equivalent to the Council's.

F That Cabinet noted the implications for the Medium-Term Financial Strategy, from 2025/26, of agreeing to tender on the basis of equivalency of employment terms and conditions and the rationale for making this recommendation.

G. That Cabinet noted the Greater London Authority's (GLA) role, under the Greater London Authority Act 1999, to issue directions to London boroughs in relation to waste management procurement and note the impact this has on the procurement timeline.

H. That Cabinet agreed that the setting up of a Direct Service Operation offers the Best Value approach to securing a street cleansing service and authorise the Waste and Street Cleansing Project Board to undertake further detailed work on a service specification that responds to residents' concerns about the current service.

I. That Cabinet noted that further Cabinet decisions will be sought as necessary with regards to the various components of the proposed service specifications for the waste and recycling, and street cleansing services.

J. That Cabinet noted that the recommended model, and underpinning rationale, for securing service delivery of waste and recycling, and street cleansing services, has been subject to pre-decision scrutiny by the Sustainable Communities Overview and Scrutiny Panel on 13 February 2023, and that any comment or recommendation from the Panel will be referred to Cabinet by the Panel Chair.

K. That Cabinet noted that in accordance with the Council's Contract Standing Orders the proposed procurement strategy for the waste and recycling service will be considered by the Council's Procurement Board, chaired by the Chief Executive, prior to final approval to proceed to tender

6 AWARD OF ENVIRONMENTAL ENFORCEMENT AND ANIMAL WELFARE SERVICES (Agenda Item 6)

The Cabinet Member for Local Environment, Green Spaces and Climate Change presented the report noting the contract was recommended for award to a company which had been active in the Borough for some time and were working well and also noted the social value within the contract including providing work placements to residents.

The Cabinet Member responded to questions from the Cabinet.

RESOLVED:

- A. That Cabinet agreed to award a new contract for the provision of Environmental Enforcement and Animal Welfare Services across the Council's administrative area for a period of approximately four (4) years with potential extensions of up to 24 months (2 years) to 'Bidder A' as referred to in the exempt appendix within the report.
- B. That Cabinet delegated the decision to award an extension of the awarded contract to the Executive Director of Environment, Civic Pride & Climate in consultation with the Cabinet Member, for any period up to 24 months (2 years) in accordance with CSO 27.

7 CLIMATE DELIVERY PLAN - YEAR 3 (Agenda Item 7)

The Cabinet Member for Local Environment, Green Spaces and Climate Change presented the report.

In response to questions from the Cabinet, the Cabinet Member advised that additional officers and a Climate Engagement Officer had been brought on and that every project would have a different set of measurements and KPIs.

RESOLVED:

- A. That Cabinet adopted the Climate Delivery Plan – Year 3.
- B. That delegated authority was given to the Executive Director for Environment, Civic Pride & Climate in consultation with Cllr Natasha Irons, the Cabinet Member for Local Environment, Green Spaces and Climate to make minor amendments to the Climate Delivery Plan – Year 3.
- C. That Cabinet noted the proposed allocation of Merton's latest round of Climate Funding allocated by Cabinet in June 2022.
- D. That Cabinet considers and provides feedback on the Draft Climate Engagement Strategy.
- E. That delegated authority is given to the Executive Director for Environment, Civic Pride & Climate in consultation with Cllr Natasha Irons, the Cabinet Member for Local Environment, Green Spaces and Climate to make amendments to the Draft Climate Engagement Strategy and for its adoption.

8 NEIGHBOURHOOD CIL AND MERTON'S CIVIC PRIDE FUND - INVESTING IN NEIGHBOURHOODS BID APPROVALS (Agenda Item 8)

Councillor Judge withdrew from the room for the consideration of this item as he had declared an interest.

The Cabinet Member for Civic Pride presented the report noting that 15% of CIL monies were set aside for neighbourhood projects. The Cabinet Member thanked officers who had reviewed a large number of applications and Cabinet Members who had reviewed and prioritised them. The Cabinet Member thanked everyone who had

applied, noting that £1.3m was to be distributed across 22 projects. The Cabinet Member explained the recommendations and gave an overview of the projects being awarded funding.

RESOLVED:

1. That Cabinet agreed to allocate £1,324,209 Neighbourhood Community Infrastructure Levy money to 22 individual projects received through the 2022 Civic Pride Fund - Investing in Neighbourhoods bidding round as set out in Appendix A in line with Merton Council's approved criteria;
2. That Cabinet approved the award of funding is subject to: (a) any conditions shown against each bid recommended for approval in Appendix B and the (b) due diligence being carried out to ascertain if grants do fall under the UK Subsidy Control Regime which came into effect on the 4th January 2023 and where necessary to comply with the regime and the Subsidy Control Act 2022;
3. To delegate authority to the Interim Executive Director of Environment, Civic Pride & Climate in consultation with the Cabinet Member for Civic Pride to make any amendments to funding bid amounts recommended for approval, in line with Merton Council's approved criteria;
4. That Cabinet noted the review of the implementation of the Ward Allocation Scheme from 2019 to 2022 included at Appendix C;
5. That Cabinet endorsed the implementation of a further Ward Allocation Scheme from April 2023 to March 2026 in accordance with paragraph 2.28 of the report.
6. To delegate authority to the Interim Executive Director of Environment, Civic Pride & Climate in consultation with the Cabinet Member for Civic Pride to allocate Neighbourhood Community Infrastructure Levy Funding to support the implementation of a further Ward Allocation Scheme to March 2026 in accordance with paragraph 2.29 of the report.

9 SCRUTINY OF THE BUSINESS PLAN; COMMENTS AND RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY PANELS (Agenda Item 9)

The Cabinet Member for Finance and Corporate Services thanked officers and members for their work and contributions and noted that there had been no referrals back to Cabinet from the Scrutiny Process.

RESOLVED:

That Cabinet, in taking decisions relating to the Business Plan 2023-27, consider the recommendations made to the Overview and Scrutiny Commission (set out in paragraphs 2.4 to 2.5 below) by the other Overview and Scrutiny Panels.

10 BUSINESS PLAN 2023-27 (Agenda Item 10)

The Cabinet Member for Finance and Corporate Services presented the report noting that the budget was balanced for the upcoming year and a balanced budget was also projected for the following year.

RESOLVED:

1. That Cabinet considers and agrees the response to the Overview and Scrutiny Commission;
2. That the Cabinet resolves that, having considered all of the information in this report and noted the positive assurance statement given by the Interim Executive Director, Finance and Digital based on the proposed Council Tax strategy, the maximum Council Tax in 2023/24, equating to a Band D Council Tax of £1,449.68, which is an increase of below 5% be approved and recommended to Council for approval.
3. That the Cabinet considers all of the latest information and the comments from the scrutiny process, and makes recommendations to Council as appropriate
4. That Cabinet resolves that the Budget and Medium Term Financial Strategy 2023-27 including the General Fund Budget and Council Tax Strategy for 2023/24, and the Medium Term Financial Strategy (MTFS) for 2023-27 as submitted, along with the draft Equality Assessments (EAs), be approved and recommended to Council for approval subject to any proposed amendments agreed at this meeting;
5. That the Cabinet resolves that, having considered all of the latest information and the comments from the scrutiny process, the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy); the Treasury Management Strategy, including the detailed recommendations in that Section, incorporating the Prudential Indicators and the Capital Strategy as submitted and reported upon be approved and recommended to Council for approval, subject to any proposed amendments agreed at this meeting;
6. That Cabinet notes that the GLA precept will not be agreed by the London Assembly until the 23 February 2023, but the provisional figure has been incorporated into the draft MTFS
7. That Cabinet request officers to review the savings proposals agreed and where possible bring them forward to the earliest possible implementation date
8. That Cabinet note that there may be minor amendments to figures and words in this report as a result of new information being received after the deadline for dispatch and that this will be amended for the report to Council in March.
9. That Cabinet consider and approve the Risk Management Strategy

11 DECEMBER FINANCIAL MONITORING REPORT (Agenda Item 11)

The Cabinet Member for Finance and Corporate Services presented the report noting that the net position had moved favourable alongside a reduction in departmental variances.

The Interim Executive Director Finance and Digital advised that an update was attached to the report on the debt arrears position which would be considered by the Financial Monitoring Task Group and also noted that the expenditure incurred on emergency incidents over the previous year had been included within the main report.

RESOLVED:

- A. That Cabinet noted the financial reporting data for month 9, December 2022, relating to revenue budgetary control, showing a forecast net favourable variance at

31st December on service expenditure of £0.875m when corporate and funding items are included.

B. That Cabinet noted the contents of Section 5 and Appendix 5b of the report and approve the adjustments to the Capital Programme in the Table below:

	Budget 2022-23	Budget 2023-24	Budget 2024-25	Budget 2025-26	Narrative
	£	£	£	£	
<u>Corporate Services</u>					
Customer Contact- Customer Contact Programme	(144,190)	(516,910)			Virement in accordance with Projected Spend- Capitalised Salaries
Customer Contact- Active Directory	235,700				Virement in accordance with Projected Spend- Capitalised Salaries
Customer Contact- Data Security and Control	289,700				Virement in accordance with Projected Spend- Capitalised Salaries
Customer Contact- End Use Device	53,100				Virement in accordance with Projected Spend- Capitalised Salaries
Customer Contact- Virtual Desktop	82,600				Virement in accordance with Projected Spend- Capitalised Salaries
Invest to Save- De-Carbonisation Scheme	12,110				Funding from grant to include retention payments
<u>Children, Schools and Families</u>					
CSF Safeguarding - Children's Safeguarding	165,000				Contrib to House Purchase to stop child going into SEN Residential Placement
<u>Environment and Regeneration</u>					
Street Trees - Harris Academy & High Path Street Trees	50,000				New S106 Project
Highways and Footways - Accessibility Schemes	(5,000)	5,000			TfL Approved Slippage for TfL Funded Scheme
Highways and Footways - Casualty Reduction	(47,000)	34,000			TfL Approved Slippage for TfL Funded Scheme - £13k moved to Revenue
Cycle Route Improvements - Cycle access/parking	(114,000)	114,000			TfL Approved Slippage for TfL Funded Scheme
Cycle Route Improvements - Cycle Improve Residential Stre	(123,000)	116,000			TfL Approved Slippage for TfL Funded Scheme - £7k moved to Revenue
Mitcham Regeneration - SMCA Springboard		87,000			Successful Bid for Civic Pride - Investing in Neighbourhoods in 2023-24
Mitcham Regeneration - Mitcham Cricket Green		54,000			Successful Bid for Civic Pride - Investing in Neighbourhoods in 2023-24
Mitcham Regeneration - The Small Quarter Phase 2		22,000			Successful Bid for Civic Pride - Investing in Neighbourhoods in 2023-24
Mitcham Regeneration - Chapter House		33,000			Successful Bid for Civic Pride - Investing in Neighbourhoods in 2023-24
Wimbledon RegenerationParks Investment - Kenilworth Green Pocket Park		65,000			Successful Bid for Civic Pride - Investing in Neighbourhoods in 2023-24

C. That Cabinet approved the 8 Revenue Civic Pride – Investing in Neighbourhoods Bids below as contained in Appendix 5d – these are summarised below:

**Proposed 8 Civic Pride – Investing in Neighbourhoods Revenue Allocations
2023-24**

Bid ID	Project name	2023-24 Revenue £
2&3	Repairs to Grade II Listed Tudor Wall St. Mary’s Merton Park Churchyard	20,000
4	Community Champions, more sustainable Merton	51,836
5	Merton Garden Streets 2023	35,373
6	Merton Sports Coaching Academy	144,275
8	Towards Employment	74,960
32	Uptown Youth Services	15,000
40	Vestry Hall - Mitcham Arts Collective	12,000
45	Ready Steady Cook CR4 Community Cooking Classes	42,750
46	The Wheel	63,615
Total		459,809

12 FUTURE HOMECARE ARRANGEMENTS FOR MERTON (NEW FRAMEWORK AND PROCUREMENT PROCESS) (Agenda Item 12)

The Cabinet Member for Health and Social Care presented the report, thanking officers for their work and giving an overview of the recommendations, which he commended to Cabinet.

In response to questions, the Cabinet Member advised that this was a statutory duty and the Council wanted to improve outcomes to allow residents to stay at home as well as improving carer support across the Borough.

The Chair thanked officers and the Cabinet Member for their work.

RESOLVED:

A. That Cabinet approves the commissioning of Future Homecare Arrangements for a term of five (5) years without the option to extend.

B. That Cabinet approves the inclusion in the terms and conditions of the contract a requirement to pay London Living Wage for all staff engaged in delivering services under the contract.

C. That Cabinet delegates authority to the Executive Director for Adult Social Care, Integrated Care and Public Health, in consultation with the Cabinet Member for Social Care and Health, the award of contracts to the successful bidders at the conclusion of the tender process.

D. That Cabinet notes the Fair Cost of Care Annex B: Merton domiciliary care report and Annex C Market Sustainability Plan which are being published on the Council’s

website and will be submitted to the Department of Health and Social Care by the 31 March 2023 in order to comply with the Government's requirements.

13 SUPPLY OF ELECTRICITY TO LONDON BOROUGH OF MERTON (Agenda Item 13)

The Cabinet Member for Finance and Corporate Services presented the report noting that following the cancellation of the Gazprom contracts in 2022, all energy providers had been re-procured and following the recent award for the supply of gas, a bid had now been submitted for the electricity contract. The Contract had gone through procurement board and the report recommended the award of contract to the new supplier.

RESOLVED:

- A. That Cabinet agreed to award a 2+2+2-year contract to bidder A for the supply of electricity to sites covered by the corporate utility contract, starting from 1st April 2023.
- B. That authority to take up the 2 optional 2-year extensions on the contract be delegated to the Executive Director of Innovation and Change in consultation with the Cabinet Member for Finance and Corporate Services.

14 EXCLUSION OF THE PUBLIC (Agenda Item 14)

This item was not required as all items were discussed in public session.

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