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**SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY PANEL
8 JANUARY 2015**

(19.15 - 22.30)

PRESENT Councillors Councillor Russell Makin (in the Chair), Councillor Stan Anderson, Councillor Ross Garrod, Councillor Abigail Jones, Councillor John Sargeant, Councillor Imran Uddin, Councillor David Dean and Councillor Janice Howard

ALSO PRESENT: Councillor Andrew Judge (Cabinet Member for Environmental Regeneration and Sustainability), Councillor Nick Draper (Cabinet Member for Community and Culture), Councillor Judy Saunders (Cabinet Member for Environmental Cleanliness and Parking) Councillor Mark Allison, (Deputy Leader and Cabinet Member for Finance)

Chris Lee (Director of Environment and Regeneration), Caroline Holland (Director of Corporate Resources), James McGinlay (Head of Sustainable Communities), John Hill (Head of Public Protection), Cormac Stokes (Head of Street Scene and Waste), Paul Walshe (Parking Services Manager), Anthony Hopkins (Head of Library and Heritage Services), Steve Langley (Head of Housing Needs and Strategy), Yvonne Tomlin (Head of Community Education), Rebecca Redman (Scrutiny Officer), Councillor Peter Southgate

1 DECLARATIONS OF INTEREST (Agenda Item 1)

None.

2 APOLOGIES FOR ABSENCE (Agenda Item 2)

None.

3 MINUTES OF THE MEETING HELD ON 11 NOVEMBER 2014 (Agenda Item 3)

RESOLVED: Panel agreed the Minutes as a true record of the meeting.

4 MATTERS ARISING FROM THE MINUTES (Agenda Item 4)

Councillor John Sargeant expressed his disappointment that the briefing

meeting requested on MAE options and proposals had not been set up. Rebecca Redman explained that this meeting had not gone ahead due to the call in of the MAE options appraisal, which was heard by the Panel at their meeting on 3 December 2014. In order to fully prepare for the upcoming special meeting of the Panel on 3 February 2015, at which the panel will undertake pre decision scrutiny of the outcomes of the MAE public consultation, a private briefing by officers on the MAE proposals and service and budgetary implications was requested.

RESOLVED: It was agreed that a private meeting of the Panel be set up, ahead of the special meeting of the Panel on 3 February 2015, to enable members to be fully briefed on the MAE options and proposals.

5 BUDGET AND BUSINESS PLAN 2015-19 (Agenda Item 5)

Caroline Holland introduced the report. Panel noted the revisions and amendments to the MTFs and Capital Programme and the budget gap of £32 million.

The Panel were informed that an alternative saving or proposal should supplement any rejected savings. Furthermore, that all savings proposals would be kept under review and any proposals to Cabinet would be supported by an Equality Impact Assessment.

Councillor John Sargeant asked if there was any flexibility in terms of the assumptions made when setting the savings targets. Caroline Holland confirmed that there are some reserves available to balance the budget should they be required. However, there was no flexibility as the budget gap of £32 million could not be addressed through general fund balances alone.

Councillor Stan Anderson asked what impact the use of reserves would have. Caroline Holland explained that if all general fund balances were used, alternative savings would have to be found to supplement the outstanding deficit.

Councillor Janice Howard asked if the underspend in some services was subsumed into the reserves. Caroline Holland confirmed that this was the case. Where there is an on going underspend managers are being asked to offer these up as savings.

CH40 – Housing

Councillor Russell Makin asked which posts were at risk. Steve Langley explained that the 3.5 posts listed would include an environmental health officer and a reduction in one housing strategy post and 1.5 FTE equivalent Housing Options officers. The 6FTE are unidentified at present. This will leave 22 staff in the housing needs and enablement service once these savings

have been taken.

Councillor David Dean asked if savings that could be made from back office functions had been considered and if there was any growth in these functions. Caroline Holland explained that corporate services have the majority of back office functions and that there had not been any growth other than in adult social care, which was considered necessary.

CH42 – housing options

Councillor John Sargeant expressed concerns about making judgements about individual savings when the Panel have not seen the totality of the savings proposals and their impact. The Panel should be reassured that the areas that are being looked at are the correct ones. Caroline Holland explained that all Directors had undertaken a rigorous process to review their services and identify the areas they were able to make savings in order to meet the targets each department had been set. There are very few areas that have not come forward with savings.

Councillor David Dean expressed his concerns about how bureaucratic he felt the processes were to seek housing for residents in need through the local housing associations and asked how these processes and the relationship between the LA and the HA's could be more efficient. Steve Langley explained Registered Providers in Merton do not contribute to the homelessness problem in Merton. The loss of assured short hold tenancies and eviction by private landlords is the greatest impact on homelessness and this is not unique to Merton.

Councillor Russell Makin asked what impact the proposed staff cuts would have on the service. Steve Langley explained that the loss of posts meant that the performance of the service could be impacted.

Councillor Stan Anderson asked what benefits self-service would bring to residents. Steve Langley explained that, instead of waiting for an officer, residents could determine their eligibility for housing much more quickly.

Lyla- Adwan Kamara (Merton Centre for Independent Living) spoke on the equality impact assessment supporting the proposed savings within the housing needs and enablement service. Lyla Adwan Kamara expressed her concerns that the Equality Impact Assessment didn't fully account for the impact on disabled and older people and argued that there should be a burden of proof required of officers that there would not be a negative impact on those with protected characteristics. The cuts to the number of staff could also potentially result in not getting it right first time, which could make the service less efficient and create more anxiety for service users, particularly those with mental health problems. There could also be an impact on the levels of independence service users experience and issues with repair. This will directly impact adult social care services. Furthermore self-service is compounding existing problems and many service users will not be able to use this service. Those with greatest needs are often unable to refer

themselves or to properly communicate their need. The equality impact assessment did not fully consider or model the impact on these groups. These issues need to be reconsidered.

Councillor Russell Makin asked Steve Langley to discuss these issues with Lyla Adwan Kamara outside of the meeting. Steve Langley explained that the equality impact assessment does not claim that people won't be affected by the loss of posts. The online tool is also in its infancy at this stage. Caroline Holland acknowledged that some of the content of the equality impact assessment could be made clearer and that this would be addressed. The language can be amended to give more confidence that these protected groups will be considered and supported.

Councillor John Sargeant proposed that this saving be kept under review. Caroline Holland agreed to this but explained that everything would be considered unless alternative savings could be proposed. As the council is not a stock owning authority the council only generates income through capital receipts that are then subsumed into the capital budget.

RECOMMENDATION: CH42 - Panel agreed to forward a recommendation that this saving be kept under review to ensure that the council could be confident that this was a viable saving.

CH45 – Libraries

Councillor Russell Makin asked if the increase in managers time spent on administrative tasks was value for money. Anthony Hopkins explained the service is making better use of technology, which means deploying some administrative functions to other sites. However, managers will not be expected to spend an increased amount of additional time on administration.

Councillor Janice Howard asked if the service was utilising e-books in the proposed reduction in stock and associated savings. Anthony Hopkins explained that campaigns have been undertaken in this area as recently as Christmas and that the council have worked with local retailers to signpost residents to e-books available through Merton libraries. This work will feed in to the savings to be made and efficiencies will be made in the procurement of stock and by using smarter technology.

Chris Lee introduced the Environment and Regeneration savings.

ER1 – various savings

Councillor David Dean asked about any increase in additional funding. James McGinlay stated that this was likely to be reduced. Councillor Andrew Judge added that these savings would not be made this year.

ER5 – property management

Councillor David Dean asked how many FTE this figure referred to. James McGinlay explained that it was 6FTE's and that there would be a reduction of

1 FTE in the first instance and graduate trainees would be employed to maintain service levels. Councillor David Dean asked if there was the potential that more than one 1FTE could be made redundant. James McGinlay confirmed that this might be the case but that this saving would be kept under review.

ER6- Property management

Councillor David Dean enquired as to why the council still owned Stouthall. James McGinlay explained that the council had made significant efforts to let this property and have recently done so and secured a rental income. The property has a 99-year lease that the council has 10 years remaining on. The building costs £139,000 in terms of security, management and maintenance. The service has a budget of £100,000 for such costs and the additional £39,000 has been secured through rental income.

ER8- Parking Services

Councillor David Dean asked about congestion levels and enforcement. Chris Lee explained that the movement of traffic is managed through measures put in place to prevent vehicles from undertaking banned movements or slowing the movement of traffic and thereby causing congestion. John Hill added that extensive testing had been undertaken in this area and that the saving was well informed.

Councillor Russell Makin asked about the costs of implementation. John Hill explained that this saving involved automating services carried out by manual staff. The reduction in staff with the introduction of automated processes would not result in redundancy necessarily as staff would be redeployed into other areas.

ER9 – Parking Services

Councillor John Sargeant asked about the steep increase in 2015/16 (check). Chris Lee explained that no change was proposed for 2015/16 as these income changes were for 16/17 onwards. John Hill added that bay suspensions were usually granted for one week when they are really only required for 1-2 days. Therefore daily passes as an option has been considered and benchmarking has been undertaken which demonstrates that Merton charges slightly less than other neighbouring boroughs.

ER11 – Parking Services

Councillor Russell Makin explained that parking on narrow roads in some wards made it difficult for waste to be collected by vehicles. Paul Walshe explained that there are over 600 unregulated roads in Merton and there are no CPZ's or restrictions in place. The council cannot enforce parking restrictions in all of these areas. In some wards where the roads are wide enough to not have to park on the pavement then the council can enforce restrictions. John Hill added that research has been undertaken on specific roads to ensure that resources would be targeted in these areas to address the problem.

Councillor Imran Uddin asked about the additional income that would be generated when compliance became effective. Paul Walshe explained that there was no reliable data to say how compliance would impact but that the division expect it to do so.

ER13 – Regulatory Services

Councillor John Sargeant asked if this saving could be taken sooner. Chris Lee confirmed that the department are looking to bring forward savings where possible. John Hill informed the Panel that the department could look to bring this saving forward in 2015/16.

ER14 – Regulatory Services

Councillor Janice Howard asked if preliminary talks were underway with other boroughs in this area. John Hill confirmed that this was the case. Discussions were well advanced with two of the three boroughs involved. Councillor John Sargeant asked if the Panel should be more involved in overseeing this. John Hill confirmed that a shared services committee was in place with member representation and that the Panel could be updated regularly on progress, if requested. John Hill explained that preliminary discussions had already taken place with several neighbouring boroughs who had expressed an interest in joining the Shared Service partnership. Councillor John Sargeant queried if a greater number of authorities in the partnership would have a negative impact, for example, if authorities do not have extensive knowledge of the partner boroughs, which may lead to mistakes being made. John Hill responded by saying that he did not believe this would be the case.

ER15 – Regulatory Services

Chris Lee explained that the funding for this post would be self financing and would be from monies derived from the POCA (Proceeds of Crime Act)

ER16 – Waste Services – Joint Procurement

Councillor John Sargeant enquired as to how this saving would be realised. Chris Lee explained that phase C of the work being undertaken by the South London Waste Partnership, in which common contractors will be procured for a range of services, could generate anything from 10% savings up to 20% savings. This saving will be reviewed further as we progress through competitive dialogue towards the contract award in 2016. Councillor John Sargeant expressed his concerns regarding a new contractor and ensuring the contract is beneficial to Merton. Chris Lee reassured the Panel that, if the contract were not viewed to be beneficial to Merton, the council would re-evaluate its position. However, at present the efficiencies that need to be achieved can only be realised through working in partnership with other boroughs and thereby generating the economies of scale.

Councillor Stan Anderson asked about the process for exiting any partnership or contractual arrangements that were not considered beneficial. Chris Lee explained that break clauses would be in place and that the council would look to a 10-year contract with the option to extend, in the first instance. Furthermore, performance standards would be set down that allows any party

to determine the continuation and effectiveness of the contract.

Councillor David Dean asked about the evidence to suggest that this partnership would realize the efficiencies and savings proposed and that there would not be any negative impact or significant change to the ways in which waste is collected. Chris Lee explained that the proposed saving did not include any change in waste collection and storage methods. The proposal is based on market research that has been undertaken. At present there is no other clear option to enable these savings to be made.

Caroline Holland acknowledged that the use of language in the saving should be reviewed to ensure clarification on what is being proposed.

Councillor Andrew Judge added that the SLWP had just reached the stage of making contractual agreements on the waste disposal contract. This has driven considerable savings across the four boroughs and significant efficiencies will be made as a result.

Councillor David Dean sought clarification on the Phase B procurement process and savings from 2010. Cormac Stokes explained that phase B procurement was undertaken from 2010-2012 and a preferred bidder was selected. Savings were taken based on estimates at that time. Phase C began in 2014 and the projected savings were taken as part of the 2014 savings round.

RECOMMENDATION:

ER16 - Take out 'harmonizing' and replace with 'collaboration' and clarify reference to any impact of saving on parks and waste services.

ER17 – Street Cleansing

Councillor Russell Makin sought clarification on the deletion of posts. Cormac Stokes confirmed that the saving would result in a reduction of 7 posts. Councillor David Dean raised the potential of this saving to have a negative impact on the cleanliness of streets, which is an issue that is often raised within the resident's survey. Cormac Stokes explained that the cleanliness of street would not be affected as the machines would be more effective. Cormac Stokes confirmed that these machines had been tested and that five machines would be used initially.

Councillor Russell Makin asked if savings could be taken earlier. Cormac Stokes explained that this was dependent upon when these machines would be available.

Councillor John Sargeant enquired about the capital costs for the machines. Chris Lee confirmed that each machine cost less than £10,000 and that there would be additional savings in on-going maintenance costs compared to other vehicles that are currently in use.

ER18 – Waste Services – Caddy Liners

Councillor Janice Howard asked if caddy liners would still be distributed by the council and if not, if the negative impact on recycling rates had been considered. Cormac Stokes explained that residents would be required to collect them, in bulk, from certain buildings/locations and that the potential impact has been identified as a risk. However, research suggests that this approach is taken by almost all boroughs across London. Chris Lee acknowledged that this is a challenge the council face in taking this saving forward. Councillor Andrew Judge added that residents would receive a six-month allocation of caddy liners. Chris Lee informed the Panel that residents also have the opportunity to purchase more at a lower cost than in supermarkets.

Councillor John Sargeant asked if there was a possibility of a pilot being conducted to ensure that there would not be a negative impact. Cormac Stokes explained that the council has undertaken benchmarking and the impact is negligible on food waste when caddy liners are withdrawn. The change could be reversed at a future date depending on funding and impact.

Councillor David Dean enquired about the previous funding for these bags. Cormac Stokes confirmed that they were previously funded by a grant from DEFRA which is no longer available.

ER20 – Waste Services

Councillor John Sargeant asked for some reassurance that this saving could be delivered. Chris Lee explained that this saving was dependent on how high profile prosecutions were and on resident behaviour. The council is also looking at how to reduce costs in this area.

Councillor John Sargeant enquired about profiling the potential impact. Cormac Stokes explained that the department have consulted with Merton Centre for Independent Living and will be working with this organization on the specification of the contract to avoid any negative impact on vulnerable people.

ER21 – Waste Services

Councillor David Dean sought clarification on this saving. Cormac Stokes confirmed that this saving related to the operations at Garth Road and new contractual arrangements.

ER22/23 – Waste Services – Dog Waste options 1 and 2

Councillor John Sargeant asked how both models would work in practice. Cormac Stokes explained that Merton council are one of the last in London to adopt this approach and that separate collection means separate disposal at twice the cost.

Councillor John Sargeant sought assurance that the bins would be emptied regularly, particularly in parks. Cormac Stokes explained that this was why the two options were proposed.

Councillor David Dean stated that this is not a saving that should be made.

Chris Lee added that if the Panels concerns related to the bins being emptied often enough, that this would be addressed by new compactor bins. Councillor John Sargeant highlighted residents concerns with the compactor bins and asked that the council monitor use to ensure that there isn't likely to be a problem with the operation.

Councillor Ross Garrod informed the Panel of the pilot of this approach in Colliers Wood and that there had been no operational issues or complaints from residents.

RECOMMENDATION –

ER22/23 - The Panel support option 1 (ER22) and ask that Cabinet explore the issues of overflowing bins and bring back benchmarking data on the effectiveness of this approach.

ER24/25 – Greenspaces

Councillor David Dean stated that the council should be looking to maximize revenue from parks. Chris Lee explained that the council are looking to generate further income from parks as this is an area in which other boroughs have realised savings.

Councillor John Sargeant stated that this is an area that would benefit from the panel looking at it, perhaps as a task group, on the operation and costs of this service. Councillor Andrew Judge added that there would be opportunities in the future for scrutiny to look at this.

Councillor Janice Howard asked if opportunities to work in partnership with other sporting establishments had been explored. James McGinlay confirmed that this was the case.

Panel agreed to extend the meeting by 15 minutes to 10:30pm enable full consideration of the item.

ER26 – Greenspaces

Councillor John Sargeant stated that there was a need to demonstrate the benefit to residents of this proposal.

ER27 - Greenspaces

Councillor Russell Makin asked if council employees living in council owned properties for workers in parks would lose the right to those properties should they lose their posts. Chris Lee confirmed that with regard to service tenancies tied to employment that we would expect the tenancy to end and to be returned to the council when posts were deleted, however, the council would support those residents to assist them to secure housing.

ER28 – Building and Development Control

Councillor John Sargeant sought clarification on the proposed elimination of postal consultations. James McGinlay confirmed that this was possible due to the efficiency in processes.

Councillor Russell Makin enquired where staff would be located in a shared service. James McGinlay explained that the council were looking into good practice elsewhere to determine this as the shared service proposals progress. The shared service would generate savings in management, administration and back office functions.

ER30 – Building and Development Control (Planning Enforcement)

Councillor John Sargeant asked how the identified performance issues would be addressed. James McGinlay acknowledged that this savings proposal may result in a reduction in the service level. However, the department are undertaking a process review and with the established links to the Building and Development Control Team would take some pressure off the service and the team would utilise flexible working arrangements. A number of efficiencies can be made through a shared service, which is being explored.

RECOMMENDATION –

ER30 - That the shared service proposals be developed further to inform the decision to be taken in 2016/17 to make this change and the proposed associated savings.

ER34 – Traffic and Highways

Councillor John Sargeant expressed his concerns regarding the potentially negative reputational risk to the council if this saving is taken forward.

10:25PM - Panel agreed to extend the meeting by 15 minutes to enable full consideration of the item to 10:45PM

RESOLVED:

Panel noted the report.

Panel agreed to forward the following comments to the Overview and Scrutiny Commission for consideration:

CH42 - Panel agreed to forward a recommendation that this proposal be kept under review to ensure that the council could be confident that this was a viable saving.

ER16 - Take out 'harmonizing' and replace with 'collaboration' and clarify reference to any impact of saving on parks and waste services.

ER22/23 - The Panel support option 1 (ER22) and ask that Cabinet explore the issues of overflowing bins and bring back benchmarking data on the effectiveness of this approach.

ER30 - That the shared service proposals be developed further to inform the decision to be taken in 2016/17 to make this change and the proposed associated savings.

6 HOUSING SUPPLY TASK GROUP - SCOPING REPORT (Agenda Item 6)

Councillor Ross Garrod outlined the work of the housing supply task group and detail of the scope.

RESOLVED: Panel agreed the scope for the task group review of housing supply.

7 PERFORMANCE REPORTING (INCLUDING FOCUS ON WASTE MANAGEMENT AND STREET SCENE) (Agenda Item 7)

RESOLVED: Panel noted the performance data.

8 WORK PROGRAMME 2014/15 (Agenda Item 8)

RESOLVED: Panel noted the work programme.