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SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY PANEL 2 SEPTEMBER 2015

(19.15 - 21.40)

PRESENT: Councillor Abigail Jones (in the Chair),
Councillor Russell Makin, Councillor Stan Anderson,
Councillor Ross Garrod, Councillor John Sargeant and
Councillor David Dean, Councillor Daniel Holden (substitute
for Councillor Janice Howard), Councillor Jeff Hanna
(substitute for Councillor Imran Uddin),

ALSO PRESENT: Chris Lee (Director of Environment and Regeneration), Anthony Hopkins (Head of Libraries and Heritage Services), Cormac Stokes (Head of Street Scene and Waste), James McGinlay (Head of Sustainable Communities), Damian Hemmings (Climate Change Officer), Anthony Hopkins (Head of Libraries and Heritage Service), George Gilvear, (Project Officer – MAE), Gareth Young (Business Partner – Community and Housing), Karin Lane (Interim Business Partner – Community and Housing), Rebecca Redman (Scrutiny Officer), Councillor Nick Draper (Cabinet Member for Community and Culture), Councillor Andrew Judge (Cabinet Member for Environmental Regeneration and Sustainability), Councillor Judy Saunders (Cabinet Member for Parking and Environmental Cleanliness), Councillor Martin Whelton (Cabinet Member for Education)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

None.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

Councillor Imran Uddin and Councillor Janice Howard.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

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

4 MATTERS ARISING (Agenda Item 4)

Panel agreed to reorder the agenda to receive the update on The Climate Change and Green Deal Task Group first.

5 PRE DECISION SCRUTINY - ADULT EDUCATION COMMISSIONING UPDATE (Agenda Item 5)

Gareth Young introduced the report and updated the Panel on progress in moving to a commissioning model for adult education and the recent Skills Funding Agency announcement of further in year budget cuts. As part of the recommendations made for Cabinet consideration at their meeting on 14 September 2015, it was proposed that the Whately Avenue site not be made available as part of the procurement process for the newly commissioned adult education service. The Integrated Property Team was asked to look at alternative uses for the site. The Panel heard that soft market testing confirmed that there was a vibrant market for the council to commission adult education services. Potential providers did not indicate that the Whately Avenue site should be retained.

Members heard that the reduction in the Skills Funding Agency budget has also impacted on the services that can be delivered. Further budget cuts are also anticipated. Cabinet will make a judgement as to whether or not to commence with the statutory procurement process in full at their meeting on 14th September 2015.

Councillor David Dean asked why the council would not continue to deliver the service if the market was vibrant. Gareth Young explained that there is a high level of fixed costs to maintain the service. This model means that the service will be more sustainable if there are further funding cuts.

Councillor David Dean stated that Whately Avenue site should not be removed from the process and that students should be given an option. Gareth Young explained that it is not right to offer an asset to market if funding is reduced and the fixed price of the asset isn't chargeable and will therefore have a knock on effect on the sustainability of the service. The council are dealing with single year funding settlements and this makes planning difficult.

Councillor Daniel Holden enquired about the methods for public consultation. Gareth Young explained bidders were consulted in the first instance due to timescales; however, opportunities to comment were made available to residents and students.

Councillor John Sargeant added that a strong impression was being given that the Whately Avenue site would be disposed of and asked if it was not wiser to keep this site under consideration. Gareth Young explained that 60% of providers expressed an interest in the Whately Avenue site but that not all providers would be in a position to take on the full service and use of the site. A lot of them are small providers cant take on the whole of the site.

Councillor Daniel Holden asked what would happen to the Whately Avenue site. James McGinlay explained that the site would be passed back through the council's asset management plan and consultation would be undertaken in line with planning law. The valuation of the site would be made following a review to consider its purpose. Gareth Young added that the valuation of the site in the report was taken from an asset review dated 18 months ago and asset values change frequently.

Councillor Jeff Hanna asked what difference it would make, in terms of costs and the curriculum offer, if the Whately Avenue site was used. Gareth Young explained that the curriculum would be set during the tendering process and the council would expect to provide the same broad curriculum areas regardless of the site. The council would avoid high fixed asset costs in using the site. There are a number of sites in Merton that can be used, for example, existing colleges or other community venues in Merton.

Councillor Jeff Hanna asked if provision would be spread across the borough. Gareth Young explained that this was dependent upon the bid from providers.

Councillor Daniel Holden asked if the Marlborough Hall site would revert back to a library site. Councillor Martin Whelton explained that 2 courses are currently held at that site and the site would revert back to a library and alternative and future use would be considered.

Councillor David Dean stated that financial analysis should be undertaken regarding the Whately Avenue site and potential incentives for providers should be considered before agreeing to dispose of the site.

RESOLVED: Panel agreed to make the following recommendations on the proposals to Cabinet for consideration at their 14th September 2015 meeting:

- a) That Cabinet consider providing more detail (at paragraph 2.13 in the report) to explain that expressions of interest from providers in the Whatley Avenue site require further consideration, particularly regarding the scale of providers and curriculum offer, along with the costs of managing the site.
- b) That Cabinet consider all options including maintaining the Whately Avenue site.
- c) That Cabinet ensure that the user group be appropriately consulted during the commissioning process.

6 **CREATING A TOURIST INDUSTRY IN MERTON - BRIEFING PAPER
(Agenda Item 6)**

Anthony Hopkins introduced the report. He noted that tourism is not a growth area and that there is no established resource to increase tourism, other than through existing funds within Love Wimbledon, the Merton Chamber of Commerce and the Economic Development and Growth Board.

A London wide review of tourism by the GLA is expected in 2016 and a Cultural Tourism Strategy will also be developed. The council also has an inward investment strategy and a Heritage Strategy to support tourism.

Councillor John Sargeant asked what the potential costs and benefits would be from increasing tourism in the borough. Anthony Hopkins explained that there were limited opportunities for investment and growth in tourism in Merton. The main source of tourism is the Wimbledon Tennis.

Councillor John Sargeant asked if the development of tourism was better managed by private interests such as through Love Wimbledon rather than the council. Anthony Hopkins advised that this could be a line of enquiry in a scrutiny review and that good practice could be sought from other local authorities.

Councillor David Dean added that the council needs to have a clear marketing strategy in place.

Councillor Andrew Judge stated that there were a number of opportunities and unexplored sites to increase tourism, such as Merton Abbey Mills.

James McGinlay explained that the council's inward investment and growth strategy includes actions to increase/maintain tourism. Most of the influx into Merton is domestic tourism. Love Wimbledon captures this data. Data can also be captured from TfL and from oyster card usage.

Anthony Hopkins reminded the Panel that the outcomes of the work being undertaken by the GLA would be useful and could inform the council's strategies and plans. The councils Heritage Strategy will also be brought to the Panel in due course.

RESOLVED:

- Panel noted the report and asked that the Heritage Strategy be brought to the Panel to comment on at pre decision stage.
- That the Panel consider the findings of the GLA review of tourism when available in 2016.

7 COMMERCIAL SERVICES (Agenda Item 7)

Chris Lee introduced the report and provided an overview of the potential areas for exploration in a scrutiny task group review, for the Panels consideration.

The Panel heard that £13-14 million had already been generated per annum through discrete services being provided on a commercial basis by the department. There are other opportunities to generate income and also, as a consequence, protect statutory services.

The challenges faced by the council in operating on a commercial basis concern the culture of the organisation and willingness to sell services and the skills base we have internally as staff don't often come from a commercially focused background. The systems and processes also need to be put in place.

Councillor Ross Garrod stated that it was a positive move forward for the council and that a greater understanding of the opportunities available and how we can take them forward was needed.

Councillor Jeff Hanna asked if building control was a non statutory service that was operating at a profit and if there was a high reliance of temporary and agency staff. James McGinlay explained that the service breaks even and that the bulk of the work is statutory and specialist. The department are seeking to address how to use agency staff more effectively. The department are also looking at the rewards and remuneration for staff and if these are sufficient to retain expertise as the private sector pays more.

Councillor Daniel Holden asked if the council could provide an MOT service. Chris Lee explained that this was an area that the council could not look to compete in.

RESOLVED:

Panel noted the report and agreed to set up a commercial services task group to establish the opportunities to roll out further across other council services.

Membership of the task group agreed as follows – Councillors: Russell Makin (Chair) and John Sargeant. Interest in sitting on this task group would be sought from members outside of the meeting.

8 CLIMATE CHANGE AND GREEN DEAL TASK GROUP - UPDATE ON ACTION PLAN (Agenda Item 8)

Damian Hemmings provided Members with an update on the delivery of the agreed recommendations resulting from the Climate Change and Green Deal Scrutiny Task Group review.

Damian Hemmings highlighted the following:

Recommendation 9: Legal advice has been procured to establish the council's scope and legal limitations in generating, distributing and selling energy and to seek advice on the development of an ESCO. This will include identifying a legal framework for energy provision and more detailed information will be gathered on scenarios for the development of solar PV and district heat networks and any models that may be utilised by the council.

Recommendation 7: There is scope for involvement in future schemes for the use of an ESCO. Models would need to be explored in the first instance. The legal implications of this model will be informed by decisions taken on the development of an ESCO. A tender for technical support in developing the council's district heating plans will be released in October 2015, utilising funding secured from the HMDU.

Councillor John Sargeant asked if further development of district heating was linked to the council's regeneration scheme. Damian Hemmings confirmed this was the case. Councillor Russell Makin asked if CHMP regeneration proposals were also linked to the development of heat and energy networks. Damian Hemmings explained that the council has had input on the master planning for the estate regeneration planned by CHMP. Highpath Estate has the potential for district heating at present. For this to be viable on all estates there are a number of factors that need to be considered. Councillor David Dean asked if residents on CHMP estates could have a choice of energy provider should Merton establish an ESCO. Damian Hemmings explained that the council are far from the stage at which these kinds of decision would be taken. Merton's involvement in generation, management or distribution would need to be considered alongside third party management and other distribution options.

Councillor David Dean explained that a similar model had been established through Opportunity Sutton and that the council could not have a monopoly on the transmission network. Damian Hemmings explained that the council are far from the stage at which these kinds of decision would be taken. There is a need for a detailed feasibility study on the technical and financial elements before the council can decide on the model.

Councillor Daniel Holden asked if there could be combined heat and power available. Damian Hemmings explained that there are restrictions regarding the distribution of electricity and the council's role as a retailer and vendor. The legal report to be received will address this.

Recommendation 8: Rolling out Solar PV is underway and across 28 sites to date. Feasibility studies are being undertaken to determine other sites that could benefit from Solar PV. There are also proposals regarding an 80% reduction in feed in tariff levels, as of January 2016, which will impact on the current model which is predicated on the feed in tariff. These proposals would have a significant impact on the project going forward.

Councillor David Dean welcomed the proposals on Solar PV roll out and stated that this work should be encouraged to increase sustainability, not just for financial reasons. Damian Hemmings explained that all proposals on Solar PV are based on a business case and return on investment of at least 4% is expected. However, changes coming forward will make it harder for this to be met. There are further potential opportunities for energy sales presented by the GLA's 'License Lite' programme whereby the GLA (or partner supplier) would hold the supply license and purchase energy from the boroughs.

Councillor Daniel Holden asked if there were opportunities for solar PV to be rolled out through collective purchasing. Damian Hemmings explained that the council are exploring a collective purchasing process at present that could allow residents to make a saving on the market cost of Solar PV. Should the council seek to deliver these services jointly with other councils then one council could lead on procurement and the other could fund marketing and promotion costs. However any future delivery is dependent upon the outcomes of the Government's Feed in Tariff consultation.

Recommendation 3: Damian Hemmings explained that the Climate Change Strategy was completed in July 2014 and that a steering group had been set up with the aim of monitoring progress and reviewing action taken.

Councillor David Dean asked if the council still use the Merton Rule model and seek to gain 20% sustainable energy in all developments. James McGinlay explained that this has been overtaken by changes in building regulations which are now established in planning policy. Damian Hemmings added that under recent changes around domestic planning policy there is now a limited amount that the local authority can do in terms of setting local limits and standards. Councillor Andrew Judge added that the council had to lobby Government to adopt the Merton Rule in the UDP. As we are now legally prevented in planning regulations, we cannot enforce this rule. However, Merton seeks to be innovative as a local authority.

RESOLVED: The Panel noted the report and requested that an update be received in 6 months.

9 **PERFORMANCE REPORT (Agenda Item 9)**

Chris Lee highlighted 3 areas of concern for his department. These were:

Waste collection (missed bins) - the council was struggling to meet the target set, in part, due to the availability of drivers and vehicles. Work is in hand to improve reliability through the purchase of 2nd hand vehicles and also through the training of more HGV drivers . This will improve resilience Phase C procurement is also ongoing.

Litter and street cleanliness – there has been an increase in concerns from customers and sickness/absence is not being covered as previously as the

council are not bringing in agency staff at an additional cost. However, sickness levels have also decreased in the short and long term.

Planning – Performance in the main is ok on minor applications but struggling on major planning applications. There are also a large number of planning applications received with no fee attached. With improved economic conditions, the number of developments and planning applications has never been higher in the borough. Competition for planning officers is also high. Merton is unable to match salaries that are offered in the private sector. Maintaining a service with a limited financial budget is also a challenge.

Councillor Daniel Holden asked if any planning appeals had been lost due to non determination. James McGinlay explained that there were very few where non determination was the result and that officer's work with applicants.

Councillor John Sargeant asked what was being done to address staff turnover. Chris Lee explained that the department are working with HR and are obtaining comparable benchmarking data to make the business case for additional staff.

Councillor John Sargeant asked if the 'any bin will do' scheme was still in operation as residents had complained about bins being full and overflowing. Chris Lee confirmed that this scheme was still in place and that the council were trying to stay on top of emptying them.

Councillor Jeff Hanna asked about street cleaning and the annual measure for resident satisfaction which stood at 54%. Chris Lee explained that the annual resident's survey gathers this data. Councillor Jeff Hanna added that he felt that the question was not appropriately worded at present to enable reliable data on resident satisfaction to be captured. Chris Lee explained that the survey asks about satisfaction on a range of services and that the Panels concerns would be fed back to the community engagement team.

Councillor Daniel Holden enquired about the measures taken to reduce levels of sickness amongst street cleaners and also to retain planning officers. James McGinlay explained that there is little turnover amongst permanent staff but more within agency staff for Planning. There are a number of factors that affect retaining planning officers; this includes baseline pay compared to other local authorities, retention and performance bonuses and caseloads. The council are trying to ensure they have the right skill set amongst planning officers for the range of applications they receive and looking at opportunities for career progression in Merton. However, in the short term remuneration is something that can be addressed.

RESOLVED: Panel noted the performance data received.

Councillor Ross Garrod introduced the report and thanked task group members and officers for their support and contribution. Councillor Ross Garrod highlighted to the Panel that 8000 plus residents were on the councils housing register at present. This review was timely as the shortage of social and affordable housing was a national issue that needed to be addressed through creative solutions and enhanced partnership working. He added that the report and recommendations do not simply seek to eradicate the problem, but provide challenge and workable options and models to meet this need.

Councillor Andrew Judge thanked the task group for their work and noted how important this topic was. He expressed thanks to the Chair of the task group and noted that it was vital to bring forward more affordable and other housing, across all tenures.

Councillor Nick Draper echoed the comments made by Councillor Andrew Judge. He thanked the group for a fantastic report and highlighted that the focus of the review was a very important topic. He congratulated the task group and thanked officers for their support.

Councillor David Dean congratulated the task group and noted that, whilst all need could not be met immediately, that it was right to try and look at options and models and to plan for the future, stating that the council needs to drive housing development.

Chris Holt, Ravensbury Resident Association, asked to speak on the housing report and expressed his concerns that very little affordable housing had been proposed as part of the CHMP regeneration proposals. James McGinlay explained that the council wants to increase the supply of affordable housing through regeneration. A number of the recommendations in the report regarding the feasibility of the development of affordable housing look to challenge developers who claim that they are unable to deliver against the council's target of 40% affordable housing from each development. Review mechanisms will also help to address the issue of stalled sites. The council cannot influence all sites but will look at all land available and the ability to develop affordable housing on these sites.

RESOLVED:

The Panel endorsed the report for submission to Cabinet for consideration.

That the Panel receive an Executive Response and Action Plan in 2 months time further to Cabinet consideration of the report and recommendations.

11 **WORK PROGRAMME (Agenda Item 11)**

RESOLVED: Panel noted the work programme.

