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OVERVIEW AND SCRUTINY COMMISSION

14 NOVEMBER 2018

(7.15 pm - 9.00 pm)

PRESENT: Councillors Peter Southgate (in the Chair), Peter McCabe, Laxmi Attawar, John Dehaney, Sally Kenny, Paul Kohler, Rebecca Lanning, Oonagh Moulton, Owen Pritchard and David Williams

Co-opted Members Helen Forbes

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 Partnership), Edmund Wildish (Head of Continuous Improvement) and Julia Regan (Head of Democracy Services)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from co-opted member Colin Powell.

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.

Matter arising – Councillors Owen Pritchard and Paul Kohler visited Mitcham Police Station and confirmed that the number of car parking spaces was 45 as reported to the Commission by the Borough Commander.

4 ASSESSING THE IMPACT OF BREXIT ON THE COUNCIL AND THE BOROUGH (Agenda Item 4)

The report was introduced by John Dimmer, Head of Policy, Strategy and Partnerships. He emphasised that, given how fast moving these issues are, it is therefore difficult to assess just what the exact impact of Brexit will be. He said that a “no deal” scenario would be the most difficult in terms of contingency planning because of the uncertainty.

John Dimmer outlined the approach that the council was taking in planning for Brexit and drew the Commission’s attention to work being undertaken by officers as set out in the report. Caroline Holland, Director of Corporate Services, added that Cabinet had agreed the proposed approach for how the council can support EU residents,

particularly those in hard to reach and vulnerable groups, with information and support to secure their rights around settled status.

John Dimmer and Caroline Holland provided additional information in response to questions:

- London Councils have published the results of a survey of London boroughs and highlighted Merton as a case study example of having a corporate officer task group to lead on Brexit preparation
- The council will promote the government scheme and encourage people to apply for settled status once the scheme has been announced by the government
- The council will work in partnership with Merton Voluntary Service Council to reach 650+ voluntary organisations and their members to provide signposting to advice and support
- The council will support EU employees and their partners to achieve settled status as soon as possible
- The council has invested in information and advice services, through its Strategic Partner grants programme, which will deliver advice and support around achieving settled status
- John Dimmer will be talking to the Children Schools and families departmental management team about the best way to support looked after children and care leavers to achieve settled status

The Commission RESOLVED to recommend to the Director of Corporate Services that:

1. the issue of settled status should be discussed with the Corporate Parenting Steering Group
2. the issue should be brought to councillors' attention so that they can encourage EU residents within their wards to apply for settled status.

ACTION: Director of Corporate Services

5 TARGET OPERATING MODEL (Agenda Item 5)

Caroline Holland, Director of Corporate Services, introduced the report which sets out the council's approach to the target operating model (TOM) and emerging themes from the most recent refresh.

In response to a question about the extent to which there was an element of challenge, Caroline Holland explained that the Directors, of whom two were new to Merton, provide challenge to each other's TOMs. She added that the model is getting stronger with each iteration and that outcomes were being used more effectively than previously.

Ed Wildish, Head of Continuous Improvement, and Caroline Holland responded to questions about the timeline for the TOMs, explaining that this was adjusted to provide time for the incoming administration to make changes following the May 2018 local elections. Caroline Holland undertook to consider whether the future timeline should be aligned with the electoral timetable and to feed this into the evaluation of the TOM process. Councillor Mark Allison, Deputy Leader and Cabinet Member for Finance, said that the council should seek to continue to act in a business-like way in the lead up to and aftermath of local elections. ACTION: Director of Corporate Services

Members also asked questions about the process and timetable for producing a refreshed Community Plan and suggested that the Commission would use its annual scrutiny of Merton Partnership's Annual Report to inform members more fully on what the local strategic partnership is doing and what impact it is having.

6 LONDON PILOT OF BUSINESS RATES RETENTION (Agenda Item 6)

Caroline Holland, Director of Corporate Services, drew the Commission's attention to the complexities and uncertainties about the basis on which the pool may continue and the implications that this has for the council's medium term financial strategy. She reassured members that the situation is being kept under review so that Merton's income stream can be maximised.

Caroline Holland provided additional information in response to questions:

- Business rates are set by the government. The council has discretionary business rate relief scheme to reduce the level of business rates under certain circumstances which are set out on the council's website.
- It is difficult for councils in London to stimulate new economic growth because of the lack of undeveloped land combined with new regulations that permit landowners to apply for change of usage from commercial to residential without the need to apply for planning permission
- The government's fair funding formula seeks to minimise further funding divergence between councils – a review of this is underway

Caroline Holland said that she was in favour of remaining in the London pool as long as it continued to be of financial benefit to Merton.

7 BUSINESS PLAN UPDATE 2019-2023 (Agenda Item 7)

Members AGREED to take this item and agenda item 8 together.

Caroline Holland, Director of Corporate Services, introduced the report and explained the current assumptions on inflation, council tax collection and grants that underpin the medium term financial strategy. She drew the Commission's attention to the predicted budget gap in future years and the savings targets that had been set for

council departments. She added that the October proposals would be going back to Cabinet for approval now that the equality assessments were available.

In response to questions about the size of the budget gap, Caroline Holland said that the prediction was a realistic one, albeit cautious in respect of adult social care funding. The estimate will be re-adjusted if that funding continues. The additional income from the business rates pool is regarded as a one-off and therefore not built in to future years. Caroline Holland added that she continued to challenge officers about items in the capital programme with a view to reducing the impact on the revenue budget.

Councillor Mark Allison, Deputy Leader and Cabinet Member for Finance, added that Merton was not alone in facing a large budget gap and that some other London authorities were in a worse and more pressing financial situation.

Corporate Services proposed savings

Commission members discussed each of the proposed savings:

- CS01 discretionary rate relief policy (page 107 and 134)

In response to a question, the Director of Corporate Services said she would check if this would be applied on a pro-rata basis.

- CS02 charge for Blue Badges (page 108 and 138)

The Director explained that the £10 charge applied to the full three year period for which the Blue Badge is valid. She undertook to provide detail of the total number of applications and the number that were successful.

The Commission RESOLVED to endorse these proposed savings.

Comments and recommendations from overview and scrutiny panels

The Chair of the Sustainable Communities Overview and Scrutiny Panel, Councillor Laxmi Attawar, introduced the reference from the Panel on page 186. The Director of Corporate Services alerted the Commission to the fact that any increase in the number of street trees would attract an associated maintenance cost.

The Chair of the Children and Young People Overview and Scrutiny Panel, Councillor Sally Kenny, said that the Panel had raised concerns about the impact that cuts in services would have on vulnerable young people. The Panel noted that there were a growing number of referrals across children's services nationally, including safeguarding and special educational needs, and the Panel have concerns about the impact this may have locally.

The Chair of the Healthier Communities and Older People Panel, Councillor Peter McCabe, said that the Panel heard concerns expressed by disability groups in the borough about the impact that the proposed savings would have in the medium term upon people who are already at a disadvantage. The Panel felt a great deal of sympathy but were also aware of the extent of the predicted budget gap and the need to make savings.

The Commission RESOLVED to forward to Cabinet the reference from the Sustainable Communities Panel and the comments made by the other two Panels.

The Commission further RESOLVED to express disappointment that Cabinet was not further advanced in identifying proposed savings for future years. However the Commission also recognised the difficult situation that Cabinet faces in relation to the size of the budget gap.

Capital programme

Members asked a number of questions to clarify the purpose of a number of items on the capital programme. The Director of Corporate Services confirmed that the allocation for the Housing Company would be reviewed once the business case has been updated, so that monies may be slipped into the following year.

8 SCRUTINY OF THE BUSINESS PLAN 2019-23: COMMENTS AND RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY PANELS (Agenda Item 8)

See minute for agenda item 7.

9 INVOLVING THE YOUTH PARLIAMENT IN SCRUTINY (Agenda Item 9)

Julia Regan, Head of Democracy Services, introduced the report. She said that the young people and councillors who participated in the event had all found it useful and enjoyable and that the report set out the process, discussion and outcomes. Councillor Peter Southgate said that one of the benefits of the exercise had been hearing the different perspectives that young people brought to the issue of personal safety.

Members welcomed the joint scrutiny exercise and agreed that they would like to actively involve young people in future scrutiny work. Julia Regan said she would discuss this with the Participation Manager and bring suggestions to a future meeting of the Commission. In the meantime the Youth Parliament have asked to be involved in the work of the task group on children's mental health and this is being taken forward by the Scrutiny Officer.

The Commission made two suggestions for consideration by the Youth Parliament. Firstly, to include fire cadets and other youth groups in the recommendation on police cadets attending events. Secondly, to consider the role that school governors may be able to take in supporting the recommendations made by the Youth Parliament.
ACTION: Head of Democracy Services and Participation Manager

The Commission RESOLVED:

1. to forward to Cabinet the report and recommendations of the Youth Parliament for consideration by Cabinet;
2. to receive a further report with proposals to involve the Youth Parliament more in scrutiny panel and task group work in future.

10 WORK PROGRAMME (Agenda Item 10)

The Commission RESOLVED to agree the work programme as set out in the report.