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SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY PANEL 9 JUNE 2016

(7.16 pm - 9.59 pm)

PRESENT: Councillors Councillor Abigail Jones (in the Chair),
Councillor Stan Anderson, Councillor Hamish Badenoch,
Councillor David Chung, Councillor Daniel Holden,
Councillor Russell Makin, Councillor John Sargeant and
Councillor Imran Uddin

ALSO PRESENT: Councillor Nick Draper, Councillor Ross Garrod and
Councillor Martin Whelton

Christine Parsloe (Leisure and Culture Development Manager),
Chris Lee (Director of Environment and Regeneration), Doug
Napier (Leisure and Culture Greenspaces Manager), John Hill
(Head of Public Protection), Cormac Stokes (Head of Street
Scene and Waste), Charles Baker (Waste Strategy and
Commissioning Manager), Terry Downes (GMB representative),
Annette Wiles (Scrutiny Officer)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

No apologies were received.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of pecuniary interests.

3 MINUTES OF PREVIOUS MEETING (Agenda Item 3)

The minutes of the previous meeting were approved as an accurate record.

4 MORDEN LEISURE CENTRE UPDATE (Agenda Item 4)

Christine Parsloe, Leisure and Culture Development Manager, provided an up-date on the Morden Leisure Centre development:

- Archaeological works have taken place on site with a number of trial pits. A report is anticipated. Some findings may be expected given Stane Street, the Roman Road, is known to run through the area.
- Seven Great Crested Newts have been found on site. This is a material finding requiring an extra two weeks of consultation for planning and a licence from the European Union. Pre-screening is now happening with Natural England to speed up the process of applying to the EU. Work is on-going with an ecologist to carry out the necessary procedures and to put in place any required mitigation;

- The development will go to the Planning Application Committee on Thursday 16 June 2016;
- Meetings are continuing to be held with the Morden Park Playing Fields Community Trust; and
- The contractor procurement is on-going which when finalised will be notified to residents and Councillors through another newsletter.

In response to Councillors' questions, Christine Parsloe clarified:

- An on-site turning circle for coaches will be provided and incorporated into the landscaping whilst retaining the barrier to the Registry Office;
- Meetings will be held with residents to discuss the treatment of the old site. This is currently being planned with ecologist and landscape architect expertise and will include an orchard; and
- The newts were found around pond one. Plans are on-going to enhance their environment and obtain an EU licence that will allow the development to continue uninterrupted. This work is all achievable within the existing timeframe allowing works to start in September as planned, providing all progresses without any unforeseen issues.

5 PERFORMANCE MONITORING (Agenda Item 5)

Chris Lee (Director of Environment and Regeneration) introduced the Department's performance monitoring report by highlighting three key measures. It was noted that it is early in the municipal year meaning quarterly reporting isn't yet available:

- (SP414) volume of planning applications: this measure exceeded last year's target and is already 20% over the estimate for the year. This is putting pressure on a service that is already lean and is being considered for a shared service. Additionally highlighted the percentage of minor planning applications determined within eight weeks (CR052/SP115) where the target is not being achieved and is an area of concern. Noted the Government is considering setting two year retrospective targets for this measure and therefore it is an area of concern (no information is yet available on what this target might be);
- Street cleaning (page 11 of the agenda pack): measures are falling just short of the target. This is a key issue for resident happiness and therefore one which will be carefully monitored. Noted that payment of Fixed Penalty Notices is just ahead of target and that the contract with Kingdom to deliver the service started in April 2016; and
- Commercial waste (SP046): target has been exceeded by £150K reflecting the value of this business and that this is a growing success.

In response to Panel member questions, officers provided the following clarification on the Environment and Regeneration Department's performance report:

- Live in Wimbledon Park: the financial exposure on this event to the Council is £130K if no tickets are sold. This compares to an exposure of £120K last year that resulted in £78K loss. This year the event is bigger (spread over four days rather than one including during the day), is being held earlier in the year and in association with other events (ie: the food festival). Based on last year, the event

now has a track record meaning it is easier to promote to sponsors and for commercial opportunities. Also, the event will feature content targeted at a range of different audiences. Promotion has started three months earlier than last year and a professional marketing agency has been engaged. It is expected that the event will break even this year whilst it continues to become established. Ticket sales will be reviewed in July 2016. This is the last point when the event can be cancelled whilst incurring minimal costs;

- (SP407) percentage of Fixed Penalty Notices (FNP) that have been paid: these are part of the Kingdom contract. Those that want to challenge a notice firstly make a representation to Kingdom and it has the authority to review and quash. Subsequently, representations can be made to the Council (to the Department itself). It can uphold or decline notices. Subsequently, court action can be brought. It was noted this can be a costly route for those objecting to a FNP; if a judgement is found against them, they are liable for the FNP cost plus court costs in full which can be in excess of £1K.
- (SP380) the number of backlog enforcement cases: this backlog is reducing and it is hoped it will come down further. It was noted that there is no extra capacity; that the team is fully staffed; and
- (SP 398, 399 and 417) the percentage of cases won, lost and not contested at the Parking and Traffic Appeals Service (PATAS): lost PATAS are down to error or result from a decision being challenged but volumes are very small; cases going to PATAS are just 0.4% of all parking and traffic fines issued and means performance is above where it was during the previous quarter. It was also noted, that whether or not successful all PATAS cases cost the Council £80 each. It was highlighted that the introduction of an Automatic Number Plate Recognition (APNR) service will put the Council in a stronger position when issuing parking and traffic fines.

RESOLVED: to note the department's performance monitoring report.

6 AGREEING THE WORK PROGRAMME (Agenda Item 6)

The draft work programme presented to the meeting was agreed subject to the following comments:

- Air quality will be considered as the topic for the next task group. This will be considered further at the next meeting based on a scoping document;
- Consideration of the renewal of the highways maintenance contract is likely to need pre-decision scrutiny earlier than planned and will potentially be included on the agenda for the next meeting (September 2016)
- It was noted that this will make the agenda for the September meeting very full. It was therefore proposed to move the update report on town centre regeneration to November (and the subsequent update from February to March); and
- The meeting with representatives from Crossrail2 should happen as part of a Public Transport Liaison Committee meeting sometime in the autumn to coincide with the next round of Crossrail2 consultation being due in October 2016.

7 CIRCLE HOUSING: AGREEMENT OF QUESTIONS FOR MERGERS

MEETING (Agenda Item 7)

It was agreed at the topic selection workshop that in addition to regular performance monitoring (happening at the September and March meetings), Circle Housing representatives will be invited to attend Panel meetings in September and November to answer questions on the planned merger with Affinity Sutton (September) and repairs and regeneration (November).

Panel members took the opportunity to agree the questions to be put to Circle Housing representatives at the September meeting on the planned merger with Affinity Sutton:

1. What is the timetable for the merger?
2. What consultation is expected to happen on the merger; with which audiences and how will this be conducted?
3. How are current levels of resident satisfaction and the time taken on rectifying issues informing the merger and the service levels the new entity will aspire to achieve?
4. How will the integration be managed and what measures will be used to ensure that service levels are maintained during this process? The Panel is interested in how the satisfaction of staff and residents will be measured and managed during the integration.
5. Given the Panel's interest in maintaining and driving up levels of service, what performance management measures will be maintained after the merger?
6. Is the merger aiming to achieve cost reductions? Will this be achieved through redundancies? How will quality standards be sustained in the light of both of these eventualities?
7. Do the governance arrangements of the new entity include a commitment to attend this Panel every six months to discuss performance?
8. Will resident and Council representation be maintained through the governance structures of the new entity?
9. Will the new entity fulfil Circle's pre-existing commitments to the Council and its community grants programme?
10. How will the new entity accommodate the new waste collection service being achieved through the South London Waste Partnership procurement?

It was noted that there is still time to consider these questions further and that they should be agreed by the end of July 2016 and shared with Circle at this point allowing it time to prepare to ensure the session is informative.

RESOLVED: to review the questions before the end of July so that they can be despatched to Circle Housing in a timely way for its attendance at the Panel's September meeting.

- 8 SOUTH LONDON WASTE PARTNERSHIP (PROCUREMENT OF WASTE COLLECTION AND RELATED ENVIRONMENT SERVICES) PRE-DECISION SCRUTINY (Agenda Item 8)

Chris Lee provided an introduction:

- The report on the South London Waste Partnership is provided in two parts; a report for scrutiny and a draft Cabinet report;
- This process of decision making is happening across all four boroughs that comprise the partnership with the bidder selection having just been endorsed by the partnership board;
- Identification of the preferred and reserve bidders is a significant milestone but it isn't the end of the process; this will happen in December when contracts will be signed following a period of fine tuning;
- Pleased to be recommending two different preferred bidders for Lots 1 and 2 that have the relevant waste management and horticultural experience;
- The savings that will be realised from the shared service are currently greater than initially planned but these won't be confirmed until the contract is signed in December;
- The preferred and reserve bidders have been selected as part of a competitive dialogue process focused on agreeing the outcomes to be achieved through the contract;
- Noted that this builds on the success of the wheeled bin pilot which saw an increase in recycling and decline in street waste;
- Staff engagement in the process has been important. It is hoped that the preferred bidders will become approved bodies to the Local Government Pension Scheme. Once the contracts are in place, work will start on the TUPE process; and
- A client structure is being established to manage the contract.

Terry Downes of the GMB was then invited to address the Panel specifically on the implications of Lot 2;

- Thanked the Panel for allowing him to speak;
- Highlighted that the Council's negotiations with the bidders over reducing TUPE rights is in breach of regulations and that staff affected by Lot 2 are not happy to move to annualised hours;
- The new client contract structure means establishing three new positions costing £150K but it is not stated in the documentation whether the projected savings do or don't take this into account;
- Highlighted that other Councils (Croydon) have outsourced services to benefit from economies of scale but that this hasn't come to fruition and services have ended-up coming back in-house. This demonstrates that savings are not guaranteed;
- Noted that staff were not able to bid because they weren't able to be part of the competitive dialogue process but that proposed cost savings could have been achieved through the introduction of fortnightly waste collections and better utilisation of available transport; and
- Stated that staff satisfaction is very low and that the proposed solution by the preferred bidders represents a reduction in service to Merton residents.

EXEMPT SESSION

It was proposed by Councillor Sargeant, seconded by Councillor Makin and accepted by the other members of the Panel that it should start its discussions in exempt session given the need of Councillors to refer to information in the exempt agenda. As a result members of the public left the meeting.

Some members (Councillors Sargeant, Holden and Badenoch) expressed dissatisfaction because they hadn't been provided with the detailed scoring used to select the preferred and reserve bidders. Also, that the waste service currently offered in Merton hadn't been costed by bidders for comparative purposes and that the solution offered by the preferred bidder for Lot 1 is a diminution in waste services based on less frequent collections and the need for residents to sort and store waste in a greater number of containers. Specific concern was expressed regarding properties that don't provide sufficient storage for the increased number of waste containers and that a one size fits all approach will not be suitable for all residents.

In response, officers clarified:

- Total scores for all bidders are provided in the exempt agenda;
- The preferred bidders for Lots 1 and 2 had scored highest across price and quality; selection has not been determined solely on price;
- The objectives of the procurement are: to target optimal savings, deliver high customer satisfaction; improve environmental and carbon outcomes and develop community engagement in the maintenance and oversight of green spaces;
- The waste service proposed by the preferred bidder, specifically splitting paper and card from other recycling aims to address the fact that Merton is only recycling 37% of its waste compared to a target of 60% and to enable commercial income to be maximised;
- The proposed waste service is not a diminution in service; residents will benefit from collections every week (three and two collections on alternate weeks);
- All bidders proposed a two-weekly schedule for residual waste collections with only minor variations; and
- This is not a one size-fits-all solution; those properties for which the proposed solution is not suitable will be offered an alternative. This will be defined and agreed through consultation.

PUBLIC SESSION

At this point members of the public were invited back into the meeting.

Some members (Councillors Sargeant, Holden and Badenoch) highlighted that Cabinet had not yet responded to the Panel's reference made following the previous report on the wheeled bin pilot ([here](#)). Also, that the pilot couldn't be regarded as a successful trial of the waste service being proposed by the preferred bidder. Firstly, the pilot used a scheme that was different from the solution being proposed. Secondly, the properties involved in the pilot were not representative of all across the borough. Information was requested on available alternatives and what mechanism will be used to prevent dry mixed recyclables becoming litter when stored and collected from a box without a lid. Members enquired how the projected cost savings will be achieved.

In response, officers clarified:

- Having gone to the market for the optimal solution this is what has been provided. Also, this is already being used elsewhere;
- The solution offered by the preferred bidder splits the borough into three neighbourhoods (none go across ward boundaries). Each will have a contract manager who will be responsible for working in partnership with the local community including attending community forum meetings, workshops etc;
- Procurement through the South London Waste Partnership requires all four participating boroughs to act in unison. Merton could withdraw from the partnership but if the three remaining partners can't award at this stage, Merton would become financially liable and would effectively be starting again on a two year process;
- Planned savings are being achieved through economies of scale from both Lots;
- Between now and December, there will be a period of fine tuning. This will include consideration of how to prevent dry mixed recyclables becoming litter. Options currently being consider are a resealable sack for storage and a stretched cover to go over the box;
- For multi-occupancy dwellings, Eurobins will continue to be sited in designated collection points. Collection will happen a minimum of once a week but where lack of capacity is an issue, collections will happen more frequently;
- The price quoted by the preferred bidder has been based on its due diligence on property types. Any changes to the assumptions it has made in the costing will be to its detriment as the price cannot now be changed; and
- The new recycling code of conduct is shifting away from comingled recycling solutions in order to maximise economic value and benefit to the environment. Where a greater volume of recycling is achieved the contract provides a profit sharing mechanism benefiting the Council.

In response to member questions, officers clarified:

- The contractor will have responsibility to provide evidence for enforcement where the waste collection service is misused, (for example, for commercial waste) and the contractor will be responsible for street litter collections;
- TUPE has not yet been applied. There have been no negotiations with the preferred bidder regarding annualised hours. The preferred bidder suggested some of the changes required to meet our needs. Noted that if the service were continuing in-house, Merton would also be considering annualised hours as this is the best way to deliver a seasonal service;
- Planning policies are in the control of the Council and therefore it can specify that any new development accommodates the needs of the new waste service;
- The new waste service will link to the Council's new CRM system on which residents will have to register. This will link with technology in cabs which will have the ability to tell residents if their bins have been missed, are yet to be emptied or were incorrectly put out. This will also be used to provide feedback if rubbish is contaminated. The new CRM will go live shortly and meetings are starting between the preferred bidder and the Council's IT developers;

- It is intended that the same level of performance management information will be provided as currently with the additional ability to scrutinise this by the three neighbourhood areas;
- New bin lorries will be purchased to fulfil the contract. The Council needs new lorries and it is cheaper for the Council rather than the preferred bidder to borrow the money for the purchase with the difference in interest rates being reflected in the price of the contract;
- The needs of disabled residents have been explicitly considered in selecting the contractor; and
- The department can provide Panel members with an overview of the recycling schemes used in London and what rates of these achieve.

Councillor Garrod, Cabinet Member for Cleanliness and Parking stated the proposed solution is a fantastic opportunity to bring residential waste into the 21st Century including utilising the benefits of technology and committing to fulfil missed collections. This will bring Merton into line with the two thirds of the country that have wheeled bins and 70% that have collections every other week. This is built on a pilot that demonstrated high levels of resident satisfaction. The alternative is for the Council to find a £2m cost saving by some other means which could mean the introduction of pavement collections, residential charges, three weekly or even monthly collections as in Wales.

Four motions were proposed and voted on:

- Proposed by Councillor Sargeant (seconded by Councillor Holden) : The Panel noted the draft report and agreed to forward a reference to Cabinet that it should use the period of 'Preferred Bidder Fine Turning' to:
 1. Determine how many households would experience significant difficulty in storage and/or presentation of wheeled bins for regular emptying (five in favour and one against); and
 2. Reconsider the introduction of two separate containers for recyclable materials, since Merton currently has the technology to comingle all recyclables (three in favour and 5 against).
- Proposed by Councillor Holden (seconded by Councillor Badenoch):
 3. The proposed solution from the preferred bidder represents a significant change in service and as such it should be sent to Full Council to make the decision (three in favour and four against); and
 4. Cabinet should consider retention of a weekly service and find other ways to achieve the necessary cost savings (two in favour and four against).

RESOLVED: To make the following reference to Cabinet: the Panel noted the draft report and agreed to forward a reference to Cabinet that it should use the period of 'Preferred Bidder Fine Turning' to determine how many households would experience significant difficulty in storage and/or presentation of wheeled bins for regular emptying.