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SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY PANEL 4 DECEMBER 2014

(19.20 - 22.30)

PRESENT: Councillor Russell Makin (in the Chair),
Councillor Stan Anderson, Councillor Abigail Jones,
Councillor John Sargeant, Councillor Imran Uddin,
Councillor Tobin Byers, Councillor Daniel Holden and
Councillor David Williams

ALSO PRESENT: Councillors David Dean, James Holmes, Andrew Judge, Judy
Saunders, Peter Southgate and Martin Whelton

Chris Lee (Director of Environment and Regeneration), James
McGinlay (Head of Sustainable Communities), Julia Regan
(Head of Democracy Services), Cormac Stokes (Head of Street
Scene and Waste) and Simon Williams (Director, Community &
Housing Department), Doug Napier (Greenspaces Manager) and
Yvonne Tomlin-Miller (Head of Community Education)

1 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 1)

There were no declarations of pecuniary interest. Councillor Tobin Byers declared a non pecuniary interest in the Merton Adult Education item as a governor at Joseph Hood School.

2 APOLOGIES FOR ABSENCE (Agenda Item 2)

Apologies for absence were received from Councillor Ross Garrod, who was substituted by Councillor Tobin Byers. Apologies also received from councillor David Dean who would be speaking as a signatory to the South London Waste Partnership call-in. He was substituted by Councillor Daniel Holden.

3 SOUTH LONDON WASTE PARTNERSHIP - OPTIONS FOR JOINT PROCUREMENT OF WASTE COLLECTIONS, STREET CLEANING AND ASSOCIATED SERVICES (Agenda Item 3)

The Chair invited Councillor Andrew Judge, Cabinet Member for Environmental Sustainability and Regeneration, to set out the reasons behind Cabinet's decision. Councillor Andrew Judge explained the financial context and the council's need to make savings to meet the savings target of £32m set out in the medium term financial strategy. He said that the proposal included the procurement of a joint contract for grounds maintenance with Sutton Council through the South London Waste Partnership as a procurement vehicle. He stressed that Merton would retain ownership and governance of the parks and that decision making would continue to happen in consultation with friends groups. He said that the South London Waste

Partnership (SLWP) is not a private company but a partnership of four boroughs, comprising cabinet members and senior officers.

In response to a question from Councillor David Williams about SLWP's lack of experience of parks maintenance, Councillor Andrew Judge said that it did have that experience through its members and officers and that it had considerable procurement experience and financial expertise. He said that SLWP would be looking to let the contract to a company with expertise in grounds maintenance and management of staff. The SLWP is not a contractor but a partnership experienced in procurement

In response to a question from Councillor John Sargeant about the detailed analysis of costs and savings, Councillor Judge said that this information was available and could be shared with scrutiny.

Councillor John Sargeant asked why there hadn't been any pre-decision scrutiny of the proposals and how scrutiny would be involved in scrutinising any contract that was awarded. Councillor Andrew Judge replied that the proposals had been finalised recently and that the Panel would be able to scrutinise parks management in the future should the service be externalised .

The Chair invited the registered speakers to address the Panel:

Jane Plant, Tree Warden Group Merton

Jane Plant said that Merton had the lowest spend on parks of any London borough. She asked whether, if parks maintenance was to be privatised, there would be sufficient remaining knowledge to produce adequate contract documentation and then to monitor the contract. Her concerns were that experienced staff would leave and that remaining staff would be overworked. She urged the council to avoid getting locked in to a 25 year contract and warned that a contractor's primary concern would be profit.

Tom Walshe, Sustainable Merton

Tom Walshe said that he had had a very positive experience of scrutiny through his involvement in a recent task group and he had seen what could be achieved. He said that, in contrast, decision making on this proposal had been conducted in an almost secret way and that had been an affront to the many people who were involved in running local green spaces. He urged the council to use some of its reserves to protect open spaces in the borough and keep the parks maintenance service in house. He said that many volunteers would be disinclined to help a private company.

Joe Adigwe, Staffside, GMB Branch Secretary

Joe Adigwe said that the proposals had far reaching consequences for the workforce and had been made without meaningful consultation with staff. He said that the trade unions had grave misgivings about outsourcing and concerns about the accountability of private companies. He stressed the importance of greenspaces as a community asset that contributes to people's wellbeing.

Stephen Hammond, MP for Wimbledon

Stephen Hammond questioned the decision to outsource and said that the South London Waste Partnership, whatever its experience, has no history of parks maintenance and is therefore untested in this area. He said the planned standards and efficiency gains were unclear and that the contract would need break clauses and monitoring for reassurance. He feared that local knowledge and expertise would be lost. He also referred to the evidence given by the other witnesses about feeling that they had not been properly consulted and that their views had not been taken into account.

The Chair then invited two of the call-in signatories to speak:

Councillor Peter Southgate

Councillor Peter Southgate said that, in his position as Chair of the Overview and Scrutiny Commission, he was proud of scrutiny's record and that the recent flurry of call-in requests suggested that opportunities for pre-decision scrutiny had been missed. He said that he had called in the decision in relation to greenspaces due to a number of concerns about the soundness of the information on which Cabinet's decision was based, the timing, level of savings and the lack of consultation with staff and friends of parks groups. He reminded members that the contractor's primary concern will be profit and urged the Panel to refer the matter back to Cabinet if they had any doubts about the soundness of the decision.

Councillor David Dean

Councillor David Dean expressed disappointment that the Cabinet Member for Environmental Sustainability and Regeneration had left the meeting early. He said that he had received numerous emails and letters from residents, staff and members of friends of parks groups who were concerned about Cabinet's decision. He expressed his opinion that the council has reached a "rainy day" and should consider using its reserves. He expressed doubts that contracting out is the best way forward or the best way to achieve savings. He asked that parks maintenance and green spaces be kept in-house and that there be consultation on the issue.

Chris Lee, Director of Environment and Regeneration made a number of points in response to questions from Panel members:

- the steering group explored a number of options and then carried out soft market testing in August, after which the option was seriously considered and discussed with the Cabinet members
 - he agreed that savings in and delivery of these services could only be achieved by specialist providers. SLWP will be looking for a company with experience in horticulture and grounds maintenance – there is a mature market for parks maintenance.
 - the majority of the steering group's time had been spent on discussing waste issues
 - the background papers show that the decision on Lot 2 was a difficult one as two of the boroughs had already externalised provision. There is no option to join the Kingston contract.
 - The savings estimates are provisional at present and will be firmed up through iterative 'competitive dialogue' with potential providers with an outcome focussed specification to develop innovative ways of providing services. The government, in recognition of this innovative approach, have awarded the council and its partners over £1m to assist with the procurement process
 - The contract will have 7 year break clauses as is usual with contracts of this type. The proposed contract length is based on experience of the market and the normal life of vehicles deployed .
 - the detail of the current budget for the service is published in the Budget Book
 - the proposal to externalise is because savings could not be made if the service is retained in-house without significantly affecting service standards that could be offered as staff cuts would reduce resilience. Externalisation with partner boroughs attracts greater economies of scale which mitigates the impact on front line services. Some redundancies will be made as part of the wider savings process leading up to the externalisation but not because of externalisation.
 - SLWP is being used as a vehicle for procurement through which significant savings can be achieved. SLWP will not be involved in managing the procured services at a local level – Merton will manage the contract and monitor standards
 - Sutton's executive have signed off a similar report for procurement through SLWP and are also exploring shared services plus an in-house bid/ service
- Panel members discussed the evidence received and varying views were expressed.

Councillor David Williams moved and Councillor Daniel Holden seconded that the Panel should refer the matter back to Cabinet, recommending that Cabinet should examine financial information in more detail, revisit the reasons why procurement should be carried out through the South London Waste Partnership and receive more detail on the proposed contract management as well as the Panel's concern about

the length of the contract. A vote was taken, 3 members were in favour and 4 against. The motion fell.

The Panel then voted on whether to uphold Cabinet's decision. 4 members voted in favour. Councillors David Williams, Daniel Holden and John Sargeant abstained and asked for their abstention to be recorded in the minutes. The motion was carried.

4 SOUTH LONDON WASTE PARTNERSHIP APPENDICES 2-11 (Agenda Item 3a)

The appendices were discussed as part of agenda item 3.

5 ADULT EDUCATION IN MERTON - OPTIONS APPRAISAL (Agenda Item 4)

The Chair invited Councillor James Holmes to speak as a signatory to the call-in request. Councillor James Holmes said that he believed that the Cabinet's decision was based on incorrect information and assumptions and had therefore been flawed. He laid round a sheet of paper containing two graphs, drawn from council data (the graphs have been published with the minutes). The first graph showed a sharp fall in the council's financial contribution to Merton Adult Education. The second graph showed an increase in commercial courses that will increase income received. Councillor James Holmes added that the ward data showing service usage was flawed due to the location of the site at Whatley Avenue.

The Chair invited the registered speakers to address the Panel:

Sue Hubbert, Merton Adults First

Merton Adults First is an organisation for carers of adults with a learning disability. Sue Hubbert handed a written statement to Panel members (published with the minutes). She said that many adults with learning disabilities use the Whatley Avenue centre and feel secure there. She highlighted the uniqueness of the environment at Whatley Avenue in successfully bringing together a wide mix of people. She feared that the loss of the centre would adversely impact on adults with learning disabilities and that support to travel to other centres would not be forthcoming given the context of cuts to the learning disabilities team. She urged the council to retain this specialist centre of excellence and take into account the needs of this highly vulnerable group of service users when making decisions about the future of the adult education service in Merton.

Gay Bennett Powell, Save Merton Adult Education

Gay Bennett Powell said that the consultation and accompanying communication had been poor. She said that there were leading statements within the consultation document, biased description of the options, that some of the wording was unclear and inaccessible to lay readers. She also criticised the provision of the same questionnaire to people with learning disabilities and those for whom English is not their first language as being inappropriate given their very different profile and needs.

Alison Caraccio, UNISON

Alison Caraccio said that the number of reviews of adult education in recent years demonstrates a lack of commitment to the service. She pointed out that 41% of adult learners live in the east of the borough and feared that the diverse needs of existing learners will not be catered for by the commercial model of provision. She urged the council to be transparent about its plans for the future of Whatley Avenue, including detail about the value of the site.

Shas Sheehan

Shas Sheehan asked the council to focus on the impact that the proposals would have on vulnerable groups and to bear in mind the prevention objectives of the Ageing Well programme. She said that consultation on the options had been belated and rushed. She said that the council's reserves provide it with choices on spending and urged the council to postpone a decision on the adult education service so that a different vision could be considered, perhaps along the lines taken by Sutton Council.

Stephen Hammond, MP for Wimbledon

Stephen Hammond said that the decision undervalued the service. He pointed to the excellent service provided and the benefit to the community, including to vulnerable individuals, in all parts of the borough. He said that Councillor Holmes had demonstrated the flaws in the financial case. He read out some quotes from representations made to him by constituents who valued the service. He urged the Panel to refer the decision back to Cabinet and he called for honesty and transparency regarding plans for the Whatley Avenue site.

The Chair invited Councillor Martin Whelton, Cabinet Member for Education, to respond. Councillor Martin Whelton thanked the speakers for their contributions and said that it had been a difficult and challenging decision to take but one that had to be made given the financial situation facing the council. He said that the financial graph circulated by Councillor James Holmes showed predicted budgets but did not include the overspends and overheads and that these are likely to continue.

Councillor Martin Whelton said that he believes that adult education provides a valuable role in the community which is why Cabinet has chosen to continue to provide it. He said that the public consultation had been wide and extensive, that he

had met with groups representing vulnerable people and he had listened to them. He said that he is committed to bridging the gap between the east and the west of the borough and that an equality impact assessment will be provided to Cabinet for its decision following the consultation.

In response to a question from Councillor Russell Makin about the future of Whatley Avenue, Councillor Martin Whelton said that there would be consultation on any future proposals and that any proposals would be drawn up in discussion with Joseph Hood School as the sites are interlinked.

Councillor John Sargeant said that he regretted the lack of pre decision scrutiny on this issue and asked a number of questions about the public consultation. In response, Councillor Martin Whelton said that views heard during the consultation would be taken on board but the financial situation would also need to be taken into account in order to put the service on to a sustainable long term footing and also taking into account service users with special needs. Councillor Martin Whelton said that the preferred option had been selected on the basis of detailed information that had been made available to Cabinet. Councillor John Sargeant said that it would be helpful if this could also be provided to the Panel.

Councillor Tobin Byers asked Simon Williams, Director of Community and Housing, about the financial risks associated with continuing the existing model of provision. Simon Williams said that the main funder, the Skills Funding Agency, had reduced funding each year whilst expecting more for the money provided and that he expected this to continue. He said that the fixed costs associated with the existing model of one main centre at Whatley Avenue made it difficult for the council to respond quickly to reductions in funding provision.

In response to a question from Councillor David Williams, Simon Williams said that there hadn't been a detailed financial appraisal of each of the options. He said that the three options in which the council was the provider would keep the financial risk within the council, and the two commissioning options would transfer the financial risk, and that this was sufficient at this stage to go out to consultation. He said that detailed financial analysis had been done on how the service operates at present; it would take considerable time to provide a financial model for the partnership options as this would require a partner to be found and details to be worked up in partnership.

In response to a question, Simon Williams offered an explanation for the two graphs laid round by Councillor James Holmes. The first showed planned expenditure, so the planned reduction in council financial support required savings which had not been achieved which is why there is an overspend. The second showed an increase in commercial learners but the income from this hasn't been sufficient to offset funding cuts and required savings.

Councillor David Williams said that the demographics of the areas around the Whatley Avenue site and the South Thames College were similar and so a move wouldn't impact on the profile of learners. He also said that the high fixed costs referred to in the Cabinet report would remain unless the Whatley Avenue building was sold. In response, Councillor Martin Whelton said that the South Thames College was slightly closer to the less affluent parts of the borough and that no decision had yet been made on the future of the Whatley Avenue site.

At 10:10pm the Panel agreed to suspend standing orders and to extend the meeting by fifteen minutes in order to finish at 10:30pm.

In response to questions from Councillor Abigail Jones and Councillor Stan Anderson about how the consultation would progress, Councillor Martin Whelton said that there had been two well-attended public meetings plus a printed and online questionnaire, with the deadline now extended to 4 January. He encouraged people to respond to the questionnaire. The results will be made available to the meeting of Cabinet on 19 January and there will be an opportunity to make representations at that meeting.

In response to a question about progress on implementing the recommendations from the scrutiny task group on adults skills and employability, Yvonne Tomlin-Miller (Head of Community Education), said that discussion has started with Kingston University regarding possible franchising but more time would be required to develop a marketing strategy and implement it.

Councillor John Sargeant sought reassurance on the future of the Ageing Well programme. Simon Williams said that there are a variety of Ageing Well activities across the borough as well as ways of continuing learning provision in places other than Whatley Avenue. He said that he would do his utmost to ensure that the quality and outcomes that service users value will continue to be available in whatever model is provided.

Panel members discussed the evidence received and varying views were expressed about whether to ask Cabinet to reconsider the decision and to review the financial information.

The Panel then voted on whether to uphold Cabinet's decision. 4 members voted in favour and 3 against. The motion was carried.

