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SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY PANEL 7 SEPTEMBER 2016

(7.15 pm - 9.30 pm)

PRESENT: Councillors Abigail Jones (in the Chair), Daniel Holden, David Chung, Russell Makin, John Sargeant, Imran Uddin, Laxmi Attawar and Abdul Latif

ALSO PRESENT: Councillor Martin Whelton (Cabinet Member for Regeneration, Environment and Housing), Jason Andrews (Environmental Health Pollution Manager), Paul Foster (Head of the Regulatory Services Partnership), Chris Lee (Director of Environment and Regeneration), James McGinlay (Head of Sustainable Communities), Jim Rogers (Business and Customer Services Manager), Cormac Stokes (Head of Street Scene and Waste) and Simon Williams (Director, Community & Housing Department)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Councillors Anderson and Bull gave their apologies for the meeting.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of pecuniary interest.

3 MINUTES OF THE PREVIOUS MEETINGS (Agenda Item 3)

The minutes of the call-in meeting (2 June 2016) and of the last Panel meeting (9 June 2016) were approved as an accurate record.

Matters arising:

- The Chair reported she had presented the reference to Cabinet that was agreed by the Panel as a result of its pre-decision scrutiny of the South London Waste Partnership procurement of waste collection and related environment services (the period of 'Preferred Bidder Fine Tuning' should be used to determine how many households would experience significant difficulty in storage and/or presentation of wheeled bins for regular emptying). This was accepted by Cabinet and will be actioned; and
- The Chair noted the South London Waste Partnership procurement of waste collection and related environment services was subject to a call-in (heard by the Overview and Scrutiny Commission because the Sustainable Communities Overview and Scrutiny Panel had already considered this issue at pre-decision stage). The outcome of the call-in was a resolution not to refer the decision back to Cabinet and as a result the decision took effect immediately.

4 ELECTED MEMBER PORTFOLIO PRIORITIES: CABINET MEMBER FOR REGENERATION, ENVIRONMENT AND HOUSING (Agenda Item 4)

Councillor Martin Whelton outlined his portfolio priorities for members:

- Regeneration of the borough: regeneration of estates is a key priority - consultation with residents on plans for High Path, Ravensbury and Eastfields will take place shortly. The Morden town centre redevelopment is ambitious and a major priority; this is about growth, jobs and housing. Crossrail2 will have a fundamental impact on the development of Wimbledon town centre but the first proposal was unacceptable – the council will not support this at any cost. The council is now working closely with Crossrail2 including to ensure effective engagement on the next round of consultation;
- Economic development: the council is working to make the borough attractive to business bringing the benefit of investment and jobs. For example, the Wimbledon master plan includes additional office capacity - this will exploit the prestige of the Wimbledon name, location and the available well educated population; and
- Housing: the degradation of the repairs service has been noted and is not acceptable. The council is ensuring the requirement that 40% of all developments are affordable homes is achieved.

In response to member questions, the Councillor also clarified:

- The regeneration priority also includes a focus on sustainability and the environment. This is demonstrated by the diesel levy as a key means of improving air quality;
- The need to address the disparity between the east and west of the borough is informing Cabinet's priorities. This is shown by the regeneration of Mitcham town centre which will bring additional jobs and is based on the engagement of a broad range of communities. The Councillor is aware this has had previous false starts and highlighted the need to work in partnership with key stakeholders such as Transport for London; and
- There is a need to strike a balance between the views of residents and businesses including addressing resident discontent around commercial planning applications by getting the planning framework right.

5 CIRCLE HOUSING MERTON PRIORY: QUESTIONS REGARDING MERGER WITH AFFINITY SUTTON (Agenda Item 5)

Austen Reid, Chief Operating Officer of Circle Housing Group and Neil McCall, Group Operations Director of Affinity Sutton, appeared before the Panel to answer questions on the forthcoming merger of the two organisations. The merger was introduced as necessary because of the end of the public subsidy and the on-going need for substantial additional housing in London and England. The consent of the Homes and Community Association (HAS) to the merger is anticipated this month and the legal merger is expected in November 2016.

The merger will allow 50,000 new homes to be built over the next decade; efficiencies will be achieved through the two organisations coming together which will allow investment in affordable housing. Additionally, the commercial sale of housing will be used to cross subsidise the development of affordable housing.

In response to member questions, Mr Reid and Mr McCall clarified:

- The business case for the merger was agreed by both boards in December 2015. Residents were consulted in January 2016 with the boards of both organisations considering the outcomes of this exercise;
- This is a merger: the two companies will come together with no money changing hands. Circle will actually be merged into Affinity but this will be a completely new organisation with a new name and brand which isn't yet approved and therefore cannot be announced;
- Based on Affinity's prior experience of managing housing stock in Bromley and Sutton, it has been established that it is best to provide a local and in-house maintenance and repairs service (excluding gas servicing). This will be a key outcome of the merger. Mr Reid noted he had been specifically appointed to address delivery issues and that he sees the merger as they key means of achieving a solution. He noted Affinity's strong track record on repairs;
- The consultation on the nature of the merger didn't receive much interest from residents; their interest is in repairs, security of tenure and what organisation is their landlord;
- Noted they have responded to Stephen Hammond MP and are happy to meet with him and the High Path Residents Association;
- Gave reassurance that the new organisation will have customer service at its core. It will undertake 1,000 repairs a day and have an open and transparent culture with a commitment to service;
- Feel it is important to have an in-house repairs service and to move away from a schedule of rates which typically adds time and costs to the repair process – confidence is provided where those undertaking repairs are doing so as your employees;
- All emergency repairs will be completed within 24 hours. All others will achieved through making an appointment with the resident and subsequent planning;
- Whilst the promises made to Merton as part of the stock transfer process are coming to an end, the new organisation does want to retain its relationship with the council. How this relationship will be structured is not fully understood as discussions are on-going about putting in place a regional board for the South London boroughs. This will feature local representation;
- Acknowledged the need to improve the response to enquires made by Councillors and avoid the need for discussion of individual cases at Panels such as Sustainable Communities. This will be specifically examined as part of the merger process; and
- Discussions are on-going with the council about what involvement the new organisation can have in the borough's regeneration plans. The High Path regeneration is seen as just the start of what is possible. Noted that councils are beginning to work with housing associations on regeneration projects as their capacity develops and they gain experience in managing the risk involved.

Members asked to be kept informed of the new organisation's developing strategy so that this can be scrutinised. The scrutiny officer will ensure that once the new organisation is established, members will be informed of how to make contact and raise issues on behalf of residents in their wards.

6 PRE-DECISION SCRUTINY: DIESEL PREMIUM REPORT (Agenda Item 6)

Members were asked to comment on the principle of imposing a levy on the most polluting vehicles through a differentiated cost for resident parking permits for diesel vehicles. Additionally, they were asked to comment on the level of the levy to be applied.

There was consensus amongst members in supporting the principle of a diesel levy in recognition of the seriousness of the air quality issue in Merton and diesel vehicles being the most polluting. Members also agreed that there is need for officers to give further consideration to how the diesel levy is going to be communicated; members expressed their concern about residents not being given sufficient notice (of at least a year) so they have a chance to change their behaviour before the levy is imposed. (It was noted diesel vehicles were previously thought to be the least polluting.) Members asked that more should be understood about the imposition of similar policies by other London boroughs, the variation and the extent to which these have and haven't been successful.

The precise value of the levy to be imposed was not discussed in detail. However, there was disagreement amongst members about the recommendation that parking permits should be free for electric cars. Some thought that given the costs of setting up Controlled Parking Zones, especially where these feature charging points for electric cars, then there should be a charge for parking permits for electric cars. However, others thought more should be done to promote the use of electric cars for which making parking permits free would be one option. It was explained to members that differentiated charging based on engine type is not considered appropriate given it isn't possible to rely on manufacturer specifications. It was suggested that officers consider a differentiated cost for parking permits where households have more than one vehicle.

In response to member questions, it was established the council has the legal authority to introduce this policy. Currently there are more Controlled Parking Zones in the west of the borough but that demand for these is growing in the east. This will mean the impact of this policy will be uneven initially but will become more equal over time. Also, that the highest pollution in the borough is associated with through-roads/red routes and that this policy won't impact on drivers using these roads, (efforts by the Major of London to address this issue were noted). Members called on officers to consider other options to address pollution from diesel vehicles that currently aren't parked within Controlled Parking Zones.

7 PRE-DECISION SCRUTINY: HIGHWAYS MAINTENANCE CONTRACT (Agenda Item 7)

The Panel unanimously supported the recommendation that the existing contract with FM Conway be extended for a further two years until 31 August 2019. This was determined on the basis of FM Conway's strong performance against existing indicators, re-procurement at this time being likely to result in increased costs, FM Conway having already provided cost savings with discussions happening on how to

secure additional efficiency and cash savings during the two year extension and there being a number of works on-going that are at a critical stage.

Panel members took the opportunity to encourage officers to use the two year period of the extension to position the Council as strongly as possible for a new tendering process. James McGinlay, Head of Sustainable Communities, agreed it will be important to consider in detail the tender specification and the timing of when this happens to ensure a smooth handover of any on-going works. There will also be exploration of whether it would be possible to work with other boroughs to secure a highways contractor.

8 PERFORMANCE MONITORING (Agenda Item 8)

Chris Lee, the Director for Environment and Regeneration, introduced the department's performance monitoring report by highlighting three issues:

- CRP 044: parking revenues are below target but the Automated Number Plate Recognition (APNR) system has been launched. This is still in its infancy making it difficult to understand the impact this is having/will have on revenues and driver behaviour;
- SP 065: the amount of household waste is increasing and the percentage of this that is recycled is static or decreasing. The cost of waste disposal is therefore increasing. As a result, the new arrangements for waste disposal to be provided by the South London Waste Partnership are incredibly important; and
- SP 114/115/116: incorrect values are being reported on the number of planning applications being determined within 8 weeks (data for July is currently missing). Revised figures are being manually produced but as these are yet to be verified they cannot be publicly reported although it appears performance isn't as far below the target as is currently indicated. Additional resource was placed in the planning team last year and has been maintained. Processes are currently being reviewed to ensure these are as efficient as possible. There is no risk at the current time of Government intervention on major planning applications but there is a risk around minors. It is thought though this would result in a request for an improvement process.

Additionally, in response to a member question, it was reported that the recent cancellation of the Wimbledon Park Live event incurred a cost to the council of £25K which will not be recovered.

9 COMMERCIALISATION TASK GROUP: VERBAL UPDATE FROM TASK GROUP CHAIR (Agenda Item 9)

Councillor Makin provided the Panel with an update on the work of the task group. Meetings have been held to understand more about the opportunities for the council to benefit from commercialisation. These include with other councils (Croydon and Harrow). An opportunity linked to street lighting has been identified and an external offer of funding has been made. A meeting has been held with the Cabinet member to discuss the draft report. Recommendations on the commercial use of the Merton brand and building office space owned by the council have been initially rejected.

Panel members agreed that a further meeting should be held with the Cabinet Member and Chris Lee to try and reach a resolution. It was agreed that the task group report should not be abandoned and that Cabinet would ultimately have to respond to the Panel on any recommendations it does not support. The draft of the report should be distributed to all members for their informal feedback.

10 TASK GROUP (2016/2017): SCOPING DOCUMENT (Agenda Item 10)

Members agreed to establish a task group that would focus on how to improve air quality in Merton through measures additional to the diesel levy. The terms of reference of the task group will be considered in detail and agreed by the task group members at its first meeting.

Councillors Imran Uddin and Daniel Holden volunteer to become members of the task group. It was agreed that all other councillors will be invited to join the group and an initial meeting will be organised for Councillors Uddin and Holden with the relevant officers.

RESOLVED: to establish an air quality task group.

11 WORK PROGRAMME (Agenda Item 11)

The following items were discussed with regard to the work programme:

- Public Transport Liaison Committee: James McGinlay confirmed that a meeting of the Committee is currently being organised by his team and is anticipated to happen in late autumn/early winter. It is likely that Crossrail2 will comprise a large part of the agenda. Its forthcoming further consultation round is likely to inform the precise date of the meeting;
- Wimbledon Park master plan: it was agreed this should come to the Panel. James McGinlay will consult with the lead officer (Christine Parsloe) and discuss the timing with the scrutiny officer;
- Housing company proposal: this will go to Cabinet in October and Full Council in November. The timing therefore means it is unlikely to come to the Panel. Members express their disappointment and highlighted Full Council does not provide the opportunity for a detailed discussion;
- Changes to the planning process: members enquired when this issue would return to the Panel. It was highlighted that this will be considered next as part of the pre-decision item at the November meeting on the proposed shared planning service;
- Agenda for the next (November) meeting: it was highlighted that the agenda for the next meeting is very full. This will be reviewed by the Chair and the scrutiny officer outside of the meeting; and
- Co-opted members: members agreed that they would co-opt members to the Panel where specific expertise is identified as needed.