

# Agenda Item 3

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## CABINET

15 FEBRUARY 2016

(7.15 pm - 8.23 pm)

PRESENT Councillor Stephen Alambritis (in the Chair),  
Councillor Mark Allison, Councillor Nick Draper,  
Councillor Caroline Cooper-Marbiah, Councillor Andrew Judge,  
Councillor Judy Saunders and Councillor Martin Whelton

Paul Ballatt (Assistant Director of Commissioning, Strategy and Performance), Ged Curran (Chief Executive), Paul Evans (Assistant Director of Corporate Governance), Caroline Holland (Director of Corporate Service), Cormac Stokes (Head of Street Scene and Waste) Simon Williams (Director of Community and Housing), and Chris Pedlow (Senior Democratic Services Officer).

ALSO PRESENT Councillors Hamish Badenoch, Suzanne Grocott, Jeff Hanna, Daniel Holden, Janice Howard, Mary-Jane Jeanes, Linda Kirby, Gilli Lewis-Lavender, Peter McCabe, Oonagh Moulton, David Simpson, Peter Southgate, Linda Taylor, Peter Walker, and David Williams.

### 1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillor Maxi Martin and Edith McCauley.

### 2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

Councillor Draper asked that it be recorded for openness and transparency purposes that his son was disabled and had special care needs and could be affected by changes to adult social care funding. However it was not a pecuniary interest for Councillor Draper.

### 3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The minutes of the meeting held on 18 January 2016 were agreed as a correct record.

### 4 FINANCIAL MONITORING DECEMBER 2015 (Agenda Item 4)

The Cabinet Member for Finance presented the report which provided the regular monthly financial monitoring update for December 2015, in respect of the 2015/2016 financial year. It was noted that the net overspend expected at the year-end was £2.6million, under 0.5% of the gross budget, which had decreased by approximately

£400k since the previous month's report. It was noted that the report would be scrutinised by the financial monitoring task group as it was also the end of Quarter 3 report.

RESOLVED:

That Cabinet

- 1) notes the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £2.6million, 0.5% of the gross budget.
- 2) approves the virement of £223k from the corporate contingency to Children, Schools and Families for the third and fourth quarter costs of additional social worker capacity.
- 3) notes the adjustment to the Capital Programme contained in the Appendix to the minutes.

#### 5 BUSINESS PLAN 2016-20 (Agenda Item 5)

The Leader addressed the Cabinet and stated he intended to take item 5 Business Plan 2016-20, item 6 Reference from the Overview and Scrutiny Commission – pre decision scrutiny of the Business Plan 2016-20 and also item 8 ASC savings and consultation report together because the three items were intertwined. The Cabinet supported that approach as it would ensure that all the issues on these items would be heard, discussed and assessed in context.

The Cabinet Member of Finance, addressed the Cabinet and thanked the officers for producing such detailed documentation to allow the Cabinet to look at the budget and its implications in such an in-depth level of detail. He noted that the Council's approach was business-like in using the Medium Term Financial Strategy (MTFS) to set a balanced budget not just for the year ahead but also for future years. This approach also allows residents to feel a sense of financial security going forward, including on council tax levels.

He assured Cabinet that the public's views on the budget had been listened to, with a large amount of consultation and at least two rounds of scrutiny. The Scrutiny process, as every year, had been interesting and challenging and Cabinet would do its best to take scrutiny recommendations on board. He noted that a significant amount of cuts and savings are required this year to achieve a balanced budget and that Cabinet would continue to abide by the 'July Principles' which were established by cross party agreement in 2011, to help it to focus on the core values of the council and to ensure that the savings were achieved in the fairest way possible. For example, the ratio of savings coming from important core services such as adult social care and children services are lower than for other services.

He said that scrutiny had largely supported the proposed savings. The exception was the Healthier Communities and Older People Overview and Scrutiny Panel which had flagged concerns in respect of proposals relating to adult social care savings

including that for the Crossroads service for carers. The Overview and Scrutiny Commission had endorsed those areas of concern.

The Cabinet Member of Finance said the Cabinet has taken notice of those comments and looked for ways to mitigate these concerns. It was proposed to continue funding the Crossroad service for another year, whilst working with them to look exactly at what they provide and how it could be done more efficiently. In relation to general concerns about adult social care it is proposed that a fund be established, using the surplus from the New Homes Bonus, of approximately £1.3million that could be drawn upon to help out when there was significant pressure on adult social care.

He said that the proposed approach would not require Council to raise the level of council tax, thereby addressing concerns that residents had expressed about this.

Councillor Peter Southgate, the Chair of the Overview and Scrutiny Commission, was then invited to address the Cabinet to feedback from scrutiny. Councillor Southgate acknowledged that each year it was more difficult to find savings that were acceptable and said that the scrutiny panels had generally recognised that fact. The Healthier Communities and Older People Overview and Scrutiny Panel, having heard from a number of groups affected by the proposals, voted unanimously to request that Cabinet reconsider approximately £2million of adult social care savings proposals, including staffing reductions in the assessment and commissioning teams and the previously mentioned savings relating to Crossroads.

Councillor Southgate then presented to Cabinet some options to potentially mitigate the cost of reconsidering those savings. The options included lowering the assumed rate of inflation for the forthcoming year from 1.5% to 0.5%, which he suggested would be worth £1million. Another option would be the use of the adult social care precept. Councillor Southgate said that a 2% precept would increase Band D council tax by £22 but that, as the GLA was cutting its precept by £19 for a band D, that would result in a net rise of £3. He noted that the £3 would equate to approximately £1.3million for adult social care. He added that a 1.7% precept would result in no change to council tax levels but would raise an extra £1million for adult social care on an ongoing basis.

John May, the Chair of South Thames Crossroads, was then invited to address Cabinet. Mr. May stated that had been the Chair for 14 years and stressed how much carers value the services that are provided. He said that the proposal to withdraw the service was a false economy because it would lead to an increase in demand for more formal services such as nursing homes, care homes or hospital beds. The Crossroads service costs around £5k per year per person compared to a median estimate of £30k per year for a nursing home.

Councillor Mary-Jane Jeanes was then invited to address Cabinet. She said that the cuts by the Government in recent years had been hard on society, but that the Council had a duty of care and could make choices locally to protect the most vulnerable people. She welcomed the proposal by Councillor Allison on the future of Crossroads and the establishment of the £1.3million fund. She urged Cabinet to use

the 2% adult social care precept, stating that the Council could not afford not to do so and that she did not believe that it was right to cut adult social care services which at least could be partially be protected by the precept. She said that people she had spoken to would gladly pay a few extra few pounds a month knowing that it was funding support for adult social care and improving people's quality of life.

Shelia Berry, GMB union, was then invited to address the Cabinet. She said that GMB is the largest union in the Council and represents a large number of officers in the adult social care services across the council. She said that no one liked to pay taxes but most would agree that we do so for the greater good and that recent surveys had shown that people would be willing to pay a bit more to fund care for the elderly and disabled within our community. She provided the Cabinet with an example of how constantly reducing the funding for social care had affected the care being provided – a contract was let last year at a lower value than previously, leading to reduced terms and conditions for staff which then led to a number of staff leaving. She urged the Council to take the adult social care precept to raise the Council Tax level by 2% for a ring fence fund of approximately £1.7million to provide support for the most vulnerable in the Borough.

The Leader asked that it be noted that the Cabinet had received a representation from Unison in advance of the meeting on these items.

The Cabinet Member for Adult Social Care and Health then addressed the Cabinet and thanked the speakers for putting forward their views and providing some important and interesting thoughts for Cabinet to consider. She stressed that context to the decisions facing the Council is a reduction in funding from government by almost half since 2010 together with an increase in need for adult social care. She had received a letter from a service provider recently stating in their view that adult social care needs an extra £4billion to provide the sufficient service across the country. She said that she agreed with the Leader that increasing council tax to find a £1million here and there would be like putting a small plaster over a wide cut that required stitches.

She continued by saying that the council was doing its best under very difficult circumstances and that what made a difference in Merton was the council's good financial management, and its ability to listen. As the Cabinet Member with responsibility for adult social care she wished like to thank the Leader and the Cabinet Member for Finance for finding an additional £1.3million to support vulnerable residents and that this would allow the Council to keep its promise to the hard pressed residents on freezing the level of council tax. She and the Cabinet Member for Finance had attended the scrutiny meeting when this issue was discussed and were impressed by their thoroughness and by their emphasis on the importance of respite care for carers. She therefore welcomed the additional money the Cabinet have found to support Crossroads. She said that she looked forward to working with them to help improve their services so to be efficient and provide a service that carers actively want to use.

The Leader then invited other Cabinet Members to speak on the items. The Cabinet Member for Environmental Sustainability and Regeneration commented that he was

pleased that the Cabinet had been able to find vital additional funding for adult social care as the original proposals would have likely been unsustainable for the service and the support required by our residents. He sought confirmation that the proposed additional funding for the Crossroads was £164,000 for the coming year. Also that the proposed new fund for vulnerable people would be £1.3million, and it would be for adult social care and children services and what the process was to access the funds. He commented that Crossroads was a vital service as is domiciliary care, as is meals on wheels, support for mental health and so many other services which the council has a moral obligation to provide and that he was so pleased that the Cabinet had been able to support them through the new recommendations. In concluding, he hoped that Cabinet would instruct officers to seek similar significant funds for funding for future years so we could keep this approach going for the remainder of the current MTFS.

In response it was confirmed that those figures were correct and that that the fund would work by senior officers bidding for additional money from the fund to support and improve services when required.

The Cabinet Member for Community and Culture also addressed the Cabinet and commented that his view would be influenced by being a carer for his son as referenced in his declaration of interest at the start of the meeting. He said that he therefore understands the importance of adult social care and how vital it was to those users' lives who rely on it as well as the importance of supporting the carers through projects such as Crossroads. He was confident that whatever changes occur in the budget that the Council would still support those in need as it is a caring and compassionate organisation. He said that councillors have that duty of care and he was confident that the decisions which were being taken would ensure that the Council would be continuing to do this.

The Leader then invited any of the Directors to comment on the reports. The Director of Community and Housing commented that he has had, and would continue to have, dialogue with Crossroads on the services that they provide for the Council. He confirmed that he and his team were committed to supporting carers in the flexible manner that they require and that the Cabinet's renewed commitment to Crossroads would help with this. He and his directorate would be more than willing to help Crossroads and other carers' organisations become more efficient and plan for the future in terms of the service that they provide.

The Director of Corporate Services then addressed the Cabinet to provide some clarification on some of the points raised during the discussions. On the suggestion over the varying the levels of inflations, Cabinet were referred to section 5B, page 8 of the report that provides details on the levels of inflation and the impact of variation. Based on that information, it was believed that varying predicted inflation levels as suggested would not create the implied impact. Also, that previously there had been suggestion over the use of reserves and utilising them differently - information pertaining to this was detailed in section 5B, page 16 for Cabinet's consideration. In terms of the New Homes Bonus which has been discussed by the Cabinet, they should be aware that that additional income had been already identified with the MTFS and as such, should the Cabinet decided to use that money for a new fund,

there would be a knock-on effect on the MTFs in the future. The Cabinet were also reminded that the revised equality impact assessments were contained within the report and that these differ from the original published Business Plan consultation pack..

In concluding the discussion the Leader confirmed that the proposed package for Crossroads, to ensure they remained on a sound footing, was to be £164,000, and that the Saving Mitigation Fund reserve would be £1.3million taken from the New Homes Bonus. The officers would be asked to seek to identify similar significant funding if available for future years. He thanked his Cabinet, Officers and the speakers, noting what a difficult time it was for all councils across the country and especially here in the London Borough of Merton. The Leader confirmed he would be engaging with the NHS, including our local hospitals and Merton CC, on wide discussions such as bed blocking, adult social care in general and how all partners could provide an improved service for our vulnerable residents. The Leader then emphasised the importance of the July principles from 2011, when it was stated that adult social care and children services would take much less of a cut of the savings compared to other services.

He continued by saying that it was important for the Council to be in charge of its own destiny and to make its own plans for its finances. It was for the Council us to decide how best to look after residents, especially vulnerable people. He said that they had found £1.3million to do so without needing to increase council tax. He said he wanted to assure all those present and local residents that Merton is a caring Council, that listens and responds to scrutiny. Through good stewardship in terms delivering extra housing there is an increased new homes bonus and that would be used to support vulnerable residents. He said that he would continue to challenge the officers to find ways to achieve additional funding to ensure this will be available in the future.

The Leader then proposed the following two new recommendations 10 and 11:

- 10) in response to concerns raised at Scrutiny, review the current level of service being provided by Crossroads if they were to continue into 2016/17, with any shortfall being met from non-recurring savings and work with them to enable them to re-focus their service from 2017 in line with the needs of carers and in particular in order to offer a competitive and quality service to carers with personal budgets who want to choose the respite package that suits their needs best.
- 11) in response to concerns raised at Scrutiny that the reduction in government funding is causing pressures in adult social care in particular, that a new "Savings Mitigation Fund" reserve of £1.3m is established by applying the additional New Homes Bonus to reduce the impact in 2016/17 on our most vulnerable residents, to update the MTFs accordingly and that officers are asked to seek to identify if similar significant funding is available in future years.

The Leader also requested that a full detail minute of the discussion be made produced.

RESOLVED:

That Cabinet

- 1) considered and agrees to response to the Overview and Scrutiny Commission;
- 2) resolved that, having considered all of the information in this report and noted the positive assurance statement given by the Director of Corporate Services based on the proposed strategy, the Council Tax in 2016/17, equating to a Band D Council Tax of £1,102.25 be approved and recommended to Council for approval. This represents a Council Tax freeze.
- 3) considered all of the latest information and the comments from the scrutiny process, and makes recommendations to Council as appropriate
- 4) resolved that the Business Plan 2016-20 including the General Fund Budget and Council Tax Strategy for 2016/17, and the Medium Term Financial Strategy (MTFS) for 2016-2020 as submitted, along with the Equality Assessments (EAs), be approved and recommended to Council for approval subject to any proposed amendments agreed at this meeting;
- 5) resolved that, having considered all of the latest information and the comments from the scrutiny process, the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy); the Treasury Management Strategy (Section 5), including the detailed recommendations in that Section, incorporating the Prudential Indicators and the Capital Strategy (Section 4) as submitted and reported upon be approved and recommended to Council for approval, subject to any proposed amendments agreed at this meeting;
- 6) notes that the GLA precept will not be agreed by the London Assembly until the 22 February 2016, but the provisional figure has been incorporated into the draft MTFS
- 7) requests officers to review the savings proposals agreed and where possible bring them forward to the earliest possible implementation date
- 8) notes that there may be minor amendments to figures in this report as a result of new information being received after the deadline for dispatch and that this will be amended for the report to Council in March
- 9) approves the Risk Management Strategy
- 10) in response to concerns raised at Scrutiny, review the current level of service being provided by Crossroads if they were to continue into 2016/17, with any shortfall being met from non-recurring savings and work with them to enable them to re-focus their service from 2017 in line with the needs of carers and in particular in order to offer a competitive and quality service to carers with

personal budgets who want to choose the respite package that suits their needs best.

- 11) in response to concerns raised at Scrutiny that the reduction in government funding is causing pressures in adult social care in particular, that a new "Savings Mitigation Fund" reserve of £1.3m is established by applying the additional New Homes Bonus to reduce the impact in 2016/17 on our most vulnerable residents, to update the MTFs accordingly and that officers are asked to seek to identify if similar significant funding is available in future years.

#### 6 REFERENCE FROM THE OVERVIEW AND SCRUTINY COMMISSION – PRE DECISION SCRUTINY OF THE BUSINESS PLAN 2016-20 (Agenda Item 6)

The detailed discussion on this item was held along with item 8, Adult Social Care (ASC) 2016/17 budget savings under item 5 Business Plan 2016-20. The Leader and his Cabinet felt the three items were intertwined in their nature. It was agreed that this approach would ensure that all the issues on these items would be heard, discussed and assessed in context.

#### RESOLVED

That Cabinet, in taking decisions relating to the Business Plan 2016-20, acknowledges the comments and recommendations made the Overview and Scrutiny Commission and the outcomes of consideration by the Overview and Scrutiny Panels, as detailed in paragraphs 2.5 to 2.12 and in Appendix 1 of the report.

#### 7 REFERENCE FROM SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY PANEL – RESULTS OF WHEELED BINS PILOT (Agenda Item 7)

The Cabinet Member for Environmental Cleanliness and Parking presented the reference from Scrutiny on the results of the wheeled bins pilot. The Cabinet Member commented she was pleased generally with how the pilot went and what they had learnt from it. She thanked the Scrutiny Members for their response to the pilot especially the four key areas that they identified for further consideration. It was confirmed that in the update report on the pilot that would be put before Cabinet at its meeting on 7<sup>th</sup> March those four areas would be addressed.

#### RESOLVED

That Cabinet agrees to consider the recommendations of the Sustainable Communities Overview and Scrutiny Panel when reviewing the findings and recommendations resulting from the wheeled bins pilot.

#### 8 ASC SAVINGS AND CONSULTATION REPORT (Agenda Item 8)



The detailed discussion on this item was held along with item 6, Reference from the Overview and Scrutiny Commission – pre decision scrutiny of the Business Plan 2016-20 under item 5 Business Plan 2016-20. The Leader and his Cabinet felt the three items were intertwined in their nature. It was agreed that this approach would ensure that all the issues on these items would be heard, discussed and assessed in context.

RESOLVED

That Cabinet

- 1) finalise the recommended budget for Adult Social Care (ASC) in 2016/17 (£74.845m gross and £51.481m net) for Full Council, including required savings, taking into account the outcome of the consultation exercise and taking into account any recommendations from the relevant Overview and Scrutiny Panel and Commission.
- 2) authorise the Director of Community and Housing, within the council's Constitution, to take the action necessary to achieve these savings.

#### 9 EXCLUSION OF THE PUBLIC (Agenda Item 9)

RESOLVED

That the public were excluded from the meeting during consideration of the following reports on the grounds that they were exempt from disclosure for the reasons stated in the reports.

#### 10 MERTON ADULT EDUCATION: COMMISSIONING (Agenda Item 10)

The Cabinet Member for Education presented the report which provided an update on the commissioning model for adult education and sought approval for the awarding of contracts for specific lots following a procurement process. It was emphasised that the procurement had followed the agreed commissioning principles.

In discussing the report it was acknowledged that it had not been possible to award Lot 3, - Learners with Learning Difficulties and Disabilities (LLDD). However further work on procuring Lot 3 was had started including a number of discussions with a number of potential providers for this services and it was expected that it would be possible to source a provider for Lot 3 by July.

The Cabinet Member informed Members that following the recent OFSTEAD inspection of the current adult education, they rated the service as 'requires improvement.' Also OFSTEAD confirmed that the Council's decision to go out and seek commissioning for the service was the right decision.

RESOLVED

That Cabinet

- 1) notes the progress made so far in moving to a commissioning model for adult education and specifically the procurement process.
- 2) agrees to proceeding with Contract Awards on the basis set out in paragraph 2.4 and detailed in Appendix 1 of the report.
- 3) agrees to proceeding with remaining services in the way proposed.