

Agenda Item 3

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OVERVIEW AND SCRUTINY COMMISSION

28 JANUARY 2016

(19.15 - 21.35)

PRESENT: Councillor Peter Southgate (in the Chair),
Councillor Peter McCabe, Councillor Stan Anderson,
Councillor Hamish Badenoch, Councillor Brenda Fraser,
Councillor Suzanne Grocott, Councillor Jeff Hanna,
Councillor Abigail Jones, Councillor Oonagh Moulton,
Councillor Katy Neep
Co-opted members Denis Popovs and Geoffrey Newman

ALSO PRESENT: Councillor Mark Allison, Deputy Leader and Cabinet Member for Finance
Caroline Holland (Director of Corporate Services) and Julia Regan (Head of Democracy Services)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from John Hill, Head of Public Protection.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declaration of pecuniary interest. Councillor Peter McCabe said that when he was Mayor of Merton, South Thames Crossroads had been his charity.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

Agreed.

Julia Regan, Head of Democracy Services, undertook to find out if Sutton and Merton Community Services were now engaged in the Traveller protocol review and in providing welfare assessments. ACTION: Head of Democracy Services

4 BUSINESS PLAN UPDATE 2016-2020 (Agenda Item 4)

Savings proposals – Corporate Services

Members asked questions and made comments about individual savings proposals:

CS2015-08 staffing support savings and CS2015-09 safety services and emergency planning

The Commission accepted these savings.

CS2015-10 energy invest to save initiatives

The Commission accepted this saving and asked that elements of the programme be brought forward where feasible.

Members asked whether savings CS2015-12 South London Partnership efficiency savings, CS2015-13 shared investigation services and CS2015-14 shared audit service could be brought forward. The Director of Corporate Services, Caroline Holland, described each of the savings and explained why they were assigned to future years. The Commission accepted these savings.

CSD7 restructure print and post division

Caroline Holland explained that this saving had been deferred due to delays in introducing an electronic document and records management system (EDRMS). The system would enable incoming post to be scanned and circulated electronically thus freeing up staffing resources.

CSD43 share FOI and information governance policy service

Caroline Holland explained that this saving had been deferred due to difficulty in finding a partner authority that had a similar approach to this work.

RESOLVED: to accept the Corporate Services savings proposals, with a recommendation that Cabinet should bring forward elements of CS2015-10 energy invest to save initiatives where feasible.

Draft service plans – Corporate Services

Legal Services

A member asked why there were different patterns for each borough's chargeable hours. Caroline Holland undertook to investigate, in particular to provide an explanation for Kingston's figures for 2014/15. ACTION: Director of Corporate Services

Human Resources

In response to a question about apprentices shown for 2014/15 on a number of service plans and not subsequently, Caroline Holland said that these are now entered onto the HR service plan and that different arrangements were being explored in order to get apprentices into work areas where there would be an opportunity for subsequent employment, subject to the usual recruitment procedures being followed.

Resources

A member asked what was meant by a tactical recharge review. Caroline Holland said this referred to the need to make internal customers aware of what is being recharged and how.

A member asked why some of the major projects were shown as being medium risk and what action was being taken in mitigation. Caroline Holland said that, for example, the project board was working with the provider of the new financial systems to ensure they work effectively and that users understand them.

Customer Services

Members noted the slight decrease in overall customer numbers and telephone callers predicted from 2016/17. Members asked that the number of internet users also be shown in future as this is an integral part of the customer contact programme.

Members asked for an explanation for the lack of change in the number of council tax properties from 2015/16 to 2017/18 and an increase in 2018/19. Caroline Holland undertook to investigate. In response to a question, she said that the figures relate to the number of council tax bills sent out and that the figures used for the medium term financial strategy were calculated on a different basis.

ACTION: Director of Corporate Services

Draft service plan – Safer Merton

Members asked a number of questions and requested additional information:

- On what basis has the predicted number of anti social behaviour cases reduced in 2018/19 and 2019/20?
- How have the predicted numbers of clients presenting at the One Stop Shop been calculated? Is it an extrapolation?
- The plateau on all figures from 2017/18 lacks plausibility. Members requested that these be reviewed
- How will the performance indicators be reviewed in the absence of an Annual Residents Survey? Caroline Holland said that there would be a survey in future years, operating on a slightly different basis.

ACTION: Head of Democracy Services to contact Head of Public Protection to obtain and circulate responses to members

Business Plan 2016-2020

Caroline Holland provided a brief introduction to the report. She said that there was still a lack of detail on some aspects of the local government finance settlement 2016/17 and uncertainty about when these would be received. The settlement was smaller than predicted but the increase in the council tax base will offset some of that difference and there will be no need for emergency savings to be taken to set the 2016/17 budget. The forecast overspend in 2015/16 will be met from general fund balances or reserves.

Caroline Holland provided additional information in response to questions:

- A further £5.668m savings will need to be identified to balance the budget in 2019/20
- The reason for the low take up rate for renewal of Freedom Passes to date is not clear

The Chair invited Khadiru Mahdi, Chief Executive of Merton Voluntary Service Council (MVSC), to address the meeting on the position of the voluntary sector and the adult social care precept.

Khadiru Mahdi said that he fully understood the huge financial constraints facing the council but would like to reiterate the potential effect both on vulnerable people and on the voluntary sector's ability to provide services for them. He said that MVSC

endorsed the recommendations made by the Healthier Communities and Older People Overview and Scrutiny Panel. He said that the voluntary sector has a significant role in service delivery, including a range of family services that have also been impacted by savings.

Khadiru Mahdi urged the Commission to consider the option available to the council for raising an adult social care precept and asked the Commission to urge Cabinet to take up this option.

Members asked a number of questions about how an adult social care precept would work, the basis on which the local government settlement was made and assumptions behind the council tax collection rate. Caroline Holland made the following points in response:

- The local government settlement is based on the overall level of money assumed to be available to local councils across all authorities
- There is no direct correlation but it does include an assumption of a 1.75% increase in council tax income and the availability of a 2% adult social care precept
- Merton's medium term financial strategy (MTFS) does not assume any increase in the rate of council tax but does include an increase in the number of chargeable dwellings
- The MTFS includes an assumption that the council tax collection rate will maintain its current high level
- New council tax freeze grants are no longer available
- Monies raised by an adult social care precept would be ringfenced, but how this would be monitored for subsequent years has not been clarified by DCLG

Councillor Mark Allison, Deputy Leader and Cabinet Member for Finance, responded to specific questions about the administration's pledge to freeze council tax, saying that in doing so a number of factors had been taken into account including residents' views regarding the impact that an increase would have on their cost of living, particularly for older people and those on a fixed income.

In response to question about how an increase in council tax might impact on the collection rate, Caroline Holland agreed to look at data from 2009/10 which was the last year in which council tax was increased in Merton. ACTION: Director of Corporate Services

Members discussed some of the forecasts within the MTFS and the impact that an adjustment to those assumptions might have on the overall budget. They also discussed the way in which use of the adult social care precept might be offset by a reduction in the GLA precept. For example, a 2% adult social care precept would result in a net increase of £3 for a Band D council tax payer, comprising a £22 Merton increase, partially offset by a £19 GLA decrease. In response to a question, Caroline Holland said that a 1.7% adult social care precept would be totally offset by the reduction in the GLA precept. The overall net impact on council tax would be 0% if there was no change in the Wimbledon and Putney Common Conservators' precept.

It was moved by Councillor Peter Southgate and seconded by Councillor Hamish Badenoch that Cabinet should review the assumptions made in the Medium Term Financial Strategy on inflation for the financial year 2017/18. The Commission voted and the motion was unanimously agreed.

It was moved by Councillor Peter Southgate and seconded by Councillor Hamish Badenoch that Cabinet should review the assumptions made in the Medium Term Financial Strategy on the council revenue tax base for the financial year 2016/17, specifically whether the number of properties should be increased in the light of information on future housing development set out in the London Plan. The Commission voted and the motion was passed by 6 votes to 4.

It was moved by Councillor Suzanne Grocott and seconded by Councillor Hamish Badenoch that Cabinet should consider alternative options to the sale of the P4 land in order to retain a revenue stream and ownership of the land. The Commission voted 3 in favour and 6 against. The motion fell.

It was moved by Councillor Peter Southgate and seconded by Councillor Suzanne Grocott that Cabinet consider levying an adult social care precept of up to 2% as a way of partially offsetting the adult social care savings, noting that at 2% this would result in a net increase of £3 for a Band D council tax payer - comprising a £22 Merton increase, partially offset by a £19 GLA decrease - noting also that were the precept to be levied at 1.7% this would be counterbalanced by the reduction in the GLA precept and would have an overall net impact of 0%. The Commission voted and the motion was passed by 9 votes to 1.

RESOLVED: To make a reference to Cabinet to recommend that it should:

1. review the assumptions made in the Medium Term Financial Strategy on inflation for the financial year 2017/18;
2. review the assumptions made in the Medium Term Financial Strategy on the council revenue tax base for the financial year 2016/17, specifically whether the number of properties should be increased in the light of information on future housing development set out in the London Plan;
3. consider levying an adult social care precept of up to 2% as a way of partially offsetting the adult social care savings, noting that at 2% this would result in a net increase of £3 for a Band D council tax payer - comprising a £22 Merton increase, partially offset by a £19 GLA decrease - noting also that were the precept to be levied at 1.7% this would be counterbalanced by the reduction in the GLA precept and would have an overall net impact of 0%.

Capital programme

In response to questions, Caroline Holland explained that the way the revenue implications are calculated is set out by the government, that the council does not currently anticipate any external borrowing in the foreseeable future and that the impact on revenue of changes made to the capital programme will be set out in a report to Cabinet in February 2016.

5 SCRUTINY OF THE BUSINESS PLAN 2016-2020: COMMENTS AND RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY PANELS (Agenda Item 5)

The Chair invited each of the Panel Chairs to summarise the Panel discussions and set the context for any recommendations made to Cabinet.

Councillor Abigail Jones, Chair of the Sustainable Communities Overview and Scrutiny Panel, said that the Panel was aware of the tough decisions that needed to be made and found that the savings had been well thought through by officers. Savings proposals included efficiencies, back office savings and some innovative ideas. Members had some concerns about the impact of savings in the Planning service but had been reassured by officers. She said that the Panel also had a thorough discussion of the draft service plans.

Councillor Katy Neep, Chair of the Children and Young People Overview and Scrutiny Panel, said that the Panel had a comprehensive discussion of the savings proposals and the indicative capital programme. It welcomed the additional information provided on services for children with disabilities. The Panel had accepted the high level staff structure savings proposal and had asked to be kept up-to-date with progress on this. The Panel had ongoing concerns arising from changing demographics and the pressures that this puts on children's services, particularly for children with special educational needs. The Panel will keep performance indicator targets under review.

Councillor Peter McCabe, Chair of the Healthier Communities and Older People Overview and Scrutiny Panel, said that the Panel had listened to eloquent contributions from service users. He said that the Panel had made an unanimous reference to Cabinet in the light of real concerns that had been raised in regard to some of the adult social care savings proposals. The Panel had been troubled by the potential impact on quality of life, personal dignity and ability for independent living. The Panel had also heard about the valuable lifeline and respite services provided by South Thames Crossroads.

RESOLVED: to forward to Cabinet the comments and recommendations made by the Overview and Scrutiny Panels as set out in Appendix 1 of the report.

6 DISCUSSION OF QUESTIONS TO ASK THE BOROUGH COMMANDER AT COMMISSION MEETING ON 23 MARCH 2016 (Agenda Item 6)

Members agreed to request that the Borough Commander provides an overview of any changes since the last meeting and anything he wants to draw to the Commission's attention. Performance indicators should be submitted in advance of the meeting in the same format as previously.

Members agreed to submit the following questions to the Borough Commander for discussion at the meeting on 23 March:

- Has the Borough Commander given any thought to how the government's announcement on greater collaboration between the emergency services might be taken forward locally?
- Has the reduction in the use of stop and search powers impacted on knife crime?
- How does the level of policing, and reduction in numbers of officers, compare to other boroughs?
- Is the dispersal of rough sleepers in Hyde Park likely to have an impact locally?
- How do the ward teams work together? In particular, how is consistency across the borough monitored and how is good practice shared between teams?
- How much collaboration is there between the police, council and other agencies to deal with low level crimes? Will there be an impact on the council's planning enforcement team when these issues are not dealt with by the police?
- Have cutbacks had an impact on 999 call response times?

7 WORK PROGRAMME 2015/16 (Agenda Item 7)

Agreed.

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