

Agenda Item 3

STANDARDS AND GENERAL PURPOSES COMMITTEE

14 MARCH 2019

(7.15 pm - 9.29 pm)

PRESENT Councillors Councillor Peter McCabe (in the Chair),
Councillor Adam Bush, Councillor Agatha Mary Akyigyina,
Councillor Eloise Bailey, Councillor Thomas Barlow,
Councillor Ben Butler, Councillor John Dehaney,
Councillor Brenda Fraser, Councillor Dickie Wilkinson,
Councillor Mark Kenny, Councillor David Williams and
Councillor Rebecca Lanning

ALSO PRESENT Councillor Mark Allison

Pam Donovan – Independent Person
Suresh Patel – Ernst and Young
Ged Curran (Chief Executive), Fabiola Hickson (Head of Law -
Commercial), Roger Kershaw (Assistant Director of Resources),
Andrew Robertson (Head of Electoral Services), Kim Brown (HR
Lead), Howard Joy (Property Management & Review Manager),
David Keppler (Head of Revenues and Benefits) and Amy
Dumitrescu (Democratic Services Officer)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

There were no apologies for absence.

Councillor Mark Kenny and Councillor Rebecca Lanning attended the meeting,
replacing Councillors Pauline Cowper and Joan Henry.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of interest.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

RESOLVED: That the minutes of the meeting held on 8 November 2018 were agreed
as a correct record.

4 EXTERNAL AUDIT CERTIFICATION OF CLAIMS REPORT (Agenda Item 4)

The External Auditor presented the report, outlining the recommendations set out
within the report and giving an overview of the summary of fees. It was noted that the
additional fees had been agreed with the Council's Director of Corporate Services.

The Head of Revenues and Benefits addressed the recommendations provided as
follows:

Recommendation 1 – There had been software issues with the CIVICA system which had led to a number of errors, however it was noted that there were fixes for 80% of those errors and there remained a small number still outstanding. This was not an isolated issue specific to Merton as several other authorities had also experienced this issue. The DWP were aware of the issue and had been written to, the Council were at the time of the meeting still awaiting a response.

Recommendation 2 – It was acknowledged that the initial grant claim had been run too early before the software release, however this would not be repeated in the future and therefore would not re-occur.

Recommendation 3 – The Council were now aware of the issues relating to claimants accommodated by Clarion Housing and quality issues relating to that data. There had been lots of additional work completed for the 18/19 grant plan to mitigate this.

Recommendation 4 – Following a number of errors relating to self-employed claimants of Housing Benefit, further training had been provided to staff and a more vigorous checking regime had been implemented as of December 2017 and this should lead to a gradual improvement.

The External Auditor advised that he was satisfied with the officer response.

In response to member questions, the Head of Revenues and Benefits advised that in relation to recovering costs from overpayments, this was assessed on a case-by-case basis and where the residents were aware of the overpayment the Council would look to recover those funds.

In response to further questions, the Head of Revenue and Benefits advised that the issue with CIVICA was a known bug but this had not occurred previously.

In relation to fees, the External Auditor confirmed that the fees reflected the work required and therefore the more issues found the more work required and the higher the fee, however if actions are implemented and there are improvements then the fee should reduce. Once the response was received from the DWP, the work the Council would be required to do would then need to be reviewed by EY which would attract a further additional fee.

5 EXTERNAL AUDIT PLANNING REPORT (Agenda Item 5)

The External Auditor presented the report and gave an overview of the risks identified. It was noted primarily that there was a reduction in the level of materiality (from 2% of gross revenue expenditure to 1.8%) due to EY's view of greater focus on local government financial resilience. In addition, for the Council, due to the issues and errors identified in the prior year, EY were applying a testing threshold of 50% of materiality. EY stated that if there had not been the prior year issues, the testing threshold may have been 75% of materiality. EY advised that they had recognised a significant risk around value for money in that there were still gaps in the budget for future years and overspending in the Children Schools and Families division.

The External Auditor gave an overview of the fees, for which a range had been given to allow for additional work in respect of land and building valuations and the application of a testing threshold at 50% of materiality. In addition, additional areas for focus would be pensions and PFI. It was noted that the risks relating to inappropriate capitalisation of expenditure, pensions and new accounting standards were common to most local authorities but the significant risk around the valuation of land and buildings and the risk around PFI were specific to Merton.

6 AUDITED FINAL ACCOUNTS 2018/19 (Agenda Item 6)

The Assistant Director of Resources presented the report which gave an overview of actions to be taken to ensure the accounts were signed off in a timely manner following the challenging previous year due to changes in the dates for the accounts sign-off. There had been early work to ensure that the Council was on top of the issues and had learnt lessons from the previous year. Regular weekly meetings were taking place between the Finance Team and External Audit.

This year External Audit had extended the interim audit period to 6 weeks. The Council has recruited an additional member of staff who has been looking at streamlining the accounts. The EY Client Portal, used to transfer information between the teams, was also being used more effectively and it was felt that with all of these protocols in place the Council was in the best possible position.

RESOLVED: That the Committee noted the work undertaken by officers' to prepare for the closure of the 2018/19 Statement of Accounts.

7 INTERNAL AUDIT PROGRESS REPORT (Agenda Item 7)

The Head of Internal Audit presented the report advising that 28 reviews had been finalised and Internal Audit were on track to complete the plan. There had been a number of issues identified with procurement and this was being looked at.

RESOLVED: That Members noted the report and commented upon matters arising from the Internal Audit Progress Report.

8 INTERNAL AUDIT PLAN (Agenda Item 8)

The Head of Internal Audit presented the report and highlighted a couple of areas which were included in the plan for the upcoming year. In response to member questions, the Head of Internal Audit advised that there was some flexibility in the plan and additional work could be added into the plan, with items assessed according to level of urgency.

RESOLVED: That members reviewed and commented upon the 2019/20 Draft Internal Audit Plan, Strategy and Charter.

9 DRAFT SUBMISSION FOR MERTON COUNCIL TO THE BOUNDARY COMMISSION (Agenda Item 9)

The Deputy Leader and Cabinet Member for Finance presented the report, thanking all officers and members who had been involved in the report and advised that this was a two stage process; the number of Councillors would be looked at first, followed by an assessment of the ward boundaries. Briefings from the Boundary Commission had taken place with members. The size proposed is considered to be the optimum number of councillors to maintain the effectiveness of current governance, scrutiny and partnership arrangements and to support the councillors' representational role in their wards. A proposal of 57 Councillors was appropriate and in line with other Boroughs and would return the number to the same as those appointed in 2002. The Cabinet Member noted that this figure had been discussed with the Labour, Liberal Democrat and Merton Park Ward Independent groups.

In response to member questions, the Head of Electoral Services advised that the Boundary Commission had approached the Council and a strong steer had been given that the number of Councillors should be reduced.

Members discussed the submission in depth and raised several points including:

- The use of technology – whilst some members felt that this reduced workload and had changed the way in which Councillors work, others felt that this had increased their workload. Members noted however that not all residents were using technology and many needed to meet with Councillors face-to-face or speak via telephone calls.
- Future Councillors – members expressed concern that if numbers were reduced and subsequently the workload for remaining councillors increased, this might reduce the potential demographics of those able to be Councillors. Members did not wish for those who, for example were working full time or those with caring responsibilities to be unable to be Councillors due to level of work required. Members felt that diversity and equality should be taken seriously and it was important that Councillors were representative of their communities.
- Reducing number of Councillors per ward - Members were of the view that three member wards should be retained if possible.
- Ways of working – It was raised that the way in which the Council operated was a decision of the Council and therefore could be changed for example having smaller committee sizes or less meetings to allow for further reductions in Councillor numbers.

The Head of Electoral Services advised that the decision on Councillor numbers would be made in mid-April and this would be followed by a consultation on the new ward boundaries. This would be followed by a further consultation before a final decision would be made.

The Chief Executive advised members that all the points raised had been heard and reiterated that a very clear steer had been given by the Boundary Commission in relation to reducing the numbers however there had been dialogue between officers and members to reach a number which they were comfortable putting forward.

The Independent Person added that the important relationships that Councillors had with their constituents was considered as it would be distressing for many to change to different Councillors having built trust and relationships with their current members.

Councillors David Williams, Adam Bush and Thomas Barlow voted against the recommendation and requested that this was recorded.

RESOLVED: That the Committee agreed the Council's draft council size submission to the Boundary Commission.

10 SERVICE TENANCIES (Agenda Item 10)

The Property Management and Review Manager presented the report, giving an overview of the actions taken following a recent Limited Assurance Audit result.

The Head of Internal Audit confirmed that they had been through the actions in the report and whilst there were still some actions remaining, there had been some progress.

RESOLVED: That the Standards and General Purposes Committee noted the content of the report.

11 UPDATE ON RIPA AUTHORISATIONS (Agenda Item 11)

The Head of Law (Property and Commercial) presented the report, advising that one request for directed surveillance had been authorised in relation to fly tipping which had resulted in 14 cases.

Members felt that more should be done in relation to surveillance to deter fly tipping and requested that further work be undertaken by the Council's Communications Team to publicise when prosecutions occurred and to name and shame those responsible. It was noted that there was an article due to be included in the next issue of MyMerton regarding recent successful prosecutions.

RESOLVED: That members noted the purposes for which investigations have been authorised under the Regulation of Investigatory Powers Act (RIPA) 2000.

12 COMPLAINTS AGAINST MEMBERS (Agenda Item 12)

The Committee noted a verbal update from the Head of Law (Property and Commercial), advising that three complaints had been received within the last three months, two of which had been discussed with the Independent Person and had been subsequently closed. These had related to comments on twitter and accusations that a Councillor was rude. The remaining complaint was currently going through the Complaints procedure.

13 WORK PROGRAMME (Agenda Item 13)

The Work Programme was noted and agreed.

14 EXCLUSION OF THE PRESS AND PUBLIC (Agenda Item 14)

RESOLVED: That the public were excluded from the meeting during consideration of item 15 on the grounds that it is exempt from disclosure for the reasons stated in the report.

15 TEMPORARY AND CONTRACT STAFF UPDATE (Agenda Item 15)

The HR Lead presented the report advising that use of contract and temporary staff continued to be closely monitored and processed continued to be in place to ensure that temporary and agency staff were not used long-term. The HR Lead noted that teams were aiming to recruit quickly to avoid using interims and continued to convert temporary staff to permanent contracts where possible, 9 of such conversions were enacted within the last quarter, with 57 conversions having taken place between September 2017 and December 2018.

Members reviewed and discussed the information in the exempt appendix and encouraged the HR Lead to ensure that teams continued to upskill and train existing staff where possible.

RESOLVED: That members noted the progress made to monitor and control the use of temporary workers and consultants.