

Agenda Item 3

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CABINET

6 SEPTEMBER 2021

(7.15 pm - 7.53 pm)

PRESENT Councillors Councillor Mark Allison (in the Chair),
Councillor Agatha Mary Akyigyina, Councillor Tobin Byers,
Councillor Eleanor Stringer, Councillor Martin Whelton and
Councillor Brenda Fraser

ALSO PRESENT Councillor Peter Southgate

Louise Round (Managing Director, South London Legal
Partnership and Monitoring Officer) and Amy Dumitrescu
(Democracy Services Manager)

ATTENDING Councillor Natasha Irons, Councillor Rebecca Lanning,
REMOTELY Councillor Marsie Skeete and Councillor Owen Pritchard.

Councillor Nick McLean

Hannah Doody (Chief Executive), Chris Lee (Director
Environment and Regeneration), Jane McSherry (Director
Children, Schools and Families), Caroline Holland (Director
Corporate Services), John Morgan (Interim Director Community
and Housing), James McGinlay (Head of Regeneration), Matt
Burrows (Head of Customer Experience and Communications),
Tara Butler (Programme Manager), Tom Procter (Head of
Contracts and School Org) and Octavia Lamb (Policy and
Research Officer – Labour Group)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

No apologies were received. Councillors Irons, Lanning, Pritchard and Skeete attended remotely.

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 12 July 2021 are agreed as an accurate record.

4 CLARION ESTATE REGENERATION PROGRAMME SUPPORT (Agenda Item 4)

The Cabinet Member for Housing, Regeneration and the Climate Emergency presented the report and recommendations. The regeneration scheme would deliver

2550 homes with commercial and community space and outline planning permission had been granted by the Merton Council Planning Applications Committee in 2018. The first stages of the Ravensbury estate had been completed with the first stages of the High Path development to be completed shortly.

The Cabinet Member gave an overview of the recommendations with the report noting the amendments sought to the stock transfer agreement. If approved, Clarion would commit to progressing with design development and public and stakeholder engagement. The application for the first detail of the Eastfields estate would come forward later in the year if the report was approved as well as the third stage of the High Path regeneration.

The Cabinet Member thanked the Sustainable Communities Overview and Scrutiny Panel for the discussions on the report which had taken place the week prior to the Cabinet meeting. *(Post meeting note: This decision was subsequently called-in and will be heard at a call-in Scrutiny meeting on 19 October 2021).*

The Cabinet Member also thanked the Future Merton and Housing needs team for their work on the report.

The report would also be brought to the Council meeting on 15 September.

RESOLVED:

A. That Cabinet noted that the programme-level viability deficit of identified by Clarion Housing Group (Clarion) in April 2020 in relation to their proposed regeneration of the High Path, Ravensbury and Eastfields estates represents a significant barrier to delivery;

B. That Cabinet agreed that the Council remains supportive of Clarion's delivery of the Merton Estates Regeneration Programme (MERP) and the objectives of Merton's Estates Local Plan 2018 to improve the lives of existing residents and provide new homes;

C. That Cabinet agreed to support the proposed adjustment of the Sales Clawback mechanism in the Stock Transfer Agreement to suspend the Council's eligibility to the 5% Sales Clawback mechanism so long as MERP is in the course of being delivered and remains in a deficit position at programme-level. The mechanism will be triggered only if MERP's financial performance reaches or exceeds a break-even position.

D. That Cabinet agreed to support an amendment to the Stock Transfer Agreement to commit Clarion to delivering Decent Homes Standard upgrades linked to any failure to achieve regeneration delivery milestones to ensure these works are guaranteed to be delivered within a specified timeframe irrespective of the status of MERP;

E. That Cabinet agreed to support an amendment to the Stock Transfer Agreement to specific partnership working arrangements between Clarion and the Council to include open book business plan progress updates and monitoring and regular identification, management and mitigation of risks to viability and deliverability with forums to be established at operational (Officer) and strategic (Senior Officer and Member) levels with Clarion counterparts. This approach is proposed to ensure proactive management and monitoring of future risks.

F. That Cabinet delegated authority to the Director of Environment and Regeneration in consultation with the Cabinet Member for Housing Regeneration, and the Climate Emergency, to conclude any documentation, including, without limitation,

amendments to existing agreements between the Council and Clarion, necessary to implement the recommendations C-E above on the best terms which in their view are reasonably achievable .

G. That Cabinet agreed that the 2010 Nominations Rights Deed will be preserved and that the council will continue to receive 100% nominations to true voids but that a protocol between Clarion Housing Group and the council be drawn up so as to assist Clarion in meeting its regeneration ambitions and ensuring that the council can continue to discharge its statutory housing duties and protect the public interest. Any such protocol will be jointly prepared between the council and Clarion Housing Group and be delegated to the Director of Community and Housing in consultation with the Cabinet Member for Housing, Regeneration and the Climate Emergency.

H. That Cabinet asked officers to continue to consider options for a freehold asset to the Council that may reflect some value of the claw back suspension and, should a mutually agreeable asset transfer be agreed, to delegate authority to the Director of Environment and Regeneration, and the Director of Corporate Services to conclude that transfer in consultation with the Cabinet Member for Housing Regeneration, and the Climate Emergency and the Cabinet Member for Finance.

Cabinet also approved the recommendations within the exempt report.

5 EXPANSION OF MERTON MEDICAL EDUCATION SERVICES AND FUTURE OF LAVENDER NURSERY (Agenda Item 5)

The Cabinet Member for Education presented the report which followed a previous report and consultation. Following the consultation, amendments had been made to the previous proposals to deliver services at another site.

The Cabinet Member thanked officers for their work and to all who had responded to the consultations and discussions.

Following receipt of letters raising concerns in advance of the meeting, the Managing Director of the South London Legal Partnership advised that whilst a restrictive covenant was in place on the land this could be discharged and indemnity insurance would cover the event of any challenge and that the land was held by the Council in the capacity of a trustee of the charity.

The Director of Children, Schools and Families responded that there was no proposed reduction in the number of places provided for disadvantaged children and following responses to the previous consultation adjustments had been made to reflect those responses to ensure there was sufficient provision to meet local need.

The Leader thanked the staff at Lavender Nursery.

RESOLVED that Cabinet:

A. Agreed that the Lavender (London Road) Nursery building remains the most viable option to house Merton Medical Education Services and provide sufficient provision for the borough's growing number of children with medical needs, and officers should proceed to move the service into this building in early 2022.

B. Approved that the Lavender London Road Nursery full-time day care provision should move from January 2022 to Lavender Steers Mead in addition to providing the sessional places for children aged 2 that are funded through early education funding, thus maintaining the service in alternative premises within reasonable proximity to the current site.

6 EXPANSION OF MELROSE SCHOOL INTO WHATLEY AVENUE SW20
(Agenda Item 6)

The Cabinet Member for Education presented the report outlining the proposals to provide additional places for children requiring special needs provision including those with Autism Spectrum Disorder in particular through the expansion of Melrose School following a statutory consultation. The Cabinet Member thanked officers and school staff and governors for their work on the proposals.

Following a question from the Cabinet Member for Partnerships, Public Safety and Tackling Crime, the Cabinet Member for Education responded that the capacity of the site would be at least 80 children.

The Leader welcomed Councillor Fraser to her first Cabinet meeting and thanked the staff and governors at Melrose School for their work.

RESOLVED that Cabinet:

A. Approved proposals to expand Melrose School by 80 additional places from 1 September 2022 through the use of an additional site - Whatley Avenue SW20 and to extend the official designation of Melrose School from "Children with Social, Emotional and Mental Health" to "Children with additional complex and varied needs including Autism Spectrum Disorder (ASD), Speech, Language and Communication Needs (SLCN) and Social, Emotional and Mental Health (SEMH)"

B. Noted that the reason for this decision is to provide places for pupils with special educational needs and disabilities (SEND) in the local area and the expansion of Melrose School through the use of an additional site provides good value for money. Melrose is rated by Ofsted as "Good" with "consistently strong teaching across the school" and the Council's Director for of Children, Schools and Families is satisfied that the leadership of the school has the management capacity to continue to raise standards while the school expands

7 EXTENSION OF CONCESSION CONTRACT FOR THE PROVISION OF
BUS SHELTERS, FREE STANDING UNITS AND ASSOCIATED 6 SHEET
ADVERTISING WITHIN MERTON (Agenda Item 7)

The Cabinet Member for Housing, Regeneration and the Climate Emergency presented the report which proposed a two-year extension to the current 15 year contract and amend a previously agreed Cabinet report in 2019.

The Leader passed on thanks to the officers and all who had worked on the report.

RESOLVED:

A. That Cabinet approved the exercise of the right to extend the contract for a period of 2 of the potential 5 years available.

B. That Cabinet noted the contract award report dated 11 November 2019 had a minor administrative error included in it and mistakenly agreed to award a contract to JC Decaux for a term of 10 years with a potential extension of 5 years, whereas the intention of the Council and tender documentation had proposed a 15 year contract term with a potential extension of 5 years and the contract has been issued on that basis;and

C. That Cabinet retrospectively agreed the award of the contract for the originally intended period of 15 + 5 years;

8 FINANCIAL REPORT 2021/22 - PERIOD 3 JUNE 2021 (Agenda Item 8)

The Cabinet Member for Finance presented the report and thanked officers for their work on their report and officers across the Council for their work keeping on track with the budget. The continuing impact including lost income of the pandemic was shown within the report and it was noted that a net adverse variance was forecasted, however forecasting was difficult as income streams would depend on the ongoing Covid infection levels as well as resident behaviour and any increased demand on services.

The Director of Corporate Services noted that there were some significant additional pressures to come and it would remain a challenging period.

The Leader thanked the officers for their work and for the report and noted the impact of the pandemic and the challenges in financial forecasting.

RESOLVED:

- A. That Cabinet noted the financial reporting data for month 3, June 2021, relating to revenue budgetary control, showing a forecast net adverse variance at yearend on net service expenditure of £4.74m, increasing to £7.452m when corporate and funding items are included.
- B. That Cabinet approved the virement of £242k revenue budget between the Housing to Adult Social being the transfer of budget and clients (care & support related) from Housing budget to the placement budget.
- C. That Cabinet noted the contents of Section 5 and Appendix 5b of the report and approve the adjustments to the Capital Programme in the Table below:

	Budget 2021-22	Budget 2022-23	Budget 2023-24	Narrative
	£	£	£	
<u>Corporate Services</u>				
Customer Contact Programme	(100,000)			Vired to a Specific Scheme
Customer Contact - Robotics Process Automation (RPA)	100,000			Vired from overall Programme
<u>Children, Schools and Families</u>				
William Morris - Capital Maintenance	(25,000)			Virements - projected spend capital maintenance
Hillcross - Capital Maintenance	55,000			Virements - projected spend capital maintenance
Sherwood - Capital Maintenance	77,000			Virements - projected spend capital maintenance
Harris Academy Wimbledon - New School	20,000			Virements - projected spend capital maintenance
Perseid Expansion	(20,000)			Virements - projected spend capital maintenance
Perseid - Capital Maintenance	(25,000)			Virements - projected spend capital maintenance
West Wimbledon - Capital Maintenance	50,000			Virements - projected spend capital maintenance

Unallocated Capital Maintenance Budget	35,000			£167k School Contributions - £132k virement to specific schemes
Environment and Regeneration				
Highways and Footways - Highways bridges & structures	(105,000)			Building Enhancements and Increased Capacity to Store initially funded by virement
Highways and Footways - Salt Barn Upgrade	105,000			
CCTV Investment - CCTV and Infrastructure Upgrade	(662,100)	107,630	554,470	Profiled in line with projected spend
Morden Regeneration - Morden Town Centre Imp	(300,000)	200,000		Profiled in line with projected spend - £100k to Revenue
Total	(795,100)	307,630	554,470	

9 EXCLUSION OF THE PUBLIC (Agenda Item 9)

The Cabinet agreed not to refer to the exempt information contained in items 4 and 7 during consideration of the items and therefore the meeting remained in public.