

OVERVIEW AND SCRUTINY COMMISSION
31 JANUARY 2013

(7.15pm – 10.05pm)

PRESENT: Councillors Peter Southgate (in the Chair), Peter McCabe (Vice Chair), Iain Dysart, Suzanne Evans, Suzanne Grocott, Jeff Hanna, Richard Hilton, Russell Makin, Diane Neil-Mills and Judy Saunders.

ALSO PRESENT: Councillor Mark Allison, Cabinet Member for Finance, Councillor Mark Betteridge, Deputy Leader and Cabinet Member for Performance and Implementation
Caroline Holland (Director of Corporate Services),
Chris Lee (Director of Environment and Regeneration),
Paul Dale (Interim Assistant Director of Resources)
Mark Humphries (Asst Director Infrastructure & Transactions),
Gerald Porter (Interim Head of Facilities),
David Keppler (Head of Revenues and Benefits),
Sophie Ellis (Assistant Director of Business Improvement),
Sean Cunniffe (Head of Customer Contact),
Annalise Elliott (Head of Safer Merton),
Julia Regan (Head of Democracy Services).

1 DECLARATIONS OF PECUNIARY INTEREST (Agenda item 1)

None.

2 APOLOGIES FOR ABSENCE

Apologies for absence were received from co-opted members Dr Jo Sullivan-Lyons and Colin Powell.

3 MINUTES OF MEETING HELD ON 8 JANUARY 2013 (Agenda item 3)

RESOLVED : That the minutes be agreed, with the following amendments:

- Item 5 – Control of Noise Nuisance – fourth resolution, insert “as soon as possible” so that revised resolution reads – “to recommend to Cabinet that it explores options for providing a 24/7 service as soon as possible through an ‘invest to save’ approach that would deal with complaints promptly and further reduce the need for court action as well as sending a message to residents that anti-social noisy behaviour will not be tolerated”.
- Item 6 – Customer Contact programme Update – second paragraph on page 6 amended to read – “In response to concerns expressed by Councillor Richard Hilton and a request for clarification from Councillor Peter McCabe, Caroline Holland gave assurances that the Council had not employed staff unnecessarily nor wasted money on this programme”

4 MATTERS ARISING FROM THE MINUTES (Agenda item 4)

None.

OVERVIEW AND SCRUTINY COMMISSION 31 JANUARY 2013

- 5 BUSINESS PLAN UPDATE 2013-2017 (Agenda item 5)
- 6 BUSINESS PLAN UPDATE: supplementary information (Agenda item 6)
- 7 SCRUTINY OF THE BUSINESS PLAN: comments and recommendations from the Overview and Scrutiny Panels (Agenda item 7)

The Commission agreed to take these three items together.

Scrutiny of proposals relating to Corporate Services

The Commission discussed the savings proposals for Corporate Services and agreed a number of comments and recommendations to Cabinet.

Members commented on the number of savings that comprised underspend or redundant budgets.

RESOLVED: to recommend to Cabinet that:

- 1) underspend and redundant budgets should be continually reviewed and deleted as appropriate.
- 2) the terminology in savings proposals should be reviewed to accurately reflect the source of the saving
- 3) savings proposals be presented consistently across all departments so that the base budget clearly relates to the proposed saving.
- 4) service implications and staffing implications be completed for all savings proposals.
- 5) the above changes should be made and included in the agenda papers for the budget Council meeting on 6 March.

The Commission welcomed the move to consolidate utilities and phone accounts in order to drive efficiency savings but requested more information about the context, including the base budget for total spend on these items. The Commission also asked to see the business case for the Energy ReFit savings (items CS19 and CS20). ACTION: Assistant Director Infrastructure & Transactions.

Comments, questions and recommendations on specific savings proposals are set out below.

Business improvement – rationalisation of management costs (CS1)

In response to questions, the Director of Corporate Services clarified that the £230,000 base budget related to the staffing costs of the Business Improvement Division, that some managers currently manage very small teams and that the ideal “span of control” would vary depending on the type of service that was provided. She added that the very nature of business improvement work meant that the total number of staff would reduce over time.

Business improvement – systems and projects (CS2)

The Commission noted that this savings proposal had been withdrawn.

OVERVIEW AND SCRUTINY COMMISSION
31 JANUARY 2013

IT Service Delivery (CS5) and IT Service Development Revenue Budgets (CS6)

Members commented that the size of the saving seemed small in relation to the base budget. The Assistant Director Infrastructure & Transactions explained that it was a composite budget and that the savings on CS5 would be achieved through re-negotiation with suppliers, supported by a pan-London group. The savings on CS6 would be achieved by review and subsequent deletion of parts of the budget that were no longer needed.

Mobile phone contract (CS7) and Cancellation of T mobile contract (CS14)

In response to a question, the Director of Corporate Services confirmed that the replacement of the PABX system was in the capital programme and that there would be a reduction in the costs of calls over time.

The Assistant Director Infrastructure & Transactions said that the Council has a contract with T T mobile (not T mobile) that will reduce costs of staff mobile phones. Staff will make a contribution to cover personal calls.

The Assistant Director Infrastructure & Transactions undertook to provide information on how many mobile phones the Council has and the total cost of these.

ACTION: Assistant Director Infrastructure & Transactions

Infrastructure & Transactions – outsourcing service desk (CS10)

Members discussed a written representation received from Keir Greenaway, GMB Branch Secretary (tabled at the meeting and published with the minutes). The representation set out concerns about the impact of outsourcing. The Assistant Director Infrastructure & Transactions explained that the intention of the proposal was to improve service delivery.

Members discussed the impact that outsourcing would have on staff morale and consequently on service delivery.

RESOLVED: to recommend to Cabinet that the reputational risk of this savings proposal be changed to “high” in order to reflect the impact of a possible adverse effect on staff morale.

The Commission requested the names of local authorities that had successfully outsourced this service. ACTION: Assistant Director Infrastructure & Transactions

Infrastructure & Transactions – information governance vacant post (CS12)

The Assistant Director Infrastructure & Transactions clarified that the post had been vacant for about two months and that the previous postholder (now on secondment elsewhere in the Council) has been covering some of the duties. In the longer term, it is planned to address through bringing teams together.

Infrastructure & Transactions – asset & change analyst vacant part post (CS15)

The Assistant Director Infrastructure & Transactions clarified that the total number of staff on IT service delivery is 40.

OVERVIEW AND SCRUTINY COMMISSION 31 JANUARY 2013

Surrender of remainder of ITSD overtime budget (CS16)

Members expressed concern that the impact of the saving might lead to the loss of IT systems during normal working hours. The Director of Corporate Services and the Assistant Director Infrastructure & Transactions explained that work to increase planned maintenance and to upgrade systems would mitigate this risk.

RESOLVED: to recommend to Cabinet that the description of the risk should be amended.

In response to a question, the Director of Corporate Services undertook to find out whether PCN payments can be made on-line between 5pm and 5.30pm on a Friday.

ACTION: Director of Corporate Services

Outsourcing building services and security service (CS23)

The Commission discussed a written representation received from Keir Greenaway, GMB Branch Secretary (tabled at the meeting and published with the minutes). The Assistant Director Infrastructure & Transactions explained that the proposal would lead to a more robust and flexible service. Members expressed concern about the impact on staff. Members received assurances that staff would be supported with getting Security Industry Accreditation qualifications in order to improve their prospects and the services provided.

RESOLVED: to recommend to Cabinet that the reputational risk be changed from “low” to “medium” to reflect the concerns discussed.

Consolidation of utilities budgets (CS27)

In response to questions, the Assistant Director Infrastructure & Transactions clarified that the overall gas and electricity bill for the Council’s corporate building is £2m and that the proposed saving relates to monies no longer needed due to consolidation of buildings and changes to the procurement of electricity.

Corporate Governance – Investigations Service (CS30)

The Director of Corporate Services said that four staff would remain in the team and that a shared service would be explored as a means of providing resilience. She added that as the saving wouldn’t be taken till 2015/16 there would be time to increase fraud detection rates through “data mining” and other tools as well as to consider the impact that new benefit arrangements will have on fraud investigations.

Customer Services - close cash office (CS35)

The Commission noted that this was one of the recommendations of the scrutiny review on customer contact.

Members requested information on the cost per transaction of third party payments.

ACTION: Head of Customer Contact

Customer Services – impact of customer service review (CS39)

In response to a comment about the modest level of anticipated savings, the Director of Corporate Services clarified that estimated savings would be £30k in 2014/15,

OVERVIEW AND SCRUTINY COMMISSION 31 JANUARY 2013

£60k in 2015/16 and £90k in 2016/17 and that these may increase.

The Assistant Director of Business Improvement confirmed that there were no vacant posts at present.

Customer Services – rationalisation of divisional budgets (CS40)

The Head of Revenues and Benefits described the budgets that were no longer needed and said that some had already been deleted.

Resources – change in audit arrangements (CS41)

The Commission noted the savings made in audit fees.

Resources – improved cash management (CS45)

In response to a request for more detail, the Interim Assistant Director of Resources explained that these were still estimates and that the improved cash flow forecasts would enable the figures to be further refined.

Resources – Voluntary Sector (CS47)

Members expressed concern at the impact on the voluntary sector and sought clarification of the proposals. The Director of Corporate Services said that the savings were reductions in the Council's payment to the London Council Grants Scheme and would not have an impact on local voluntary sector organisations. Members requested clarification of the consultation on this proposal. It was explained that this did not currently relate to any Merton funded groups and that the consultation would be undertaken when it was felt that there would be such an impact.

It was moved and seconded that the repatriated funds should be ringfenced to support local voluntary sector organisations. A vote was taken, 8 members agreed and 2 abstained.

RESOLVED: to recommend to Cabinet that the repatriated funds from the London Council Grants Scheme should be ringfenced to support local voluntary sector organisations.

References from the Overview and Scrutiny Panels

The Commission agreed to forward to Cabinet the comments and recommendations made by the Overview and Scrutiny Panels, as set out in the report.

Councillor Evans confirmed that she was satisfied with the responses received in relation to questions that she had raised with officers regarding some of the savings in the remit of the Sustainable Communities Overview and Scrutiny Panel.

Members discussed a number of the items in the Panels' references and agreed to make additional comments and recommendations on these:

Resources - Voluntary Sector – saving from the London Councils Grant Scheme (CS47)

It was moved and seconded that the saving should be rejected. A vote was taken, 9

OVERVIEW AND SCRUTINY COMMISSION
31 JANUARY 2013

members agreed and 1 abstained.

RESOLVED: to recommend that Cabinet should reject this saving.

Children Social Care and Youth Inclusion – Duke of Edinburgh Award (CSF06)

Members discussed the proposal to re-provide the Duke of Edinburgh Award through funding by schools instead of by the Council. There was general support for the Duke of Edinburgh Award and varying views on how it should be funded in future. It was noted that officer advice to the Children and Young People Overview and Scrutiny Panel was that schools would pick up the funding. Some members expressed concerns that not all schools would be in a position to do this.

It was moved and seconded that this saving should be rejected. A vote was taken, 6 members agreed, 5 of whom asked for their names to be recorded (Councillors Dysart, Evans, Grocott, Hilton and Neil-Mills)

RESOLVED: to recommend that Cabinet should reject this saving.

Building and Development Control (EN07 and EN10)

Members expressed concerns about these savings, in the context of discussion at the Sustainable and Communities Panel and at the Commission's discussion of the enforcement of noise nuisance at its meeting on 8 January 2012.

RESOLVED: to recommend that Cabinet should reject these savings

Reduction of grants to Polka and Attic Theatres (EN38)

It was moved and seconded that this saving should be rejected. A vote was taken, 6 members agreed, 5 of whom asked for their names to be recorded (Councillors Dysart, Evans, Grocott, Hilton and Neil-Mills). Councillor Makin disagreed and asked for his name to be recorded.

RESOLVED: to recommend that Cabinet should reject this saving.

Savings from public value review of parks and green spaces (EN44)

RESOLVED: to recommend that Cabinet withdraw this saving until further work has been done on the detail of the proposal.

Introduction of parking fees in five parks (EN46)

It was moved and seconded that this saving should be rejected. A vote was taken, 4 members agreed and asked for their names to be recorded (Councillors Evans, Grocott, Hilton and Neil-Mills), 5 disagreed and 1 abstained (Councillor Dysart asked for his name to be recorded as abstaining). The motion fell.

RESOLVED: to recommend that Cabinet withdraw this saving until further work has been done on the detail of the proposal.

Children's Social Care and Youth Inclusion – deletion of 7 posts (CSF07)

RESOLVED: to recommend that Cabinet withdraw this saving until further work has been done on the detail of the proposal.

OVERVIEW AND SCRUTINY COMMISSION
31 JANUARY 2013

Transport efficiencies (ASC49)

RESOLVED: to recommend that Cabinet should postpone this proposal until the pilots, with day care workers acting as drivers/escorts, have been evaluated.

Traffic and Highways - Walksheets budget (EN24), surface water budget (EN25) and ditching budget (EN26)

RESOLVED: to recommend that Cabinet note the Commission's concerns about the deliverability of these savings proposals due to their dependence on the weather.

Direct provision – reduce day care costs (ASC50):

Voluntary sector grants – reduction in infrastructure costs (ASC51); and

Adult Social Care Brokerage Efficiencies (ASC34)

RESOLVED: to recommend that Cabinet proceed with caution in relation to these savings.

Introduction of mobile phone payments for parking (EN05)

RESOLVED: to recommend that Cabinet bring this saving proposal forward and introduce it as soon as possible.

Traffic and Highways – reduction in grounds maintenance budget (EN23)

It was moved and seconded that this saving should be rejected. A vote was taken, 4 members agreed, 5 disagreed and 1 abstained. The motion fell.

RESOLVED: to recommend that Cabinet note its concerns about the capital budget being spent on items that are not subsequently maintained by the Council (for example planting of trees).

Service plans relating to remit of the Commission

The Commission discussed the Customer Services and Safer Merton service plans and asked the financial monitoring task group to scrutinise and report back on the other service plans to the Commission's meeting on 28 February.

On the Customer Services service plan, members commented that they would expect to see the number of telephone callers reduce over time as the number of on-line transactions increases. The Director of Corporate Services said that this would be kept under review and that the number of face-to-face transactions is reducing, thus reducing costs.

The Director of Corporate Services undertook to provide information about the Council's new responsibility in relation to the appointment of a medical examiner.

ACTION: Director of Corporate Services

The Commission noted the updated Safer Merton service plan (laid round at the meeting and published with the minutes) that now contains data on anticipated demand and supply as well as updated performance indicators. The Director of Environment and Regeneration said that the main reason for the anticipated rise in cases of anti-social behaviour is the broader definition of this following new

OVERVIEW AND SCRUTINY COMMISSION
31 JANUARY 2013

legislation. In response to a question, he confirmed that the increase in drug treatment numbers is year-on-year.

The Director of Environment and Regeneration undertook to provide additional information on:

- 1) the Mayor of London's proposals on school based police officers, and
- 2) the income assumptions behind the Safer Merton budget data for 2015/16 onwards.

ACTION: Director of Environment and Regeneration

Capital budget 2013/17

RESOLVED: that the Commission would defer consideration of the capital budget to its meeting on 28 February and make any recommendations to Council on 6 March.

Business Plan 2013-17: overview

In response to a question about future movements and use of the reserves budget, the Director of Corporate Services said that £7.8m had been allocated for use in future years (as set out on p84 of the business plan update report) and that £2m had been "recycled" and is now in the Community and Housing budget.

The Director of Corporate Services undertook to provide information to explain the increases in staffing figures for Street Scene and Waste (p69) and Public Protection and Development (p70). ACTION: Director of Corporate Services

The Director of Corporate Services undertook to provide an explanation for the basis of the staff numbers (p57) for the Children Schools and Families Department and the reason for the increases. ACTION: Director of Corporate Services.

8 WORK PROGRAMME 2012/13 (Agenda item 8)

RESOLVED: that the Commission approve the work programme for 2012/13 as set out in the report.