

MINUTES of the meeting of the Corporate Overview and Scrutiny Committee held on 6 January 2012 at 6.00pm.

Present: Councillors Wendy Curtis (Chair) Diana Hale (substituting for Terry Hipsey), Diane Revell, Danny Nicklen (arrived at 6.25pm), Yash Gupta and Phil Anderson (substituting for Robert Gledhill)

Apologies: Councillor Robert Gledhill

In attendance: Cllr Bukky Okunade – Chair of Planning, Transport and Regeneration Overview and Scrutiny Committee
Cllr Garry Hague – Vice-Chair of the Planning, Transport and Regeneration Overview and Scrutiny Committee
Cllr Angie Gaywood – Chair of Children’s Services Overview and Scrutiny Committee
Cllr Mike Revell – Vice-Chair of Children’s Services Overview and Scrutiny
Cllr James Halden – Chair of Cleaner, Greener and Safer Overview and Scrutiny Committee
Cllr Steve Liddiard – Vice-Chair of Cleaner, Greener and Safer Overview and Scrutiny
A. McPherson – Co-opted Member of Children’s Services Overview and Scrutiny Committee
A. Warren – Vertex
M. Bennett – Vertex
R. Waterhouse – Director of Transformation
N. Byatt – Head of Business Services
M. Hone – Director of Finance and Corporate Governance
S. Cox – Assistant Chief Executive
S. Clark – Head of Finance
A. Olinski – Finance Officer
S. Abrahall – Finance Officer
T. Cutbush – Finance Officer
M. Jones – Management Accountant
M. Boulter – Principal Democratic Services Officer

1. DECLARATIONS OF INTEREST

a) Interests

Councillor Halden stated that a colleague may bid for the recycling bring site contract and he had taken legal advice which had confirmed

it is not a personal or prejudicial interest. However, he felt he should declare it.

b) Whipping

No interests were declared.

2. BUDGET 2012/13 – GROWTH AND SAVINGS PROPOSALS

With regards to £1 million of savings through the Vertex contract (CORS 5) the Committee was informed that this was a 'less for less' initiative where services could be reduced as a result, although this was not fully known at present. The process around how the savings proposals were validated and how their impact on residents assessed was explained. Two savings had been delivered already with the remaining proposals still being assessed. Some of the proposals included redundancies (in Vertex) and the current view on savings levels was in the region of £600 – 800,000

Executive Vertex representatives stated that they were 'committed and confident' they could find further savings to deliver the required £1 million figure. It was important for Vertex to maintain a good working relationship with the Council and this meant they were committed to the savings. It was clarified that the savings proposed through Vertex equated to about 5% of the total annual contract cost. It was added that Vertex were also working with the Council to deliver further savings against the Council's £2.7 million Transformation programme.

Some Members raised concerns that the savings would negatively impact on residents, especially highways. Officers replied that some proposals would impact on residents directly whereas others would not. All proposals were assessed for their impact on residents and no decisions would be taken without first understanding that impact and ensuring Members were consulted, where appropriate. Vertex representatives added that no service would be removed completely without first looking at new ways of providing that service for a cheaper cost and through transformed ways of working. It was highlighted that the £2.7 million savings (the Council's Transformation Programme) would be achieved through changing services rather than cutting them.

Officers presented the rationale and progress on the Transformation programme. This was progressing well although final business cases were not due or expected on many of the projects until the end of February. This therefore presented some uncertainty around the exact savings for the purposes of the budget setting. It was stated that the Council was currently looking at savings of about £1.5 - £2m against the £2.7m target – largely a timing issue based on the part year effect of savings from projects delivered in the next few months and the long time line for delivery of projects involving staff reductions. Action was being taken to address this both by accelerating and broadening

current opportunities and looking to additional opportunities. Finance also confirmed that a £1 million contingency reserve was being established against the Transformation savings for next year should the savings proposal fail to reach target.

The Committee discussed redundancies and Officers confirmed that there was a risk of overlap and double counting across some of the high level Business cases. This would be clarified through the production of the final business cases. Some of the potential redundancies would impact upon Vertex staff. Following a question it was stated that the Council would follow a robust HR process in relation to redundancies, minimising this wherever possible.

Members discussed where redundancies would be made and officers explained that 50% of the projects did not include staff redundancies. The detail was not known at this stage as to where these redundancies would occur.

In relation to Utility Costs (CORG 3) officers explained that the cost of heating the core set of council buildings had risen by 30% and was expected to increase a further 25% next year and therefore, there needed to be additional funds to cover the cost. It was expected that the carbon reduction initiative would save some money. It was added that the council already purchased its energy through a broker (via Vertex/Europa) therefore helping to get a competitive price.

Members queried why the growth bid for utility costs did not merge with the Climate Change Levy growth proposals and officers agreed that this needed to be investigated as they could possibly be merged. The Committee also queried whether schools would be charged additional money for this increase considering they already paid for their own utility bills. Officers agreed to provide a briefing note relating to the responsibilities of schools in relation to this item.

Members debated the use of energy reduction campaigns in the council buildings and officers explained that these campaigns had proved successful in the past which had meant they had not been required as frequently. Also several automated devices (light sensor units; auto shutdown software in the PC and laptops etc) had been fitted to remove the need for such campaigns and audits.

The Committee discussed the return of powers from the Development Corporation (CORG 1) and learnt that two staff (Asset Management) were transferring from the Corporation and both had job roles that were required in the Council. Officers were fully expecting to hear about the outcome of their bid to the CLG in late January. It was confirmed that no director level posts were transferring to the Council but those staff that were transferring over would keep their jobs' terms and conditions under TUPE arrangements.

In relation to void properties (CORG 5), officers outlined that the additional funds were needed because rates and valuation levels were increasing due to inflation and other market pressures as well as the change in legislation regarding void properties. It was recognised that selling empty council properties could generate and save money in the longer term.

Officers confirmed that the growth relating to the nurse contact centre (CORG 9) was for one additional year and that the Council was continually evaluating the service to see whether it was positively impacting on staff attendance. If it stopped being so, the service would be discontinued.

With regards to elections officers could not guarantee that sharing returning officers would deliver savings.

RESOLVED that the Committee noted and reviewed the proposals for budget growth and savings in 2012/13 and future years set out in the appendices to this report.

3. BUDGET 2012/13 – CROSS CUTTING ISSUES

The Committee, along with Members from the other overview and scrutiny committees, discussed the cross cutting issues relating to the budget.

Councillor Halden provided a brief summary of the items relating to Cleaner, Greener and Safer Overview and Scrutiny highlighting the following items that the committee felt were issues to note:

- Street Cleaning Demographic – requires policy development and action to raise from bottom quartile performance.
- Trade Waste Charging – an ‘opt in’ scheme for businesses and organisations was preferable.
- Europa being moved from Station House.
- Environmental Health Officers – Members felt that if a third officer was not required next year, following developments in the service area, that the money be used to invest in technology relating to the service as this, Members believed, could improve the efficiency of the service.
- Match funding for PCSOs – Councillor Halden’s committee were against the saving but believed better value for money could be achieved.

A debate took place over the lack of savings forwarded for community, library and leisure services, as well as the possible use of council leisure facilities by third parties. Some Members felt that the Thameside Theatre was a viable area where savings could be made and were concerned that Leisure Services were possibly requesting a growth bid in the next municipal year (HWBG 7).

Members present agreed that four working groups should be organised to report back to a Corporate Overview and Scrutiny meeting on 19th January with all other chairs and vice-chairs invited:

- Development Corporation Issues
- Climate Change Levy
- The Vertex and Transformation Programme Savings
- Potential Community, Leisure and Library Services (excluding impulse Leisure)

The Committee agreed that the relevant chairs and vice –chairs of the parent overview and scrutiny committees would make up the core of each working group with all other non-executive Members being invited to join any working group they were interested in.

RESOLVED that:

- i) **The working groups be established and report back to a specially convened budget meeting on 19 January 2012.**

The meeting finished at 8.21pm.

Approved as a true and correct record

CHAIRMAN

DATE

**Any queries regarding these Minutes, please contact
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or alternatively e-mail mboulter@thurrock.gov.uk**