



CITY OF WESTMINSTER

# MINUTES

## WESTMINSTER SCRUTINY COMMISSION

### MINUTES OF PROCEEDINGS

Minutes of a meeting of the Westminster Scrutiny Commission held on Wednesday 18<sup>th</sup> May 2011 at 5.00pm in the Purple Marriage Room, Council House, 97-113 Marylebone Road, London NW1 5PT

**Present:** Councillors Ian Adams, Sarah Richardson, Angela Harvey, Andrew Havery, Audrey Lewis and Barrie Taylor

**Also present:** Councillor Colin Barrow, Leader of the Council, Mike More, Chief Executive.

**Apologies:** Councillor Alan Bradley

#### 1. MEMBERSHIP

- 1.1 Apologies for lateness were received from Councillor Sarah Richardson. It was therefore agreed that Councillor Ian Adams would Chair the meeting.
- 1.2 **RESOLVED:** That Councillor Ian Adams be appointed Chairman for the duration of the meeting.

#### 2. DECLARATIONS OF INTEREST

- 2.1 None declared.

#### 3. MINUTES

- 3.1 *9<sup>th</sup> November 2010*
  - 3.1.1 Councillor Harvey commented that a meeting with Chief Executive to discuss knowledge management had not yet been arranged.
  - 3.1.2 Councillor Lewis reported that work was being carried out towards improving the Members website but that progress was slow.
  - 3.1.2 The Commission had not yet received the information relating to the Cabinet Member responsibility for the award of contracts over £1.5 million.

### 3.2 **Action points**

- 3.2.1 It was requested that the minutes be re-drafted to be more specific.
- 3.2.2 The Commission also requested that an action log be appended to future minutes.
- 3.3 **RESOLVED:** That the minutes of the meetings held on 9<sup>th</sup> November 2010 and 15<sup>th</sup> March 2011 be revised and submitted to the next meeting.

## 4. **ANNUAL REPORT**

- 4.1 Simon Lewis, Scrutiny Research Analyst, informed the Commission that the content of the annual report was in the process of being finalised by the individual Chairman.

## 5. **TRI-BOROUGH PROPOSALS – UPDATE REPORT**

- 5.1 The Chairman welcomed the Leader of the Council and the Chief Executive to the meeting.
- 5.2 The Commission heard from the Leader who explained that the business case proposals were being developed and were almost complete and were on target for submission to the next round of Cabinet Meetings. Business case proposals would show how services would be configured, how savings would be made as well as the apportionment of savings. Scrutiny was welcome to look at the proposals at any stage.
- 5.3 Councillor Lewis commented that her Committee would be looking at the libraries proposals and, given that data in the update report showed an enormous difference between boroughs in terms of almost all criteria, it was hard to see without seeing the detail, how it would be organised so that all boroughs would achieve aggregate savings to make tri-borough worthwhile.
- 5.4 As the lead sponsor for libraries, the Chief Executive welcomed input from the P&S Committee and agreed that library services across 3 boroughs varied in size, characteristics in terms of users, volume, culture and style. Westminster's libraries were considered to be rich in quality and diverse in the functions they perform. There was a threshold of savings which each borough needed to achieve in order to feel that shared services would be warranted. It did not mean that savings for each service would be attributed evenly as it depended on the dynamics and nature of the individual businesses. With regard to libraries, savings were currently expected to be approximately £1.7 million per annum across the 3 boroughs which equated to approximately 13% of the controllable budget. The apportionment of savings would be based on the attribution of costs. Cabinet Members and officers were currently working through various cost scenarios including the size of budget (which was felt to be too self referential and not output based), the number of fixed point libraries (some

library models where more centralised), population (which was felt to be too dynamic), annual visits and the number of members.

- 5.5 The Chief Executive gave assurances that sovereignty would remain meaning meant services would continue to be delivered according to the needs and wishes of local residents. Shared services also provided an opportunity for sharing ideas and further savings could be achieved as practices evolved.
- 5.6 Councillor Harvey raised the issue of head count both in an HR, finance and political sense and queried the reference to the harmonisation of salaries in library services. The Chief Executive commented that the progress report included options which had been looked at and later dismissed as well as possibilities which were in the process of being examined. The libraries business plan did not include propositions for harmonising salaries and Members were assured that that reducing salaries was not part of the proposals. In terms of head count, savings would be attributed through reducing the number of managers and reducing the number of people operating in the duplication of specialist functions and increasing productivity in front line posts. Other boroughs did not have centralised support functions and were working within different operating models, there were similar titles for very different jobs all of which meant there had been consistency issues when trying to reach an agreement of staffing numbers.
- 5.7 Councillor Harvey also asked whether posts would be aligned across the 3 boroughs. The Chief Executive explained that at this stage an overview of definitional points sufficient for a robust business case had been worked though. The structure of services would not be detailed enough to start writing job descriptions and grading posts. This detail would not be known until it was certain that proposals were being taken forward.
- 5.8 Councillor Havery commented on the basis for scrutinising tri-borough with the process being dealt with by the commission and the structure of service by the relevant P&S committee. He felt there was a problem insofar as the Commission did not have any real understanding or guide lines on process or approach. He had hoped that a common transaction cost had been established which could be used to see where savings had been identified. The Chief Executive commented that it would be possible to have a model which had a clear separation of commissioning and service delivery with agreed cost and delivery prices. It would be a sensible and reputable way to organise services which allowed sovereignty and a clear pricing structure. The challenge was whether each borough had the same data which would enable a transactional way of doing business and whether the current businesses were organised in a way which allowed a quick move to the commissioning model. A common data structure across the three boroughs was required to analyse structures. This did not mean the same outcomes were also needed. Councillor Havery felt that each borough could have a different approach to service delivery as long as it could be costed and that in fact it would not be beneficial to try to align approaches across the boroughs. The Directors of Finance had been asked to ensure that boroughs would only be charged for the services they received.
- 5.9 Councillor Richardson, using the example of the library service, referred to the challenge of customer experience verses making savings and what benefits

there would be to residents. It was noted that the library service would be looking to introduce more flexibility for customers. Reducing overheads would also be explored with the possibility of entering into a quasi-commercial partnership being an option to explore in the future to achieve further savings.

- 5.10 Councillor Richardson expressed her frustration that a business plan for Adults Services had not yet been forthcoming. The Leader explained that a lot of work was taking place to move from current models of care and procurement structures to new operating models. It was also important to note that it was not just about structural changes as a solution but also ensuring innovative practice.
- 5.11 Councillor Taylor commented on the issue of public perception, explaining that the public and community response to proposals was currently being run by the Executive, however, he thought the Commission should take control on this process. Although surveys could be helpful, he did not see them as being an accurate reflection of the public response to proposals.
- 5.12 Councillor Taylor explained that he would like to see a formal scrutiny arrangement with the other boroughs to give backbench Members an opportunity to input into the process, review proposals and hold the Executive to account. He believed that the Commission should be asking officers to develop models of what scrutiny could do to respond to proposals when they are presented in order to avoid a reactive approach. Councillor Taylor also raised concern that the investments being made to bring about the savings were not being shown. The Leader commented he had resisted an external 'task force' and that he firmly believed that it was part of managers 'day job' to look for efficiencies.
- 5.13 Councillor Adams expressed his frustration that a business case for children's services had not yet been produced. Although he did have a bit of a clearer understanding of where plans were heading, he wanted to see a business plan soon to look at the detailed service design. He noted from the update report that £5million worth of savings for children's services had not yet been specially identified. He also commented that the savings for each service area were relatively small which raised the question of the time, effort and money needed to achieve the savings. The Chief Executive explained that there was now a need to show that target savings could be changed into achievable savings.

#### 5.14 **Action Points**

- 5.14.1 The Commission requested that options for undertaking joint scrutiny with counterparts at Hammersmith and Fulham and Royal Borough of Kensington and Chelsea be investigated.
- 5.15 **RESOLVED:** That as well as the specific business case proposals being considered by the relevant P&S Committees, further discussions on the issue of the strategic aspects of the tri-borough proposals should take place at the Commission.

**6. TERMINATION OF MEETING**

6.1 The meeting ended at 6.30pm.

CHAIRMAN \_\_\_\_\_

DATE \_\_\_\_\_