

THE OVERVIEW AND SCRUTINY COMMITTEE

10 December 2012

Attendance:

Councillors:

Pines (Chairman) (P)

Cook (P)

Evans (P)

Gemmell (P)

Gottlieb (P)

Hutchison (P)

Learney (P)

Read (P)

Sanders (P)

Scott (P)

Wright (P)

Others in attendance who addressed the meeting:

Councillors Coates (Portfolio Holder for Housing)

Councillor Huxstep (Portfolio Holder for Environment)

Others in attendance who did not address the meeting:

Councillor Godfrey (Portfolio Holder for Finance and Administration)

1. **MINUTES**

RESOLVED:

That the minutes of the previous meeting of the Committee held on 19 November 2012, be approved and adopted.

2. **HOUSING TERM MAINTENANCE CONTRACTS – PERFORMANCE REVIEW 2012/13 (CONTRACTOR GEOFFREY OSBORNE LTD)**

(Report OS56 refers)

The Committee welcomed Mr McLaughlin as a representative of Osbourne. The Head of Housing Services introduced the Report and explained that, after a difficult start, the performance of the new housing maintenance contractor (Osbourne) had undergone a significant improvement. Whilst the performance was still not at the standard expected by the Council, officers were reassured that Osbourne had in place the necessary plans to ensure that this standard would be met through continued improvement.

In response to questions, Mr McLaughlin explained that Osbourne had been training staff transferred to them from the previous contractor, to ensure that as many as possible were multi-skilled. He explained that having multi-skilled staff would mean that more jobs could be completed in a single visit.

During discussion, the Committee noted that because the Council and the contractor operated different IT systems, this had an on-going affect on the efficiency of the contract. Officers and Osborne were resolved to tackle this problem, once more pressing issues regarding the contract had been satisfactorily resolved.

RESOLVED:

That the Committee notes the performance information set out in the Report and, in order to scrutinise the anticipated continued improvement in performance, a similar report be presented to the first meeting of the next municipal year (20 May 2013).

3. **ENVIRONMENTAL SERVICES CONTRACTS ANNUAL REVIEW 2012**
(Report OS57 refers)

The Assistant Director (High Quality Environment) introduced the Report, which set out the performance of the first year of the Environmental Services contract which was operated in partnership with East Hampshire District Council.

The Committee therefore welcomed representatives of the client side, and the contractors (Biffa Municipal Ltd and The Landscape Group) to the meeting.

The Committee first considered the Biffa Contract and noted that the routing of the refuse freighters had, after a difficult start, been resolved and Biffa now had an accurate assessment of the number of properties they served. In response to concerns, Members noted that the number of missed bins continued to reduce and was informed about the way in which the contractor dealt with the problem of contamination of recycling bins collected from houses in multiple occupation.

The Committee also noted the occasional problems Biffa faced when not able to tip at the nearest available site. This had a detrimental effect on Biffa's efficiency and negotiations were on-going to resolve the issue. Following debate, the Committee asked that the Portfolio Holder should support the work towards the successful conclusion of these negotiations.

In response to questions, the Corporate Director (Operations) explained that, whilst some service requirements had been mistakenly omitted from the initial contract specification, these had been now been included.

During discussion, Members raised concerns regarding the contingency budget. It was noted that the contingency fund had been set aside in case either the reduced services the Council sought through the new contract had proved to be unacceptable; to resolve an error or omission from the contract; or any unforeseen circumstances. Following debate, the Committee agreed that the Portfolio Holder be requested to ensure that this budget was maintained at an appropriate level.

Biffa indicated that they were still making changes to improve the operation of the contract and hoped that the significant progress made after the initial problems was recognised. Biffa confirmed that they were committed to the contract for the long term and considered it would be profitable over the contract period.

The Committee then considered the performance of The Landscape Group, which had won the contract to run the street cleaning/grounds maintenance services.

Members raised concerns regarding how The Landscape Group cleared leaves from Winchester's streets and pavements and questioned whether this was being performed at all or, when it was, thoroughly enough. In response to these concerns, the Committee learnt that The Landscape Group worked from a priority list of roads to clear, but had been distracted from that list by other issues; that their machinery had struggled to collect wet leaves, and this year had been unusual in that most of the leaves had come down in a short period. Following a debate, the Committee agreed that officers should re-consider how the quality of the contractor's work was checked and noted that officers were already re-examining the prioritisation of streets and the machinery used to clear leaves.

Other Members raised concerns regarding the standard of grass cutting. It was explained that, as part of reducing the cost of the contract, Winchester had agreed to reduce the number of grass cuts from 10 to 9 a year, in line with the practice of its partner, East Hampshire District Council and other Local Authorities, and the advice of its own Landscape Team. However, it was the view of The Landscape Group that 9 cuts were too few, especially in years when the rainfall was abnormally high. Because of the wet weather only 8 cuts had been managed by The Landscape Group this year, due to the length of the grass. Following debate, the Assistant Director (High Quality Environment) confirmed that the client team could provide Members information regarding scheduled work in their wards upon request.

The Committee raised concerns regarding The Landscape Group's work on the Council's shrubs and borders and commented on how this could affect the City's tourism trade. Members noted that, in addition to The Landscape Group's view that some of these areas had been inadequately maintained

by the previous contractor, this had regrettably been one of the areas of work that suffered as a result of The Landscape Group's decision to attempt to complete as many grass cuts possible during a difficult summer. However, a recovery plan had been agreed with officers and that the work on shrubs/borders should be back on schedule by the start of April 2013. In response to a question, the Chief Executive of the Landscape Group confirmed that this recovery work would be at no additional costs to the Council.

Members noted that, outside the high profile areas, the contractor was expected to undertake litter picking on an ad hoc basis, where they saw that there was an issue. The Assistant Director (High Quality Environment) added that the Council welcomed comments from the public regarding street scene issues, as these were an invaluable part in monitoring the contractor's work.

In response to a question, The Landscape Group confirmed that whilst they had not returned a profit in the first year of the joint contract, they remained committed to the long term future of contract, the price that they had bid and that they had sufficient resources to deliver the required services.

The Committee also noted that Biffa and The Landscape Group were set to share the same IT platform, once the new Winchester depot opens.

The Corporate Director (Operations) confirmed that both Councils were making significant savings compared to the operation of the previous contractual arrangements.

At the conclusion of debate, the Committee acknowledged that, after such a long time working with the previous contractor (Serco), their replacement would have inevitably suffered a transitional period of teething and unforeseen problems. Whilst the Committee noted that there were still some issues of concern between the contractors and the clients, particularly in relation to The Landscape Group, Members were broadly encouraged by the direction of travel and the improvements taken.

However, from the Report and the comments made by at the meeting, the Committee agreed that the Portfolio Holder be requested to review the inspection and supervision procedures of both the client and contractor. That the grass cutting and leaf clearance services be reviewed, in addition to reviewing the number of missed bins and how to best tackle the contamination of recycling bins collected from houses in multiple occupation. The Committee also requested that the Portfolio Holder consider how the public and Members could be kept better informed about services such as grass cutting, bin collection, road sweeping and leaf clearance. That the Portfolio Holder for Environment also be requested to make representations to the County over the negotiations with Veolia to

resolve the issue of tipping with Biffa (paragraph 5 of Appendix 3 refers) and to ensure that the contingency fund for the contracts is maintained to an appropriate level.

Finally, the Committee agreed to review the performance of the second year of the contract next year.

RESOLVED:

1. That the content of the JESC reports on performance in the first year of the two Environmental Services contracts be noted.
2. That the Portfolio Holder for Environment be requested to:
 - a) review the inspection and supervision procedures of both the client and contractor.
 - b) review the grass cutting and leaf clearance services, in addition to reviewing the number of missed bins and how to best tackle the contamination of recycling bins collected from house of multiple occupation.
 - c) consider how the public and Members could be better informed about services such as grass cutting, bin collection, road sweeping and leaf clearance.
 - d) make representations to the County over the negotiations with Veolia to resolve the issue of tipping with Biffa (paragraph 5 of Appendix 3 refers).
 - e) ensure that the contingency budget for the contracts is maintained to an appropriate level.
3. That the performance of the contract be reviewed next year's December 2013 meeting.
4. **HOUSING REVENUE ACCOUNT – 2013/14 RENT SETTING AND BUDGET/BUSINESS PLAN OPTIONS**
(Report CAB2423 HSG refers)

The Head of Housing Services explained that the Report had been considered by the Cabinet (Housing) Committee earlier that day and that the recommendations had been agreed as set out.

In response to questions regarding the Government's welfare reform policies, the Committee noted that approximately 300 of the Council's tenants would be affected from April 2013, as under the new procedures,

they were under occupying properties. Others would be affected by the new maximum payable in benefits and Members noted the Council's proposal to provide additional resources within Housing Services to help advise tenants on their personal budgets and minimise the effect on rent collection.

In response to concerns regarding the proposed increase in the rents, the Head of Housing Services explained that the increases were necessary to support the business plan set out in the Report and that the Council's social rents would remain less than the rents charged by other social housing providers in the District.

RECOMMENDED:

THAT THE REPORT BE NOTED.

5. **CONSIDERATION OF ITEM UNDER THE COMMITTEE'S POWERS OF CALL-IN**

(i) **HOUSING REVENUE ACCOUNT – REVISED 2012/13 BUDGET**
(Report PER216 refers)

The Committee noted that this Report had been considered Cabinet (Housing) Committee at its meeting held on 19 September 2012 and the subsequent meeting of Cabinet (held 3 October 2012) where the recommendations were agreed as set out. This report had originally been scheduled to be considered by the 8 October 2012 meeting of The Overview and Scrutiny Committee, but as this meeting was cancelled the Report was referred to this meeting.

RESOLVED:

That the decision of Cabinet to approve the virement set out in Paragraph 3 (e) of Report CAB2386 (HSG) with regard to the potential of incurring "home loss payments" to residents moving from Victoria House Extra Care Scheme (up to £80,000), be not called-in for review.

(ii) **MAINTENANCE, IMPROVEMENTS AND NEW BUILD PROGRAMMES – PROGRESS UPDATES AND REVISED BUDGETS**

The Committee noted that this Report had been considered Cabinet (Housing) Committee at its meeting held on 10 December 2012, where the recommendations were agreed as set out.

During debate, the Committee noted that the new build programme did not include the land cost.

RESOLVED:

1. That in accordance with Financial Procedure Rule 7.4 the decision of Cabinet to approve a revenue virement of £90,000 (summarised in Appendix A of the Report), be not called-in for Review.

2. That in accordance with Financial Procedure Rule 7.2, the decision of Cabinet to approve a supplementary estimate in relation to an increase in spending on New Build Schemes in 2012/13 funded by a reduction of £58,000 in the contribution to the New Build Reserve, be not called in for Review.

6. **SCRUTINY WORK PROGRAMME (REPORT OS49 REFERS), THE JANUARY 2013 FORWARD PLAN AND ITEMS FOR FUTURE CONSIDERATION**

It was noted that, following discussion with Group Leaders, a meeting of the Scrutiny Chairs Liaison Group would be held in January 2013 to determine the issues to be considered by the next batch of Informal Scrutiny Groups.

RESOLVED:

That the Scrutiny Work Programme Forward Plan for January 2013 be noted.

The meeting commenced at 6.30pm and concluded at 9.30pm.

Chairman