



OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the Overview & Scrutiny Committee held on Monday 8 September 2014
at 7.00 pm at 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Gavin Edwards (Chair)
Councillor Rosie Shimell (Vice-Char)
Councillor Anood Al-Samerai
Councillor Catherine Dale
Councillor Karl Eastham
Councillor Tom Flynn
Councillor Rebecca Lury
Councillor Claire Maugham
Councillor Adele Morris
Councillor Johnson Situ

OTHER MEMBERS PRESENT: Councillor Peter John, Leader of the Council

ALSO PRESENT: Liz Brown and Yvonne Wilcox, Charter School Education Trust
Catherine Rose, Campaign for New Secondary School for East Dulwich

OFFICER SUPPORT: Shelley Burke, Head of Overview & Scrutiny
Debbi Gooch, Head of Litigation
Alistair Huggett, Framework & Implementation Manager
Jennifer Seeley, Deputy Finance Director
Duncan Whitfield, Strategic Director of Finance and Corporate Services
Peter Roberts, Scrutiny Project Manager

1. APOLOGIES

- 1.1 Apologies for absence were received from Councillor Jasmine Ali and Mr George Ogbonna.

2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

2.1 There were no late items of business.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

3.1 There were no disclosures of interests or dispensations.

4. MINUTES

4.1 Councillor Anood Al-Samerai asked that the minutes be corrected to show that she had raised the issues set out at paragraph 7.2.

RESOLVED:

That, subject to the above amendment, the minutes of the meeting held on 14 July 2014 be agreed as a correct record.

5. CABINET MEMBER INTERVIEW - COUNCILLOR PETER JOHN, LEADER OF THE COUNCIL

5.1 Councillor Peter John, Leader of the Council, stated that the council's priorities were contained within the Fairer Future promises and reflected the issues that were identified in the period going into the election. The priorities included the building of 11,000 new council homes, additional school places, the Bakerloo Line extension and other transport infrastructure issues, the cycling strategy, free swimming and gym use and the work of the childcare commission. Continuing cuts to the budget remained a backdrop with £30 million savings required in the year ahead. Councillor John emphasised that he was optimistic about the future of local government, particularly in terms of its increased role in the context of devolution and the localisation agenda.

5.2 Councillor Adele Morris highlighted press stories that day about Aylesbury leaseholders being unhappy with what they were getting from the council. She appreciated that legislation limited what the council could pay in terms of compulsory purchase but leaseholders were very unhappy. Councillor John responded that he was disappointed with the media coverage. The shared equity offer meant that leaseholders did not have to pay rent on the additional cost of a property and also retained the value of their share in the property which hopefully would increase over time. In addition, twelve properties were being set aside for leaseholders on the Elmington estate. People did not have to move out of the area. Councillor John stressed that the council's offer was as good as any being made by any other London council. He recognised that there would always be an element of disappointment for leaseholders about the value of their properties but the council was only able to pay the advised market value. Councillor Anood Al-Samerai asked that that the shared equity offer be clearly communicated to leaseholders.

- 5.3 Councillor Al-Samerai referred to a recent council question about whether the East Dulwich Hospital site could be designated for health and education use and not residential. This would decrease the value of the land and give an indication of the council's hopes for the site. Councillor John responded that he had raised this with planning officers and would look into it again. The priority was to move forward with a planning application for a secondary school on the site.
- 5.4 Councillor Claire Maugham asked how the council intended to meet further cuts in the financial settlement. In Councillor John's view, there were still areas where savings could be found while ensuring that priorities could still be delivered. As an example, the council was committed to creating five thousand new jobs and apprenticeships. If the council was able to help find training or work for eighteen year olds with learning difficulties this would meet a priority and also free up resources currently needed for social care. Delivery of jobs and employment was a vital part of what the council did and also impacted on other areas. Councillor John also stressed that the council remained in a good capital position and continued to look at how this could be used to free up revenue. It was looking across all departments to make savings and to make sure that services provided best value.
- 5.5 The chair, Councillor Gavin Edwards, explained to Councillor John that the committee intended to look into the council's procurement of large service contracts and asked whether he was aware of areas where services could be improved and money saved, perhaps by bringing services in-house. Councillor John suggested that the home care contract might be worth looking at. At the same time he believed that contracting out of public services was a cyclical approach. The chair asked whether senior officers were taking a step back when major contracts were coming up and asking whether these could be carried out in-house. In his view, any assumption that contracts should automatically be outsourced needed to be challenged. Councillor John indicated that the question of performance and value for money should be upmost. Where services had been under-performing, such as Council Tax, Revenues and Benefits and the Call Centre, it had been an obvious question to ask as to whether these should be brought in-house. Perhaps this question could be built into the procurement process generally. The chair emphasised that risks needed to be properly considered, including the risk of having to contract manage rather than have direct control of a service. Councillor John agreed that this was a good challenge but stressed the importance of building up the council's own capacity. For instance, it had not been possible to give more of the housing repairs contract to SBDS, the council's own direct labour organisation.
- 5.6 Councillor Tom Flynn asked the Leader for his thoughts on the viability and funding of the Bakerloo Line extension, both to Camberwell and along the Old Kent Road. Councillor John reported that TfL was going to start public consultation on the extension. He hoped that TfL would look seriously at the extension to Camberwell and Peckham as this would be of real value. The council was also lobbying TfL on re-opening of Camberwell railway station. Councillor John's preferred option was for two spurs, particularly taking account of the clear planning gain from a route down the Old Kent Road, but the key would be identifying how funding could be generated.

- 5.7 Councillor Rosie Shimell, the vice-chair, wondered if there was any clarity as to the proposed offer of free swimming and gyms in the borough, noting that a scoping report was due out and a pilot had been running since July. Officers clarified that there was no pilot but that testing had been carried out. Councillor John explained that the initial starting point was comprehensive cover but that costs needed to be estimated. Other options included the entitlement of a certain number of hours per week or month. Consideration was being given to piloting free Fridays in order to establish possible take-up and as historically leisure centres were not over-used on this day. Councillor Shimell pointed out that some leisure centres were already used more than others and asked whether renovation works would be necessary in order to increase capacity. Councillor John commented that Peckham, Dulwich and Camberwell were all in good shape and Castle was due to open in the Spring of next year. He acknowledged that Seven Islands was in need of investment but hoped that there would be a good offer across the borough as a whole.
- 5.8 Councillor Rebecca Lury asked for Councillor John's views on the challenges facing the borough in terms of health. Councillor John replied that these included obesity, diabetes, sexual health, the prevalence of HIV and general health inequalities between the richest and poorest in the borough. The council's policies such as free swimming and gyms and the provision of free healthy school meals improved public health generally. Councillor Al-Samerai asked how Councillor John viewed the investment of pension funds into tobacco. Duncan Whitfield, the Strategic Director of Finance and Corporate Services, reported that an imminent meeting of the pensions advisory panel would be considering a survey of current and retired members of the scheme on investment strategy, including this particular issue. Councillor John added that he was sympathetic to the case made on tobacco but that a decision was needed on where to draw the line, for instance in terms of alcohol and arms.
- 5.9 Councillor Catherine Dale asked the Leader if he had any thoughts on what the council, councillors and scrutiny committees could learn from the situation in Rotherham. Councillor John did not believe that Southwark had a political culture that would have allowed a similar situation, the opposition had always asked tough questions of the ruling administration. However it was important not to become complacent. Scrutiny committees and councillors at every level needed to continue to ask the tough questions. Councillor Al-Samerai agreed that there was no room for complacency, referring to a report by GLA member Caroline Pidgeon into Southwark looked-after children going missing.
- 5.11 Councillor Johnson Situ asked the Leader for his views on the council's relationship with the government and the GLA and any challenges the council faced in this area. Councillor John felt that the relationship with the Mayor and the GLA was pretty good, particularly in the area of aspirations for London and its infrastructure. The council continued to talk to the government but the implementation of the recommendations of the Financial Commission would be of benefit.

6. SCHOOL PLACES STRATEGY

- 6.1 The chair, Councillor Gavin Edwards, reported that he had met with the head of John Donne Primary School. He had also drafted an on-line survey for parents about the school places strategy and their experience in dealing with the council in respect of places. Shelley Burke, the head of overview & scrutiny, explained that the governors support unit and Community Action Southwark would circulate the survey and that the communications team was advising on where it should be published. The chair added that he hoped that a draft report would be available for the committee to consider at its January meeting.
- 6.2 Liz Brown and Yvonne Wilcox addressed the committee, representing the Charter School Education Trust. Liz Brown, the chair of the trust and the governing body, gave a brief history of the current school. She reported that it had been judged as outstanding in the last three Ofsted inspections, had achieved very good GCSE results and that A Level results had improved. The school was five times over-subscribed with a catchment of 1.5KM. Liz Brown explained that there were a lot of children in the community that the school was unable to provide a service for. The school was too popular and had no room for expansion. A second Charter school would enable more of the community to be served. This had led to the bid to the Department of Education, to be submitted by 10 October. Yvonne Wilcox explained that, when the current school was in its planning stage, the East Dulwich Hospital site had been offered but that given the eventual timeframe it was good that this had not been taken up. Liz Brown added that the council had been helpful in putting together the bid but that ultimately Southwark had no power in the process. Putting together the bid was very time consuming and had mainly been done by volunteers.
- 6.3 Councillor Gavin Edwards, the chair, asked the two representatives for their opinion of the process and whether it was a good way of getting parents involved. Liz Brown felt that the process did not did not plan for the needs of the whole of the borough but just one locality. She also questioned the proposal to put a Nunhead primary school on the East Dulwich hospital site, in terms of transporting children to the site but also that the site was the only site of a reasonable size that was really practicable for a secondary school. The chair wondered whether it would be possible to have both a primary and a secondary school on the site. Liz Brown responded that the NHS had not yet confirmed the size of site available. It was important not to compromise secondary school play space and sports facilities.
- 6.4 Councillor Anood Al-Samerai congratulated Charter School on its achievements. She asked how leadership and admissions would operate if there was a second school. Liz Brown explained that a multi-academy trust would be set up and that people were being approached to sit on the board. The new school would have its own governing body and head teacher but the same vision and values. Admissions would be on the basis of distance as the crow flies. Councillor Johnson Situ asked whether over-subscription of places originated in a particular area and whether a new school would help with these applications. Liz Brown indicated that this data was contained in the bid but that, as an example, a lot of applications came from Dog Kennel Hill School which was too far away. She felt

that the need for places was clear.

- 6.5 The chair was concerned that the council had offered sufficient help to support the bid. Liz Brown emphasised a difficulty in this in that there were two bids and that the council was put in the position of helping both. She confirmed that support had been offered.
- 6.6 Catherine Rose of the Campaign for New Secondary School for East Dulwich presented a discussion paper on school places. In part, the paper attempted to qualify and quantify the community support for a new school. The chair asked for views on the Harris Federation's proposal for a primary school on the hospital site. Catherine Rose felt that this might be useful in terms of children transferring to a Harris secondary school but questioned whether anyone was taking a broad view of the area's needs. She was also concerned about whether it would adequately meet the needs of children in Nunhead. The chair asked whether she considered the current school places planning process to be fit for purpose. Catherine Rose commented that it was difficult to get primary and secondary school information at a local level. Schools planning needed to reflect shifts in need.
- 6.7 Councillor Karl Eastham was encouraged that a new school would improve the situation in East Dulwich and asked for an indication of the admissions policy. Catherine Rose indicated that there were two schools in the Dulwich Ward that were difficult to get into and that this impacted on the community in terms of children being scattered. The campaign was working with the Haberdashers' Aske's Federation, which had a standardised admissions policy in Lewisham, but aiming to offer as broad a chance as possible for as many children as possible. There would, for instance, be no music scholarships and no lottery system. Councillor Anood Al-Samerai asked how the relationship with this provider had come about. Catherine Rose explained that the steering group had a clear idea about what it wanted the school to deliver and needed a strong provider. The Haberdashers' Aske's Federation understood the free school process and had experience of creating schools. As a final comment, Catherine Rose suggested that it would be useful if overview and scrutiny committees were notified of possible bids in their areas before these were registered.

7. PECKHAM RYE STATION REDEVELOPMENT - UPDATE

- 7.1 The Planning Projects Manager, Alistair Huggett, introduced the report. In response to questions he explained that the original idea had been for the council to achieve vacant possession, using CPOs, and to hand the land to Network Rail on a commercial basis to build out a viable scheme. The current proposal was to buy out long leases along the frontage of the site and to develop this for community use, rather than give land to Network Rail. The chair, Councillor Gavin Edwards, asked whether the community had been consulted on the original proposal. The Planning Projects Manager clarified that Network Rail had been leading the previous scheme but that the council was leading on the current one which had a different emphasis. Councillor Catherine Dale asked whether the aim had always been to regenerate the area. The Planning Projects Manager confirmed that this aim had been set out in the Peckham and Nunhead Action Plan. There had been a difference of opinion about how to deliver the aspirations it contained.

- 7.2 Councillor Adele Morris was concerned about how the council could learn from the experience in Peckham in order to ensure that communities in other parts of the borough were able to have their say and be heard. The Planning Projects Manager responded that the current project was a partnership project involving the GLA, Network Rail, Southern and the council. To some extent, partners had previously been pulling in different directions but it was possible that GLA funding was now driving the project in one direction. The Planning Projects Manager wondered if Network Rail had been focussed on viability and the commercial development of the site and whether the council had not queried this sufficiently. In terms of community engagement, he commented that the community in Peckham had been very well organised and had made use of technology to galvanise local opinion. Campaigning had worked very well in this case and had led to some very robust meetings.
- 7.3 Councillor Johnson Situ asked how the council could ensure that, with so many stakeholders and partners involved, the project continued to meet the community's aspirations. The Planning Projects Manager stated that he had a very clear steer from the Director of Regeneration to keep to the new approach. In the past there had been too many conflicting aims and objectives but now all three partners were on board with the reduced aspirations. Councillor Karl Eastham was concerned that community views were reflective of the entire community in the area. The Planning Projects Manager explained that the Co-design team had been taken on in an effort to get to the hard to reach parts of the community, including local business, churches and young people.
- 7.4 Councillor Dale commented that she had looked at the co-design website and was concerned that it might not appeal to everyone, she hoped that there were other methods being used in order to engage with the broader community. The Planning Projects Manager confirmed that community engagement was a key part of the brief for the Co-design team. Councillor Tom Flynn suggested that this might be better achieved by taking a flip chart onto Rye Lane. The Planning Projects Manager agreed and reported that a consultation hub had been set up at the station itself and that people with clip-boards had been in the area as a way of finding out the views of the community. The team was not just relying on the web and in addition the previous consultant AOC had been retained.
- 7.5 Councillor Anood Al-Samerai emphasised a wider question of how such issues should be looked at by the committee. Local residents had only been invited to a previous meeting at which there was an item on Draper House when she had suggested it. Today the committee was hearing from officers but it was important to hear direct from the community too. The chair stressed his view that it was important to understand the officer view first. Perhaps the question was how to structure a review and when to invite the community to attend. A conversation needed to be had about how the committee should come back to this issue and which groups might be invited at that point.
- 7.6 The vice-chair, Councillor Rosie Shimell asked the officer whether he was confident that the changes made to the project would ensure that it met the many different interests of the organisations involved and the local community. The Planning Projects Manager was optimistic but emphasised a key sticking point in

that it would not be possible to get all the current traders into the new development. Hopefully relocation would be minimised and the council was revisiting its equalities report. He also reported that he would be providing updates to the community council.

8. CORPORATE PROCUREMENT STRATEGY

- 8.1 The Strategic Director of Finance, Duncan Whitfield, and the Deputy Finance Director, Jennifer Seeley, introduced the report.
- 8.2 The chair, Councillor Gavin Edwards, asked how well corporate contract review boards were functioning and whether they were providing sufficient insight and challenge. The Strategic Director of Finance confirmed that the corporate board was working extremely well but that he would like to see more challenge at the level of departmental boards.
- 8.3 The chair highlighted the proliferation of contracts across the council. Given the risks in big long-term contracts, he wondered whether the council should be asking officers to take a preferred position of awarding work in-house unless there was a particular case for doing otherwise. The Strategic Director of Finance responded that this could be stated in the Medium Term Resources Strategy but that it might have the effect of removing autonomy from managers who knew services well. The chair commented on the general claim that private contractors were more efficient, better value for money and improved services. Experience across the country was that profits were made at the expense of the people directly delivering the services, for instance in social care. He wondered about the possibility of holding contractors to Southwark's two tier code. The Strategic Director of Finance clarified that if Southwark's own staff were TUPE'd to a provider then their existing terms and conditions were preserved. Through the procurement process and valuation, Southwark had been quite successful in the introduction of the London Living Wage. The Ethical Care Charter was also breaking new ground. However, legal advice would be needed as to whether or not terms and conditions could be specified through procurement.
- 8.4 Councillor Catherine Dale emphasised the importance of the skills of the people engaged in managing contracts and questioned where management of contracts should be positioned within the authority. The Strategic Director of Finance responded that it would not be beneficial, operationally and in terms of relationships, to divorce day to day responsibility for managing contracts from the service managers. Contract management was best left with service managers but supported from the centre. Councillor Tom Flynn referred to pages 15 – 17 of the supplemental agenda which showed that a lot of decisions were made without any political involvement. He asked what percentage were made at, for example, cabinet level and whether officers considered that the proportion was right. The Deputy Finance Director explained that the system was not dissimilar to that of other councils, with contracts over £500K in value being referred to the political arena. Procurement was considered a tool for output, to achieve service objectives, and limits were set at the level that the council decided.

- 8.5 Councillor Karl Eastham suggested that it might be helpful to officers to have a procurement strategy that included political considerations. The Strategic Director of Finance clarified that officers tried to embody any evolving political priorities within procurement. He added that Southwark compared with other London boroughs in this. The chair commented that the council did not have a corporate procurement strategy in the sense of a document which provided strategy and direction and did not just set out processes. The school places strategy contained a clear political input but there was no equivalent document in terms of procurement. Councillor Adele Morris wondered whether the Community Development Foundation might be able to provide a framework for assessing contractors. Councillor Johnson Situ stressed that the aim was to get the best possible service. Some sort of accreditation might help but it would be important that no providers were excluded.
- 8.6 Councillor Claire Maugham commented that appendix C to the report, Extract from Medium Term Resources Strategy 2014/15 – 2016/17, seemed to be very broad. She sought reassurance that the broad strategy captured specific learning for instance from the experience of the Draper House contract. The Strategic Director of Finance responded that there was scope to go deeper in the strategy, it depended how specific elected members wanted to be. Councillor Situ asked whether there was any mechanism in place to develop local businesses to be ready to take on services. The Strategic Director of Finance replied that the Economic Development Team supported local businesses.
- 8.7 The chair asked to see a list of terminated or cancelled contracts over the last five years. He also said that he would be taking a sample of the contracts on the contract register asking why they were procured, whether they were performing well and how they were managed. He would contact lead officers and keep strategic directors informed. The chair asked members for suggestions as to which contracts should be examined. The chair indicated that he intended to bring a draft report to committee in December.

The meeting ended at 10.10pm