



## OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the Overview & Scrutiny Committee held on Monday 11 November 2013  
at 7.00 pm at 160 Tooley Street, London SE1 2QH

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**PRESENT:** Councillor Catherine Bowman (Chair)  
Councillor Gavin Edwards (Vice-Chair)  
Councillor Neil Coyle  
Councillor Toby Eckersley  
Councillor Dan Garfield  
Councillor David Hubber  
Councillor Lorraine Lauder MBE  
Councillor Rebecca Lury  
Councillor Paul Noblet  
Councillor The Right Revd Emmanuel Oyewole  
Councillor Geoffrey Thornton

**OTHER MEMBERS PRESENT:** Councillor Richard Livingstone, Cabinet Member, Finance & Resources

**OFFICER SUPPORT:** Shelley Burke, Head of Overview & Scrutiny  
Norman Coombe, Legal Services  
David Lewis, Investment Manager, Environment & Housing  
Duncan Whitfield, Strategic Director of Finance and Corporate Services  
Peter Roberts, Scrutiny Project Manager

### 1. APOLOGIES

1.1 Apologies for lateness were received from Councillor Neil Coyle.

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

2.1 The Chair agreed to accept item 8, Gateway 3: Variation Lift Maintenance and Repair Contract, and item 9, Update on IT, as late and urgent.

### **3. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

3.1 There were no disclosures of interests or dispensations.

### **4. MINUTES**

4.1 In considering the minutes, a member asked for updates to be pursued on the David Bratby murals (paragraph 5.2), the council's ability to charge rents at less than 80% of the market rent level (paragraph 5.9) and the row of plane trees referred to at paragraph 5.11.

#### **RESOLVED:**

That, subject to the addition of Councillor Lorraine Lauder's apologies for absence, the minutes of the meeting of the committee held on 9 September 2013 be agreed as a correct record.

### **5. CABINET MEMBER INTERVIEW: COUNCILLOR RICHARD LIVINGSTONE, FINANCE AND RESOURCES**

5.1 Councillor Richard Livingstone, cabinet member for finance and resources, responded to the three questions set out in the agenda.

5.2 In respect of free school meals, Councillor Livingstone reported that as yet there was no detail available as to how the coalition's new policy was to be delivered. It was likely that the chancellor of the exchequer's autumn statement would provide some of this. There was no assurance that the policy would result in a net cash benefit to local authorities but the council was working on an assumption that it would provide £1.5million. It was not clear which government minister's budget this would come from. He clarified that this would be used to help address the funding gap and not towards any new spending commitment. Councillor Livingstone explained that the government's policy was based on the School Food Plan, commissioned by the Department for Education. He added that charging any part of the policy to the public health budget, in view of the health benefits, had not yet been considered.

5.3 Councillor Livingstone confirmed that the local growth fund would be delivered by the Local Enterprise Partnership. Officers were doing further work on the implications of the top-slicing of the New Homes Bonus grant. Councillor Livingstone advised that currently there was insufficient detail available to fully understand the fund for Transforming Services. He also indicated that around half of the £25.4million budget gap was likely to be met by the financial measures referred to in recommendation 4 of the scene-setting report to the 22 October Cabinet meeting. Other areas of savings were still being explored.

#### **Human Resources**

5.4 A member asked for an update in respect of senior management pay. Councillor Livingstone explained that the restructuring had achieved a saving of £1.35million

and commented that pay levels were less than in equivalent local authorities. In addition, performance related pay for senior staff had been suspended until the current year and this was the first year in the last four years that staff had received a pay increase. Councillor Livingstone drew attention to the challenge of attracting candidates to important appointments, for instance those associated with achieving the council's commitment to build new council homes. There had been a slower rate of recruitment in revenues and benefits than had been anticipated.

- 5.5 The chair of the committee asked the cabinet member to comment on whether women were appropriately represented at senior levels of management. Councillor Livingstone stressed that every effort was made to ensure that recruitment processes did not discriminate against anyone from any particular group. He acknowledged that the numbers of male and female staff were disproportionate at the different bands within the council and that the recent downsizing of the council had perhaps introduced an amount of rigidity.
- 5.6 In response to a further question, Councillor Livingstone briefed the committee on the progress of negotiations with outsource contractors in respect of introducing the London Living Wage. The council's aim was to ensure all employees were on the living wage within three years. All staff employed within the homecare contract had been paid the living wage since August. The end of the contract with Veolia fell outside the three year period but by the end of this month all staff would be on the London Living Wage, an additional seventy staff. A member asked for the annual cost to Veolia of putting this number of staff on the living wage. Councillor Livingstone agreed to look into this and report back. In response to a further question he confirmed that the council had no contractual control over the pay of teaching assistants in Southwark schools but was seeking to influence this area.

#### **Council Tax Arrears Action**

- 5.7 A member asked for details of any problems in terms of the court process against tenants with rents arrears. Councillor Livingstone clarified that the council had not told people that they did not need to appear before the court. An initial version of a letter had stated that this was the case but this had not been included in the final letter that had been sent out. Everyone had the right to represent themselves. Councillor Livingstone indicated that, in conjunction with Citizens' Advice, a lot of work had been undertaken to provide advice. He apologised that officers had been late in attending an advice meeting arranged at Cambridge House.
- 5.8 In response to questions, Councillor Livingstone explained that a large number of people had made arrangements to pay their arrears before a court hearing was reached and therefore avoided additional costs. He clarified that the court fee was a fee from the court system and not a fee that the council levied. He also emphasised that Southwark was one of the later councils to take people to court and that smaller numbers of summonses had been issued in comparison to some other authorities. The council would be learning lessons from the experience and incorporating these into any future court action including summonses.

#### **Welfare Hardship Fund, discretionary housing payments and Southwark Emergency Support Scheme**

- 5.9 Councillor Livingstone reported that, along with its partners, the council was looking at how to target the Welfare Hardship Fund effectively. The staffing of the Rightfully Yours Team had been increased significantly. In terms of the Hardship Fund, £800,000 had been set aside but to date all of this had not been drawn down. The Emergency Support Scheme was being spent at a greater rate than in other boroughs. There was an increase in the volume of people taking up the scheme but relatively smaller amounts of money were being awarded and applicants had to make a stronger case to demonstrate need. Councillor Livingstone stated that a lot of applicants were coming forward as a result of benefits sanctions imposed by the Department for Work and Pensions and that processes needed to be adapted to take account of this.
- 5.10 Members of the committee were concerned about what actions were being taken to improve take-up of the Hardship Fund. Councillor Livingstone explained that the council's voluntary sector partners were being asked to promote the scheme and to do proactive work with people who ought to have applied but had not done so. Members asked to be kept up to date on allocations from the fund and work to improve take-up. In response to further questions, Councillor Livingstone indicated that the use of local businesses to provide services and goods could be explored.

#### **Corporate ICT**

- 5.11 Councillor Livingstone acknowledged that significant problems existed and welcomed the possibility of the committee looking at corporate ICT. He was meeting with senior Capita representatives and asking for improvements. At the same time, he commented that part of the problem was a legacy issue inherited from Serco. Duncan Whitfield, Strategic Director of Finance and Corporate Services, added that he expected Capita representatives to attend the committee's next meeting. He apologised for the disruption experienced, especially over the past eight weeks.
- 5.12 In response to questions, the Strategic Director clarified the process involved in Capita's takeover of the contract from Serco in February. A three month period took place of due diligence and documentation by Serco. In the final week of the contract a couple of key staff members were lost. The transition period was fairly seamless and involved further due diligence and familiarisation. A key component of the new contract was that Capita replaced elements that were not working. A concern was that Capita had overly concentrated on projects and not ensured that general business could continue as usual. The Strategic Director confirmed that, in accordance with the contract, the council was withholding payment from Capita and taking penalty payments.

#### **Council Property Disposals**

- 5.13 A member asked to what extent disposals were driven by financial targets. Councillor Livingstone explained that, in the case of Styles House, the disposal was driven more by the opportunity presented by the proposal that had come from the developer rather than by any financial timetable. He did not feel that there was an increasing pace of disposals. In response to a further question, he also took the view that there was not necessarily a geographical imbalance in disposals and that opportunities were considered wherever they happened to come up.

- 5.20 The chair commented that many residents in Borough and Bankside felt that they were being priced out of the area and asked the cabinet member's views on this issue. Councillor Livingstone stressed that it was important to look at housing opportunities throughout the borough and that the identification of possible sites was the principle steer. The last cabinet meeting had considered sites for the second phase of building new homes. About 60% of the two hundred and forty homes were in SE1 or SE16.

### **Council Pension Fund Investment Choices**

- 5.21 Councillor Livingstone emphasised that the pension fund had a duty to achieve returns and pay pensions. At the same time it was important to get the views of members of the pension fund. Judgements could be made, for example as to ethical investment, but not at if these created problems in terms of returns. In response to questions, Councillor Livingstone reported that a number of authorities were considering the impact of the public health duty but that none had excluded areas of investment in their policy to date. Southwark had a responsible investment policy and tried to influence the businesses that it invested in. Councillor Livingstone also confirmed that the council had property investments to which it had recently added a property in central London. He reported that the council was exploring the possibility of jointly investing with other authorities in property and infrastructure.

### **Contract Management and Performance**

- 5.22 The chair asked whether lessons had been learned from the council's experience of the Draper House contract. Councillor Livingstone indicated that lessons had informed new housing contracts. The council was looking carefully at what was most appropriate in differing circumstances. In some areas, such as revenues and benefits and the contact centre, it was clear that awarding a contract out of house was not advisable. The council was making contracts it did award out of house more effective.

## **6. DEPUTY CABINET MEMBER INTERVIEW: COUNCILLOR DARREN MERRILL, CUSTOMER SERVICES**

- 6.1 This item was deferred to a future meeting.

## **7. BULLYING - SCHOOL AND COUNCIL POLICY TO SUPPORT VULNERABLE CHILDREN AND TO REDUCE POOR AND ABUSIVE PEER RELATIONS: FINAL REPORT OF EDUCATION, CHILDREN'S SERVICES & LEISURE SCRUTINY SUB-COMMITTEE**

- 7.1 Councillor David Hubber, chair of the Education, Children's Services & Leisure Scrutiny Sub-Committee, introduced the report. He hoped that the sub-committee would be able to review this work at regular intervals and that officers would provide updates on the recommendations.

- 7.2 Members took the view that it would be useful to ask cabinet to designate a specific cabinet member and officer to oversee work relating to addressing bullying. Some members also suggested minor amendments to the recommendations.
- 7.3 The committee thanked the sub-committee for its valuable work and resolved to submit the final scrutiny report to cabinet for consideration, subject to the following amendments to its recommendations which were agreed by the sub-committee chair:

Add two new recommendations:

1. That cabinet considers nominating the cabinet member for children and young people to take overall responsibility for implementing the council's work to address bullying
2. That cabinet considers nominating a named senior officer to lead on delivery of this work.

Amend the following recommendations as indicated in bold:

14. That groups such as Safe 'N' Sound, Empowering People for Excellence **and Citysafe** be invited to join the Safer Schools Steering Group.
16. That Speakerbox, the Looked After Children Panel, the Children Safeguarding Board **and the Corporate Parenting Panel** be consulted on anti-bullying work with children receiving care.

## 8. GATEWAY 3: VARIATION LIFT MAINTENANCE AND REPAIR CONTRACT

- 8.1 David Lewis, Head of Maintenance & Compliance, outlined the background to the revised procurement process for the lift maintenance contract. In response to questions from members, he explained that the council had not expected the poor market response to the initial procurement process which had not included refurbishment as part of the contract. The increased size of the new contract would attract a wider range of contractors and pricing would be very competitive in comparison with the cost of refurbishment tenders on a scheme by scheme basis.
- 8.2 Some members were concerned that the cost of aborting the initial process and starting a new process would be passed on to leaseholders. The Head of Maintenance & Compliance assured them that this would not be the case and that the cost to date had principally been in officer time.
- 8.3 A member queried the start date of the new contract, which appeared in the reports as both September 2014 and January 2015. He also asked whether a single contract which included refurbishment would introduce the temptation for a contractor to say that greater refurbishment was needed than was actually necessary. The Head of Maintenance & Compliance clarified that the start date for the new seven year contract would be January 2015. In terms of management of the contract, the regime would continue whereby the council's staff would be

investigating before any orders for renewal or replacement were placed.

8.4 The Head of Maintenance & Compliance reported that the council would be inviting eight contractors to tender. In response to questions he explained that it was difficult to compare Southwark's contract with those of other local authorities but that after the meeting he would circulate any statistics that were available. He emphasised that the council believed that packaging repairs and refurbishment together in one contract would achieve the best value but that tenders needed to be returned in order to gain the empirical evidence of this.

8.5 The chair of the committee asked for further details of risk analysis. The Head of Maintenance & Compliance confirmed that there would be a full risk analysis in the contract award report which would detail costs and any risks identified.

## **9. UPDATE ON IT**

9.1 An update was provided within the cabinet member's interview (item 5).

## **10. IMPACT OF REGENERATION ON LEASEHOLDERS**

10.1 Following on from recent experience on the Heygate Estate, a member suggested that it would be worthwhile for the committee to undertake a brief scrutiny of the impact of regeneration on leaseholders. The committee agreed to ask the Director of Regeneration to provide a briefing to its February meeting on this issue and particularly to cover:

- lessons learned from experience on the Heygate estate
- whether levels of compensation offered effectively force leaseholders out of the borough
- clarification on the option to revert to being a secure tenant
- valuation of properties, how these are set, rights of appeal etc
- the extent of carpet bagging (in terms of people exercising right-to-buy on estates due for regeneration)
- the legal requirements on the council when displacing leaseholders and the range of options available
- the point at which leaseholders' statutory rights can be suspended

The meeting ended at 9.40 pm