



OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the OPEN section of the meeting of the OVERVIEW & SCRUTINY COMMITTEE held on MONDAY 15TH DECEMBER 2003 at 6.00 p.m. at SOUTHWARK TOWN HALL, PECKHAM ROAD, LONDON SE5 8UB

PRESENT: Councillor Kim HUMPHREYS (Chair)
Councillors Linda MANCHESTER, John FRIARY, Barrie HARGROVE, Eliza MANN, Gavin O'BRIEN, Andy SIMMON, Neil WATSON and Mr Godson AGOMUO.

ALSO PRESENT: Barry Duckett
Angela Stanworth - Southwark Community Care Forum

Gary Jones – Parent Management Committee Copleston Centre
Richard Kenyon – Concerned Parent
Cllr Toby Eckersley
Cllr Veronica Ward
Cllr Anne Yates

OFFICER SUPPORT: Maggie Sullivan – Corporate Strategy
Antoinette Stasaitis – Divisional Housing Manager
Chris Brown – Head of Housing Management
Shelley Burke - Head of Overview & Scrutiny
Guy Valentine - Neale - Project Manager Housing
Ian Hughes – Corporate Strategy
Stephanie Dunstan – Scrutiny Team
Lucas Lundgren – Scrutiny Team
Allen MacPherson – Division Housing Manager
David Wallis – Early Years, After School & Play Services Manager

APOLOGIES FOR ABSENCE

Apologies for lateness were received from Cllr Kim Humphreys

NOTIFICATION OF ANY OTHER ITEMS WHICH THE CHAIR DEEMED URGENT

DISCLOSURE OF INTERESTS AND DISPENSATIONS

Cllr Hargrove declared membership of the Arbitration Panel which had considered the Canada Water Estate. [ITEM 1]

Cllr Watson declared that he was chair of Aylesbury SRB which has given funding to Sure Start at Chumleigh Gardens. [ITEM 3]

RECORDING OF MEMBERS' VOTES

Council Procedure Rule 1.17(5) allows a Member to record her/his vote in respect of any motions and amendments. Such requests are detailed in the following Minutes. Should a Member's vote be recorded in respect to an amendment, a copy of the amendment may be found in the Minute File and is available for public inspection.

The Committee considered the items set out on the agenda, a copy of which has been incorporated in the Minute File. Each of the following paragraphs relates to the item bearing the same number on the agenda.

VARIATION OF AGENDA ORDER & CHAIRING OF MEETING

With the agreement of the meeting, Item 1 was chaired by Cllr Linda Manchester (Vice Chair) due to the late arrival of of Cllr Kim Humphreys (Chair).

With the agreement of the meeting, the order of business was varied to allow Item 1 to be taken at the start of the meeting, followed by Items 3 , 2, 5, 9, 4, 6, Item 7 and 8 together, 10, 11 and 12.

MINUTES

RESOLVED: That the Minutes of the open section of the meetings held on 10th November 2003 be agreed as a correct record of the proceedings and signed by the Chair.

1. DEPUTATION REQUEST: CANADA WATER ESTATES WORKS

Cllr Hargrove declared his interest and left the room.

The Vice - Chair welcomed Barry Duckett Chair of the Canada Estate Tenants and Residents Association], and Cllr Anne Yates [Rotherhithe Ward] to the meeting and invited them to make their deputation to those present.

Councillor Yates presented a letter to the Committee addressed to Councillor Kim Humphreys about the problems Canada Estate tenants have faced due to one contractor, C J Sims going into receivership and having not completed maintenance work on the Estate. Councillor Yates asked the Committee to recommend strongly to the Executive that such a problem should never occur again by removing this type or contractor from the "approved" list.

Mr Duckett outlined the long history of the problems on the estate since the contractor C J Sims went into receivership and the maintenance work had not been satisfactorily completed. He gave a timeline of the problems that had occurred and expressed his concern that after five years on Canada Estate residents were still waiting for the maintenance work to be completed. He questioned how the authority had been empowered to make payment of £650,000 to the contractor for the contract without the work having been completed.

The Chair thanked Mr Duckett and Councillor Yates for their deputation and invited questions from the Committee.

Cllr Friary asked what was the original time scale of the maintenance work to be completed and what works were still to be completed?

Mr Duckett replied that snagging work is still not completed and expressed his disbelief that the Site Agent had signed off the work even though it was uncompleted.

Ms Stasaitis [Divisional Housing Manager] responded to the question explaining that all snagging works had been completed except for 13 Niagara Court where tiling would be completed after Christmas. Ms Stasaitis explained that after C J Sims was liquidated the contract was divided into 5 phases to complete the work by Southwark Direct. In all of these phases, except for phase 5, the snagging work had been completed.

Mr Guy Valentine – Neale [Housing Officer] explained that there were also two other small contracts that were operating in addition to the ‘snagging’ contracts these included a Environmental Works Contract for paving renewal and construction of a small car park, and an Internal Decoration Defects Contract which involves surveying internal decoration problems at the Estate.

The Chair asked what was classified as ‘snagging’ and noted that tenants would consider the internal defects as major snagging items and not simply internal decoration defects.

Cllr Yates asked Ms Stasaitis to take tenants views/feedback into account when establishing whether snagging work had been completed. She explained that there was a very long period of time between the liquidation of C J Sims and the point at which Southwark Direct subsequently started work on the estate during which major water damage was caused to tenants’ flats.

Mr Duckett commented that he had gone with the Housing Manager around the estate two months ago to compile the snagging list. He requested that a Housing Officer be sent again to complete a list because his list of snagging work to be completed differed from that of the Housing department.

Ms Stasaitis responded to Cllr Yates’ statement regarding the period of time between the liquidation of C J Sims and emergency work by Southwark Direct. She clarified that soon after the receivership of C J Sims emergency work by Southwark Direct had occurred and that officers had “pulled out all stops” to ensure that flats were watertight.

Mr Chris Brown [Head of Housing Management] acknowledged that it had been a difficult time for tenants but that the situation was exacerbated by the poor quality of C J Sims work necessitated work to be redone resulting in further delays. He agreed with Ms Stasaitis that Southwark officers had worked very hard upon knowing about the contract with C J Sims had broken down.

Cllr Friary commented that the Council needs to develop a strategy to deal with similar situations in the future. He said that the priority for the Council should be to ensure that:

1. Works are completed
2. Compensation for tenants is arranged
3. Lessons to be learnt from process need to be captured and integrated across the Council

He commented that this should be done ASAP and completed by early in 2004.

Mr Brown explained that the District Audit Report had examined the situation and given recommendations which had been implemented to improve processes so that such an event could not occur in the future. He commented since the District Audit Report, the Housing Department were continually reviewing processes and integrating learning.

Cllr Simmons suggested that the way forward would be to conduct a quick scrutiny (6 weeks) using the District Audit Report as a basis for the scrutiny.

Mr Duckett commented that he found it unbelievable that a Council Officer could give away £650,000 in public money before even one block of work in the housing estate had been completed.

Ms Stasaitis responded that the contractual arrangements were such that the Council Officer was able to issue the money, as small sections of work had been completed on a number of housing blocks even though no one housing block had all the work completed. She also commented that the District Audit Report has highlighted improvements that could be made to ensure such problems did not occur again. Improvements that have been put into place include:

- More rigorous monitoring of contracts
- A Performance based Construction Act that helps contractors ensure cash flow management so they can avoid going into receivership
- New Procurement Strategy
- Training for Staff in signing off contracts
- Approved List of Contractors
- Partnership Work with Tenants Association

Mr Valentine – Neale explained that a letter regarding compensation is being delivered to the Canada Estate this week. He hopes that this new method of compensation will deliver compensation more efficiently.

The Chair suggested that C. Brown, A. Stasaitis, B. Duckett, G Valentine- Neal get together for a roundtable meeting and ensure that they have the same list of snagging work that needs to be completed

Cllr Humphreys arrived at 6.50 pm and took over as Chair of the meeting.

Cllr Humphreys suggested to the Committee that the way forward was for the problems at the Canada Estate to go as a case study to the Housing Scrutiny Sub – Committee to ensure that learning is captured and that problems do not occur again.

Cllr Friary stressed that the case study should be active, not passive, as work still needs to be completed on the Estate

Cllr Watson suggested that there is a great deal of relevant information in arbitration files.

RESOLVED:

1. That Housing Scrutiny Sub – Committee take the issues of Canada Estate contract as a case study for review in discovering failings in terms of major works contracts.
2. That the Director of Housing report to the Housing Scrutiny Sub – Committee on outstanding works and plan of action by Jan 04.
3. That the recommendations of the Housing Scrutiny Sub – Committee recommendations are reported to Overview and Scrutiny Committee by March 04.

3. **REFERENCE FROM REGENERATION AND TRANSPORT SCRUTINY SUB – COMMITTEE : REQUEST FOR SCRUTINY CHUMLEIGH GARDENS**

Scrutiny Officers distributed supplemental information about the item.

Cllr Watson declared that he was Chair of Aylesbury SRB. The Committee decided that it was appropriate for Cllr Watson to stay in the room.

Cllr Simmons commented that he thought the issue could be addressed by the Education, Youth & Leisure Scrutiny Sub – Committee.

Cllr Hargrove commented that he felt the issue deserves a scrutiny and could fit in a number of scrutiny Sub – Committee..

Cllr Humphreys asked if it was a local issue and could fall within the remit of Walworth Community Council.

Cllr Hargrove responded that it is not just a local issue, as the Sure Start Centre would be built on Metropolitan Open Land (MOL), therefore it is a borough - wide issue. Cllr Hargrove commented he would like a scrutiny to address:

- The Process of consultation on the Chumleigh Gardens Master Plan
- Building on MOL considering Southwark Policy not to build on MOL
- Gaining public views on the Master Plan

Cllr Watson reminded the Committee that the Regeneration and Transport Scrutiny Sub – Committee will be reviewing the Unitary Development Plan in February 2004.

Mr Ian Hughes [Head of Corporate Strategy] advised that the Environment and Leisure Department provide a concurrent report before going to OSC.

- RESOLVED:**
1. Delay consideration until January 04 OSC Meeting.
 2. Invite Mr Horsley to make Deputation in January 04 OSC Meeting.
 3. Report to include concurrent on Chumleigh Gardens redevelopment from Director of Environment and Leisure.

2. **REFERENCE FROM FINANCE & ECONOMIC DEVELOPMENT SCRUTINY SUB – COMMITTEE AND REGENERATION & TRANSPORT SCRUTINY SUB – COMMITTEE: REQUEST FOR SCRUTINY FROM JANET YATAK**

The Chair introduced the item explaining the history of the item coming from Regeneration and Transport Scrutiny Sub – Committee and Finance and Economic Development Scrutiny Sub – Committee.

Cllr Simmons commented that the learning from the Regeneration and Transport Scrutiny on public engagement in Elephant and Castle must be fed into whichever sub-committee considered this request for scrutiny.

RESOLVED:

1. That the request for scrutiny is processed by the Finance and Economic Development Scrutiny Sub – Committee.
2. That the Finance and Economic Development Scrutiny Sub – Committee await the outcome of the Regeneration and Transport Scrutiny Sub – Committee scrutiny on Consultation in the Elephant and Castle regeneration before addressing this scrutiny.

5. EARLY YEARS BEST VALUE REVIEW: DEPUTATION REQUEST

Scrutiny Officers distributed to the Committee supplemental information from Angela Stanworth SCCF [Southwark Community Care Forum].

The Chair invited Angela Stanworth to present to the Committee.

Ms Stanworth reminded the Committee of the fundamental and ongoing problems Southwark community nurseries were facing implementing the Early Years Best Value Review. Ms Stanworth commented that the main issues revolved around the affordability, viability, and sustainability of the nurseries.

She stressed that there had not been enough time for the Family Tax Credit system to work to enable working parents to be able to pay for childcare costs, that was then affecting the cash flow of nurseries. She explained that there was no London weighting applied to Family Tax Credit [FTC], and even when in receipt of maximum FTC families were struggling to meet fees.

Ms Stanworth commented that in order to increase revenue nurseries were increasing their catchment areas and focussing activities at the under five age group. Whilst much expansion is planned – largely due to capital development, this will take time to materialise. This situation does not increase the appeal/attractiveness [of community nurseries] to local families.

Ms Stanworth commented that the The Pre-School Learning Alliance [PSLA] is expecting a 50% cut in grant aid next year. They are asking for flexible cuts of 10-20% fitted to the fluctuations in their incomes. PLA need stability for next year otherwise some nurseries may be forced to close. Ms Stanworth would like a 25 year guarantee from Southwark Council which is required for a Sure Start program.

Ms Stanworth explained the result of all these financial stresses on the nurseries is that it is limiting their ability to forward plan and recruit staff.

The Chair thanked Ms Stanworth for her presentation and invited Mr Gary Jones, Parent Representative from Copleston Management Committee, and Richard Kenyon a parent who uses the Copleston Nursery to present to the Committee.

Mr Jones commented that a 50% cut in grant aid would result in a parental fee increase that will affect low-income families.

The OFSTED Report on the Copleston Nursery concluded that it was an effective program with no identified weaknesses. He commented that 7 out of 10 nurseries are at high risk of closure from the cuts.

Mr Richard Kenyon explained to the Committee how devastating it would be to the parents and children if local nurseries were closed. He presented letters of support for the nurseries from parents [Copies were forwarded to the Members]. He commented that as a parent of a child in care at Copleston he was very impressed by the quality of care and expressed the strong recommendation that Overview and Scrutiny do everything possible to prevent nurseries from closing.

The Chair thanked the gentlemen for presenting to the Committee and invited questions.

Cllr Hargrove asked why did they think that the Family Tax Credit was not working?

Mr Jones explained that the Family Tax Credit was not working because there was no London weighting in the tax credits, even though the costs within London are much higher. Additionally, there had not been a period of time to allow the Tax credits to work.

Ms Stanworth commented that even people who get the working tax credit are sending their children to private/commercial nurseries because they are charging slightly less than the community nurseries.

The Chair asked if the roundtable meeting between SCCF and the Executive and relevant Southwark Officers had occurred.

Ms Stanworth explained that a meeting had occurred early in December but the Executive Member was not able to attend hence another meeting date had been set.

Cllr Simmons commented that he thought if 30% of families were receiving the Family Tax Credit then it appeared to be a good program.

Ms Stanworth replied that the difficulty was not that it was 30% of families getting the Working Tax Credit but that free choice in where to send children for childcare meant that community nurseries were missing out.

Cllr Simmons commented that recently Southwark Council had received £4.5 Million of extra funding. He suggested that some of this money could be used to secure funding for the threatened nurseries.

Cllr Watson asked for details about the about the 4 nurseries that may collapse in 3 months.

Ms Stanworth explained that this was because these nurseries had an average vacancy of 11 for 20 spaces.

Mr David Wallis [Early Years, After School & Play Services Manager] explained that he had discovered at the roundtable meeting with SCCF that vacancies for the nurseries change from week to week creating financial instability. He commented that each nursery was completing a business plan that would be examined by Southwark Council. He commented that 3 of the nurseries are ready to take a full 50% cut in funding. This includes Happy Faces that are adding a baby facility. Another 3 nurseries are currently going through extension projects to make them more viable. He commented that research indicates that bigger nurseries are able to respond better to grant applications.

Mr Wallis commented that Southwark are in negotiations with PLA as how to best create the 50% reduction in funding. He commented that if the 50% reduction in funding didn't go ahead within nurseries his department would have to find a reduction somewhere else in the Early Years Budget.

Cllr Friary expressed anger that budget cuts needed to occur in nurseries even when the government had a policy to increase childcare places, not reduce them. Cllr Friary asked if there was a target for increasing childcare places?

Mr Wallis commented that the target was to have 1,000 new positions by 2006.

The Chair offered sympathy to the financial difficulties facing nurseries and that he was concerned nurseries may be forced to close. He suggested that Cllr Simmons might be able to pass on the view of the Overview and Scrutiny Committee to the Executive Member for Education when he attends the education scrutiny Sub – Committee's meeting in January 2004

Motion of Adjournment at 20:18pm was proposed, seconded and

RESOLVED: 1. Meeting adjourned for 5 minutes

At 20:25pm meeting reconvened.

The Chair reconvened the meeting and went over with the Committee the agreed wording.

RESOLVED:

1. Overview & Scrutiny Committee notes the problems caused to date by the implementation of the Best Value Review of Early Years in terms of affordability and viability;
2. Overview & Scrutiny Committee believes that cuts of 50% in funding to all community nurseries and the Pre-School Learning Alliance in 2004/2005 appears to be unsustainable;
3. Overview & Scrutiny Committee notes the Council's policy on Early Years Strategy that no pre-school nurseries will close. This Committee is concerned that the achievement of the current savings target of £800,000 will require savings to be found in other parts of the Early Years budget. This Committee asks the Executive to review whether 50% budget cuts in 2004/2005 can be implemented given the no closure strategy and requests that the full range of budgetary options, including growth, be considered.

9. SCRUTINY: THAMES WATER RESPONSE TO THE RECENT FAILURE IN SUPPLY

The Chair introduced the item and asked that people who gave evidence at the Thames Water scrutiny meeting (10/11/03) be given a copy of the minutes. He then invited Shelley Burke [Manager – Scrutiny] to give a summary of where the Committee was at with the scrutiny of Thames Water.

Ms. Burke explained that the response from Thames Water was that they had no record of low water pressure in the areas that were claimed

Mr. Allen MacPherson [Housing Department] commented that the water pressure issues covers two housing estates, Denmark Hill and East Dulwich Estate. He explained that although Thames Water are pumping water at the statutory level (1.5 bar), water pressure is 1/3 less than 10 years ago. He commented that he had received no correspondence from Thames Water even though they had done investigation works monitoring pressure flow on the housing estates. He explained that the Housing Department are considering the installation of booster pumps at the two estates, though it would be expensive and planning permission may be required. This design solution to the problem would take 3 –6 months to install. He commented that he was unsure if Thames Water would assist in the cost of installing the booster pumps. He also commented that booster pumps are not standard procedure to install in social housing.

Cllr Friary commented that in the week following the Thames Water Scrutiny (10/11/03) he had been involved with a very similar issue on the Goshen Estate in Camberwell. The same problem of disputed responsibility for low water pressure between Thames Water and the Council were occurring, which was creating frustration for tenants. He commented that Southwark Council and Thames Water need a strategy to improve their relationship.

Cllr Hargrove commented that other London Boroughs were also having problems with water pressure due to dry summers and he understood that water companies had been gradually reducing water pressure to relieve pressure on ageing infrastructure.

The Chair suggested that the issue is raised through the London Scrutiny Network and advised Ms Burke to raise the issue at their next meeting.

Cllr Ward informed the Committee about the survey which she had conducted over the last two weeks on three of the housing blocks having low water pressure. [Refer pages 30-31]. She commented that the main issue is inconsistent water pressure resulting in sometimes no water at all. She would like to see both Thames Water and the Southwark Housing Department improve their relationship and take responsibility to solve the problems.

The Chair asked if the water pressure problems were a physical problem due to the physical structure of the housing blocks?

Cllr Simmons responded that the minimum pressure problem seems to have appeared following privatisation of the Water companies. He commented that he felt it was Council's responsibility to ensure water pressure was consistent at flats on higher levels if the statutory water pressure is being received at the boundary of the premises.

Cllr Watson commented that it would be important for Southwark and Thames Water to define the boundaries of their responsibility for water pressure.

Cllr Manchester asked if there had been a face-to-face meeting between Thames Water and Southwark Housing?

Mr MacPherson commented that there had been no meeting between the two but Southwark Housing had met with OFWAT. He commented that Thames Water had not informed them of their changed operating practice to pump water at lower pressure.

Cllr O'Brien questioned if 1.5 bars was the National Standard for Water Pressure? Was it as crucial in country areas to have consistent water pressure?

Mr MacPherson commented that pressure levels are set to do with preventing backflow of water not based on supply of water.

Cllr Hargrove commented that Mr. MacPherson had given a commitment to investigate pumps on three blocks in Division of Housing, with the East Dulwich situation more complicated because Wolcott was scheduled for Demolition two blocks are scheduled for demolition.

RESOLVED:

1. That the draft Scrutiny Report based on officers notes be circulated to OSC Members prior to the January 2004 Overview and Scrutiny Meeting.

2. That officers continue to pursue the information requested from Thames Water during the inquiry.

3. That officers from Housing Department organise a round table discussion between Thames Water and Southwark Housing Department and report back to Overview and Scrutiny by February 2004

4. REFERENCE FROM COUNCIL ASSEMBLY: COMMUNICATIONS STRATEGY

The Chair introduced the Item

RESOLVED:

1. That scrutiny of the Communications Strategy is referred to the Finance and Economic Development Scrutiny Sub-Committee for consideration as part of the 2004/2005-budget scrutiny.

6. SCRUTINY COMPLAINTS HANDLING

The Chair introduced the Item.

Ms Burke explained that Environment & Leisure officers are reviewing the information and will be enhancing their capacity to conduct complaints monitoring with the assistance of the Customer Feedback Unit.

RESOLVED:

1. That the Head of Marketing Communications report back to Overview and Scrutiny Committee in six months (i.e. by June 2004) on complaint statistics.

7. DEVELOPING SCRUTINY: COMMUNICATION

This item was rolled into Item 8 as agreed by the Committee at the beginning of the meeting.

RESOLVED:

1. That the strategy for developing Communication for Overview and Scrutiny is discussed at the Overview & Scrutiny Away Day to be held in January 2004.

8. SCRUTINY DEVELOPMENT: UPDATE

Ms Burke updated the Committee on the plans for the Scrutiny Away Day. An information sheet was forwarded to all members. At the Scrutiny Away Day it is proposed that in the morning members will have some training and discuss communication and community engagement, whilst in the afternoon examine risk management issues.

Cllr Hargrove asked if it would be possible to do some leadership Training?

Ms Burke responded that she could ask the facilitator Sue Charteris to provide some leadership training for members in the morning of the Away Day.

The Chair requested that the Co-opted members also be given a chance to receive scrutiny training.

Ms Burke explained that the Civic Association have a new volunteer that will lead the new round of Civic Awards. OSC recommendations for this year can be incorporated into their round, the deadline for which is 31/01/04.

RESOLVED:

1. That the new Volunteer of the Civic Association be invited to attend the January 2004 Overview and Scrutiny Meeting to discuss the Civic Awards.

10. REFERENCE FROM COUNCIL ASSEMBLY: SCHOOL ORGANISATIONAL PLAN

The Chair introduced the item.

Cllr Eckersley wanted to ensure that the process by which the perceived shortage of school places had arisen was addressed.

Cllr Simmons responded that in January Education, Youth and Leisure Scrutiny Sub – Committee are looking at the UDP and education, as well at the number of children that were out of school and by September will look at first preferences for parents for their child's schooling.

Cllr Eckersley requested that he is informed of meeting dates so that he can invite his constituents to attend.

11. REFERENCE: HEALTH AND SOCIAL CARE SCRUTINY SUB – COMMITTEE GREEN PAPER 'EVERY CHILD MATTERS'

The Chair introduced the item.

RESOLUTION:

1. That scrutiny of the Green Paper 'Every Child Matters' be undertaken by the Education, Youth & Leisure Scrutiny Sub-Committee, with evidence being invited from the Health and Social Care Scrutiny Sub-Committee

12. REFERENCE FROM COUNCIL ASSEMBLY: DISTRICT AUDIT INTERIM ANNUAL AUDIT LETTER AND NEW STATUTORY REPORT DEALING WITH ISSUES ARISING DURING AUDIT OF ACCOUNTS

The Chair introduced the item.

RESOLUTION:

1. That Finance and Economic Development Scrutiny Sub-Committee undertake scrutiny and upon completing scrutiny subsequently report back to Overview and Scrutiny in 2004

The Chair thanked everyone for their participation and offer his Christmas Greetings. He thanked Maggie Sullivan and Robert Bollen for their work on different Scrutiny Committees and wished them well in their new jobs.

The Meeting Closed at 9.15pm.

CHAIR:

DATED: