

Overview & Scrutiny Committee

Monday 14 November 2011
7.00 pm
160 Tooley Street, London SE1 2QH

Membership

Councillor Catherine Bowman (Chair)
Councillor Andy Simmons (Vice-Chair)
Councillor Toby Eckersley
Councillor Gavin Edwards
Councillor Dan Garfield
Councillor David Hubber
Councillor Victoria Mills
Councillor David Noakes
Councillor the Right Revd Emmanuel Oyewole
Councillor Geoffrey Thornton
Councillor Mark Williams

Reserves

Councillor Kevin Ahern
Councillor Patrick Diamond
Councillor Nick Dolezal
Councillor Mark Gattleson
Councillor Tim McNally
Councillor Helen Morrissey
Councillor Paul Noblet
Councillor Lewis Robinson
Councillor Cleo Soanes

Education representatives

Reverend Nicholas Elder
Colin Elliott, Parent Governor
Leticia Ojeda, Parent Governor

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Contact

Peter Roberts on 020 7525 4350 or email: peter.roberts@southwark.gov.uk

Members of the committee are summoned to attend this meeting

Annie Shepperd

Chief Executive

Date: 4 November 2011



Overview & Scrutiny Committee

Monday 14 November 2011
7.00 pm
160 Tooley Street, London SE1 2QH

Order of Business

Item No.	Title	Page No.
	PART A - OPEN BUSINESS	
1.	APOLOGIES	
2.	NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
3.	DISCLOSURE OF INTERESTS AND DISPENSATIONS	
	Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.	
4.	MINUTES	1 - 9
	To approve as a correct record the Minutes of the open section of the meeting held on 10 October 2011.	
5.	CABINET MEMBER INTERVIEW - COUNCILLOR RICHARD LIVINGSTONE, FINANCE & RESOURCES	

Questions

- what budget areas would you find it most useful for the committee to look at in December?
- please comment on the accuracy of the following statements given to Council Assembly on 12 October 2011:

"[Southwark is] the only council in the country to award a pay increase to our lowest paid members of staff" (Amendment in Councillor Livingstone's name to Motion 2)

"...the local government pension scheme, which the government itself has recognised as fully funded..." (Written answer to public question time question from Chris Cooper)
- Canada Water library final costs
- funding sources (and an audit trail of decision-making thereon) for the £3m "Youth Fund"

Themes

- implementing a living wage for Southwark staff (including contracted out staff)
- revenues and benefits service
- financing of free school meals for all primary school children
- customer experience

6. FINAL SCRUTINY REPORT: FIRE SAFETY WORKS AT CANADA WATER ESTATE (HOUSING & COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE)

10 - 15

7. SENIOR OFFICERS' PAY

DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING.

PART B - CLOSED BUSINESS

DISCUSSION OF ANY CLOSED ITEMS AS NOTIFIED AT THE START OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT.



OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the Overview & Scrutiny Committee held on Monday 10 October 2011 at 7.00 pm at 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Catherine Bowman (Chair)
Councillor Andy Simmons (Vice-Chair)
Councillor Toby Eckersley
Councillor Gavin Edwards
Councillor Dan Garfield
Councillor David Hubber
Councillor Victoria Mills
Councillor David Noakes
Councillor the Right Revd Emmanuel Oyewole
Councillor Geoffrey Thornton
Councillor Mark Williams

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

OFFICER SUPPORT: Shelley Burke, Head of Overview & Scrutiny
Doreen Forrester-Brown, Legal Services
Eleanor Kelly, Deputy Chief Executive
Bernard Nawrat, Head of Human Resources
Peter Roberts, Scrutiny Project Manager

1. APOLOGIES

1.1 Apologies for absence were received from Leticia Ojeda, Education Representative.

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

2.1 There were none.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

3.1 There were no disclosures of interests or dispensations.

4. MINUTES

RESOLVED:

That the minutes of the meetings held on 10 August and 12 September 2011 be agreed as an accurate record.

5. SENIOR OFFICERS' PAY

- 5.1 Eleanor Kelly, deputy chief executive, and Bernard Nawrat, head of human resources, introduced the briefing paper.
- 5.2 In response to members' questions, officers clarified the tables on page 12 of the report. Differences in payments to individual post holders reflected their positions within the grades. The total remuneration received by the strategic director of communities, law and governance included payment as the electoral registration officer. Payment to the director of children's services reflected the fact that the post-holder worked part-time. Bernard Nawrat also explained that the job descriptions and contracts of strategic directors allowed movement of services in and out without impacting on the individual contract and the broad set of responsibilities it entailed.
- 5.3 Members asked whether the drop in pay across local government was reflected in salaries being offered in the market place. In Bernard Nawrat's opinion this was not generally visible but some vacant posts were being offered on clearly lower salaries. Members also asked whether opportunities outside of local government were more available to top tier officers. Bernard Nawrat commented that the recruitment scene was depressed at the moment and that it was difficult to forecast how long this would last. Eleanor Kelly added that the government's view was that the public sector had to contract and that this would be matched by growth in the private sector.
- 5.4 A member reported a view that the effect of cuts in local government would be smaller numbers reporting in to the top managers and consequently less responsibility and less pay. Bernard Nawrat responded that the council was looking at its management structure but that a smaller number of managers did not necessarily result in lower pay scales.
- 5.5 Members noted that Southwark aimed to pitch top management salaries at around the median level in relation to other inner London boroughs and asked what the risks were of pitching at a lower level and what had happened to any boroughs which already had. Bernard Nawrat stated that this decision had been taken in 2000. Southwark was challenging in terms of recruiting staff and pay needed to be competitive in order to attract candidates. In the past there had been particular problems in the recruitment of social workers, planners and other posts. Each authority was different but it had often been the case in Southwark that there had only been a choice of two good candidates, often only one and sometimes posts had to be advertised a number of times.

- 5.6 Members wondered whether offering a higher salary was the tipping point to get two or more good candidates or whether there was another way in which to make Southwark attractive. Eleanor Kelly clarified that if, for example, the council wanted to recruit a finance director then it would want to attract candidates at the level of finance director in the outer London boroughs. If the salary was set at the wrong level then it might only attract assistant directors or deputy directors. She also commented that posts were advertised with grades and that the council always tried to appoint at the bottom of the grade.
- 5.7 Members also noted the freeze on performance related pay, as set out in paragraph 17 of the report. They asked for further detail on the robustness of the process. Bernard Nawrat explained that the performance related pay for the chief executive was decided by the leader or a group of members, supported by an external adviser. He indicated that the cost of the adviser was in the region of £5,000 per year. The freeze had reduced senior management pay by 10-20%.
- 5.8 Eleanor Kelly explained that targets relating to the council plan were set at the beginning of every year and officers were appraised throughout the course of the year. At the end of the year it was assessed whether or not the individual had achieved the targets and on the basis of this a decision was taken on the award of performance related pay. Eleanor Kelly reported that in the previous year one person had been awarded 2.5%, several 0% and others somewhere in between these figures. Performance related pay could be an incentive. In response to further questions, Bernard Nawrat stated that around 15-20% of officers on the scheme had not received performance related pay. In response to questions he explained that failure to be awarded performance related pay tended to reflect a failure to achieve the targets.
- 5.9 Some members asked what evidence supported the view that performance related pay increased productivity amongst senior officers. Bernard Nawrat stated that there were a number of studies which arrived at different views. He believed that the key issue was determining the overall value to the post-holder, which might include basic pay, pension and performance related pay. Bernard Nawrat also confirmed that in the past a number of posts had attracted market factor payments but that this had almost completely ceased.
- 5.10 Members asked whether bonus schemes for less well paid staff would be considered useful. Bernard Nawrat stated that local government had a poor track record on incentive schemes for junior staff, particularly as they often missed out certain areas of the workforce. Some productivity schemes still existed but there needed to be tangible and measurable targets and sufficient funding to be available.
- 5.11 Members highlighted the possible introduction of remuneration committees as a result of the Localism bill. Bernard Nawrat commented that the creation of remuneration committees was probably inevitable but that there was no clear steer from government. Lewisham had already set one up. Members wondered if officers had any views about the membership of a remuneration committee. In Bernard Nawrat's opinion this would partly depend on the remit of the committee, for instance whether it address pay for all or focussed on top managers' pay. He confirmed that the committee would be composed of members of the council rather

than being an officer panel. Members asked for future feedback on progress with creating a remuneration committee.

- 5.12 Members also highlighted that performance related pay was only frozen for the next two years and asked what would happen at the end of this period. Bernard Nawrat responded that performance related pay was still considered to be good practice and could be reintroduced. He emphasised that it could not be awarded retrospectively in respect of the years when it was frozen.
- 5.13 In response to a question, Bernard Nawrat clarified paragraph 39 of the report in respect of succession planning. A review was needed in order to develop a plan which better fitted the particular circumstances in which the council now found itself. He also outlined the timescale for the steps for officers set out on page 16, including putting a new top structure in place by 2013/14.
- 5.14 Some members were concerned that Southwark might be identified as an authority that was paying overly high salaries to its senior officers. Bernard Nawrat stated that Southwark had never been one of the authorities which occasionally hit the headlines for paying excessive salaries. The council did not stand out amongst comparable authorities and did not pay far too much for any single job. It was important for the council to be clear about the management structure that was needed and to make appropriate decisions about pay levels. He confirmed that the Hay Job Evaluation process allowed the measurement of the size of jobs but that it remained up to the council to convert this information into a pay scale.

RESOLVED:

1. That the committee review this briefing at its next meeting and agree any further scrutiny.
2. That the committee receive an update on any progress in creating a remuneration committee.
3. That the committee receive information on the following:
 - the percentage of senior managers on phased retirement schemes and how this relates to succession planning
 - the percentage of senior managers who job share
 - how severance packages are calculated and whether they are the result of individual contract negotiations

6. LEADER'S INTERVIEW

Value for Money in Service Delivery

- 6.1 Members asked whether, in respect of the free school meals policy, the leader was satisfied that costing projections were robust and accurate and that the policy would be achieved within budget. The leader stated that he had challenged the

initial figures thoroughly and believed them to be robust.

- 6.2 A member queried whether the council's approach to longer-term contracts had changed, particularly in view of the danger that contracts of up to twenty-five years could tie the council into terms that became unfavourable. The leader confirmed that the council was no longer looking to contracts of that length. Any future contracts needed to be flexible and incorporate incentives for innovation and service improvement. In response to further questions, the leader stated that the aim was to achieve contracts which were joined up and worked in relation to each other.
- 6.3 A member asked how value for money was ensured in projects involving strategic partners, such as at the Elephant & Castle. The leader responded that the contract agreed in July set out the nature of the relationship, price and what the council would receive in terms of overage. It was in the interest of the council and its partners to get the most affordable housing, green space and a leisure centre. The project could not have gone forward without a strategic partner.
- 6.4 A member was concerned about the impact of changes in the health service on the council's social care services. The leader reported that he was due to meet with the chair of Kings NHS Trust to discuss the possibility of joint working and services, particularly in the area of older people's care. In response to a further question he assured the committee that any decisions would be taken to cabinet for consideration and be open to scrutiny.

Community Cohesion

- 6.5 Members asked what work had been done following the recent riots in the area, particularly what help had been offered to local businesses. The leader explained that the council's immediate response had been to hold a meeting on the Tuesday attended by people across the borough. This had been followed by a meeting on the Friday to which local businesses had been invited. The meetings had been very helpful in capturing people's views. A meeting had also been held with young people. In September community consultations were being organised across the borough, talking about why the disturbance had happened and the reactions of the council, community and police. The leader hoped that the outcomes of the meetings would inform future decisions of the council and inform any lobbying of the mayor, the GLA and the government. In terms of specific help to local businesses, a fund of £100,000 had been set up alongside the national schemes. In addition, business rate relief had been given to the businesses in the affected area of Rye Lane.
- 6.6 A member described talking to a seventeen year old at the community conversation. The young man had expressed extreme distrust of the police and complained of the police destroying his self-confidence. The member asked the leader what work was being done to improve the relations between the police and the young black population in Southwark. The leader agreed that this was an important issue and would be raised with the police.
- 6.7 Members asked how community cohesion activities had been affected by the recent round of cuts. The leader accepted that the cuts had impacted on a lot of

groups doing good work with young people in the borough. He hoped that the significant consultation taking place on the youth services budget would reach more young people than the council currently did. The leader believed that the council supporting events was critical to ensuring community cohesion, including celebrating black history month, the Bermondsey Carnival and the Elephant and the Nun.

- 6.8 A member hoped that the leader still regarded community councils as playing an important part in community cohesion. The member commented that it was generally accepted that there needed to be a reduction in resources but it was not clear to the public what the costs were and therefore difficult for them to express a view. The leader stressed that it was the democracy commission's role to review community councils. He stated that he was committed to the concept of community councils but that there needed to be cost savings.

The Council Plan

- 6.9 A member asked to what extent the success of the current administration would be judged on the ten fairer future statements and cabinet member priorities as outlined in the council plan. The leader stated that the council plan was a key document on which he expected to be held to account and which it was important to embed within the organisation as a whole. Cabinet members received quarterly monitoring updates on all targets. The council had also looked at the housing investment programme in order to spell out the work it would be doing over the next five years.
- 6.10 A member of the committee asked whether plans had been put in place to deal with the changes in housing benefits. The leader responded that the council had budgeted for an increase in the waiting list but it was not clear whether this would be sufficient. The council was looking to establish a housing commission, part of the intention of which was to assess the demand for and makeup of council housing as a whole over the next twenty years.
- 6.11 In response to questions on progress in respect of the budget savings, the leader explained that the council was currently £3 million over budget but the expectation was that spending would be brought back within budget.
- 6.12 The chair commented that the council plan had last come to the committee in a draft form and asked whether the aspirational statements it contained had now been backed up with detailed targets and proposed action. The leader said that he would take this up with the cabinet member for regeneration and corporate strategy.

Housing Investment

- 6.13 Members asked the leader how confident he was that all systems were in place to deliver the housing investment programme. The leader stated that he was reassured by the deputy leader's and strategic director of housing's approach to date. Members asked what the leader's long term vision was. The leader responded that ideally he would like to retain and increase the council's housing stock but that there were huge financial pressures. Even as the warm, dry, safe

programme progressed, other properties would continue to require repair. The leader believed that the last administration had not faced up to an un-costed and undeliverable investment programme and that this had been hugely misleading to tenants and leaseholders. It was the responsibility of the council as landlord to agree and promote a deliverable plan of works.

- 6.14 In response to further questions, the leader stated that he would welcome the government allowing right-to-buy receipts to be re-invested in new council housing. However, in Southwark the additional challenge was to maintain the current stock and bring it up to a decent standard as well as the need to build new stock.
- 6.15 Members sought assurance that the priorities within the housing investment programme were based on the stock condition survey. The leader confirmed this to be the case. He was aware of some anomalies which members had raised with him but on the whole was confident that the survey was a good piece of work. Members reported that there was some dissatisfaction amongst residents about the quality of work to date. The leader stated that the strategic director was determined to get to grips with management of the contracts. He also confirmed that there was insufficient funding to replace kitchens within the five year period of the programme. The aim was to make 85% of the council's housing stock decent by 2015.

Education/Life Chances

- 6.16 Members asked how many people the youth fund was intended to benefit. The leader indicated that the aim was to reach two thousand in respect of employment opportunities and to supplement the government's proposals for abolition of the Education Maintenance Allowance. He reminded the committee about the council's scholarship fund and hoped that charities and businesses in the borough could be encouraged to fund additional scholarships.
- 6.17 A member was concerned about the impact of academies and free schools and asked how the council could be the best advocate for parents and promote some consistency over admissions. The leader emphasised the difficulties the council faced in influencing academies. The council retained its responsibility for ensuring the availability of school places but had limited control over academies. The leader also stressed that the council had not been consulted on two possible new free schools in the borough. He was talking to the cabinet member children's services and would like to achieve a compact of schools setting out common principles on admissions.
- 6.18 Members asked how well the council had done in respect of primary school admissions and whether the council had chosen the right strategy to meet the increased demand for places. The leader reported that in the previous year over 94% of children had been offered a place in the school of their choice. In the leader's view the council had taken the only possible action it could in response to the bulge in demand for primary school places but would be continuing dialogue with groups about primary school provision. In response to a further question he confirmed that a new free primary school would divert funding from existing schools.

- 6.19 The leader agreed to report back to members on progress in devolving 20% of the youth budget to young people.

Response to Localism Agenda

- 6.20 Members asked how localisation of business rates might affect the borough. The leader was doubtful whether the council would benefit considerably from the changes. In response to a further question he explained that over the last eighteen months the council had been fairly innovative in its use of the general competence power, particularly to achieve solutions around housing. It would be interesting to see what more could be done.
- 6.21 Some members felt that fundamental changes were needed in the council's approach to working with partners. The leader repeated that he was keen to work more closely with schools and academies. Local government had a clear democratic mandate and needed the powers to deliver local services. A member of the committee asked how supportive the council would be of community groups that could benefit from localism. The leader stressed the importance of a democratic mandate but that officers would be working within the proposals.
- 6.22 A member queried whether it was an appropriate time to review the protocols around individual decision making. The leader commented that in the past eighteen months there had been a tendency to direct things upwards, from officers to cabinet members and from cabinet members to the cabinet. Perhaps this change in custom and practice needed to be looked at.

Vision for Health in Southwark

- 6.23 A member asked whether, if the Health & Social Care Bill went through, the leader would welcome public health being brought back to local government. The leader welcomed the concept but was concerned that the proposal would not be realised or adequately funded. It was important that local authorities should set public health targets and priorities, that devolution was genuine and that a proper budget be allocated.
- 6.24 A member referred to discussions in Scotland around introducing a minimum price for alcohol and asked what action the council might take to promote good health. The leader emphasised that the council was piloting free healthy school meals, demonstrating that it was in favour of some intervention. It was also investing in leisure centres and encouraging people to use them. If given adequate resources, there were ways in which the council as a public health body could set out its priorities and help the population of the borough to become fitter and healthier. Members of the committee wondered if more intervention could be made in terms of regulating the numbers and location of fast food outlets.
- 6.25 The leader confirmed that relationships were being built with the emerging GP consortia.

Future of Chief Officer Team

- 6.26 The leader informed the committee that the council had the opportunity to consider

the best model for the chief officer team. There was a commitment to save £1m from the senior officer team over the three years of the budget. The earliest that the cabinet would look at possible structures would be in January of next year. Some members acknowledged that the merger of Environment and Housing had been a mistake. The leader stated that it would be important to look at examples of different structures and determine what had proved successful.

- 6.27 Members asked for an update on sharing services with other local authorities. The leader reported that a panel was meeting with representatives from Southwark, Lambeth and Lewisham to consider what was deliverable and whether savings could be achieved.

The meeting ended at 10.05 pm.

HOUSING AND COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE

Fire Safety Works at Canada Water Estate
Scrutiny Report and Recommendations

November 2011



1. Background to and purpose of the review

- 1.1 Columbia Point and Regina Point are two blocks of council flats on the Canada Water estate. The flats house a combination of council tenants and leaseholders.
- 1.2 As a result of a fire safety assessment in October 2009 some substantial remedial works were identified. A major works procurement process was begun to identify suitable contractors to undertake this work.
- 1.3 Before a contractor was identified or any work commenced, two fire safety notices were issued to the council relating to Columbia Point and Regina Point with a deadline of 17 August 2010 by which work had to be completed to avoid legal action.
- 1.4 The purpose of the scrutiny review was to
 - establish what happened next, which led residents of the estate to request a scrutiny review into the works which were still not completed in February 2011 when this scrutiny began
 - make some recommendations for change

2. How the evidence was collected

- 2.1 In January 2011, concerns around works at Canada Estate were brought to the attention of the chair of the housing and community safety scrutiny sub-committee in an e-mail which outlined events from a resident/leaseholder perspective
- 2.2 On 8 February 2010 a meeting was held between the chair and vice-chair of the sub-committee and Michael Robertson, a leaseholder resident from the Canada Water estate, to clarify the main issues and concerns.
- 2.3 A report was commissioned from council officers, including
 1. The process followed in order to award the work to the contractor
 2. An assessment of the quality of the work so far
 3. Details of the cost of the work
 4. An update on the current state of the works
 5. Details of communications between Southwark and the contractor as the works have progressed.
 6. Details of communications between Southwark and residents of the estate about any reported problems with the works.
- 2.4 A verbal evidence session was held at a meeting of the housing and community safety scrutiny sub-committee on Tuesday 2 July 2011, where the issues were discussed. Staff from the housing department and representatives from the Canada Water estate attended this discussion.
- 2.5 Council staff members who gave evidence at this session were: Gerri Scott, director of housing; David Lewis, head of asset management and investment planning; Tony Hunter, health and safety manager; and Louise Turff, service charge construction manager.

3 Sequence of events

- 3.1 In the aftermath of the fatal fire in the Lakanal housing block in July 2009, the council undertook to carry out fire safety reviews of all residential blocks over seven stories high.
- 3.2 A fire risk assessment of Columbia Point on the Canada Water estate was carried out in September/October 2009 by the consultants Turner Townsend, which identified some necessary remedial work.
- 3.3 As a result of the fire risk assessment, the process of procuring major works began, including serving Section 20 (S20) notices, giving notice of the intention to undertake major works, on the leaseholders of both Columbia Point and Regina Point December 2009.
- 3.4 On 22 February 2010, London Fire and Emergency Planning Authority (LFEPA) served two notices of fire safety work necessary at both Columbia Point and Regina Point. These notices included a requirement that the works should be undertaken by 17 August 2010
- 3.5 The fire safety notification brought new urgency to the work required on the estate which meant that the usual procurement procedures would have taken too long. As Standage already operated for the council as “voids” contractors it was legally permissible to appoint them to do this work. This resulted in the appointment of contractors Standage to undertake the work on 17 May 2010 without consultation with residents over who would undertake the work.
- 3.6 The essential work identified by LFEPA was completed by the deadline. LFEPA inspected the blocks on 16 August 2010 and confirmed their satisfaction in writing on 8 September 2010.
- 3.7 There were other associated works taking place on the estate which were not completed in this timescale, and at the time of a joint inspection on 7 January 2011, a number of issues were identified which still needed to be resolved.
- 3.8 A further joint inspection took place on 17 May 2011 at which it was confirmed that the outstanding issues had been resolved and the work was considered complete.

4 What went wrong?

Procurement process

- 4.1 Following the receipt of the Turner Townsend fire safety report, the council's housing department started to make arrangements for the repairs work to be done, including starting the process of procuring an appropriate contractor to undertake the work and issuing S20 notices to leaseholders.
- 4.2 When the need to complete the work became urgent and the council had a short deadline to complete the fire safety works it was not possible to complete the usual procurement process.
- 4.3 As a matter of expediency the contractors Standage who already held a “voids” contract with the council were contracted to do the work. This arrangement

superseded the S20 consultation and appointment process, but the council failed to explain and communicate the new arrangements to residents.

- 4.4 Effective communication with leaseholders was not prioritised as it should have been. Instead, the minimum necessary communication to meet statutory requirements was undertaken.

Urgent work rather than planned and quality controlled repairs and maintenance

- 4.5 The work at Canada Estate had to be undertaken urgently to comply with fire safety standards. Before the council's fire safety assessment was undertaken there were no immediate plans for planned maintenance and repairs work.

As identified in the Turner Townsend report:

“Several of the issues identified in this report are the result of poor workmanship or a failure to hold contractors to specification. By introducing tighter controls on contractors in respect of fire, it would be possible to address some of these key issues without having to spend large amounts of money.” (Turner Townsend report).

- 4.6 If the council had undertaken planned and effectively quality controlled work at the estate over a period of years, the urgent works may not have been necessary.

Quality of work

- 4.7 Standage contractors completed the necessary fire safety works within the set timescale but there were concerns over the quality of the work.
- 4.8 This raises queries over the contract monitoring processes and also calls into question whether Standage were the most appropriate contractor to undertake the work.
- 4.9 The quality of other associated works was also poor, leading to a very drawn out process with works only completed to the required standard in May 2011. During this process some seventy-two complaints were made to the tenants and residents association who were acting as a conduit for complaints.

Contract management

- 4.10 The council followed its usual arrangements for contract management including monthly meetings between the contractor and the council.
- 4.11 These arrangements did nominally include local residents but the meetings were not held at times when it was possible for them to attend. This was a mistake and more effort should have been made to accommodate resident representatives.
- 4.12 The contract management that was in place was clearly not effective enough.

Communication and consultation with residents

- 4.13 Once the fire safety works were taken out of the S20 process there was a lack of effective proactive communication with residents.
- 4.14 This was confirmed in the evidence given by the director of housing.
- 4.15 In addition to meeting the fire safety standards, there was a further variation to the contract to install suitable venting. This was not communicated to or discussed with residents.
- 4.16 This led to a situation where leaseholders were not fully aware of why they were being charged so much for the work and why the S20 process was started but aborted.
- 4.17 Tenants representatives pointed out during the scrutiny process that the costs of works being carried out on the estate were only shared with leaseholders. As the cost of major works comes from the housing revenue account (HRA), the sub-committee sees no reason why the same information about costs shared with leaseholders should not also be shared with tenants.

5. Conclusions and recommendations

- 5.1 There were clearly some exceptional and unusual circumstances around the fire safety works at the Canada estate. However the scrutiny process has revealed a number of issues around major works procurement and management which could also apply to all future repairs works of the council.
- 5.2 To improve the way major works contracting is handled in the future, the housing and community safety sub-committee makes the following recommendations.
 - 1. A process/procedure understood by officers and contractors should be developed and followed which enables residents (both tenants and leaseholders) to be kept informed of and consulted effectively in the major works procurement. This should include but not be limited by the legal S20 requirements.
 - 2. The sub-committee has found evidence of poor communications with residents. As part of the project management process for all major works in the future there should be a clearly understood procedure for communication with tenants before and during works of this nature. These arrangements should not rely upon casual discovery of information from contractors or contract managers.
 - 3. Where there are changes to expected works during the delivery phase the cabinet member should take steps to ensure that these are communicated to affected residents in a sensitive and timely fashion.
 - 4. Stringent contract management arrangements should be put in place for the future, including detailed delivery timetables and quality expectations. The pro-active management of these contracts must be more rigorously pursued. Penalties should be introduced for contractors who fail to meet these more stringent requirements.

5. The breakdown of costs on major works are currently only shared with leaseholders. As the cost of major works comes from the HRA, the sub-committee recommends that the same information on costs shared with leaseholders should also be shared with tenants.

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Councillor The Right Revd Emmanuel Oyewole	1	Alex Doel, Labour Political Assistant	1
Councillor Geoffrey Thornton	1	Paul Green, Liberal Democrat Office	1
Councillor Mark Williams	1	Scrutiny Team SPARES	10
<u>RESERVES</u>			
Councillor Kevin Ahern	1	<u>EXTERNAL</u>	
Councillor Patrick Diamond	1	Local Studies Library	1
Councillor Nick Dolezal	1	Charles Cherrill, Southwark Pensioners Forum	1
Councillor Mark Gettleson	1	Mr C George, Southwark Advocacy Alliance	1
Councillor Helen Morrissey	1	Chris Sanford, Community Action for Southwark (8 th floor)	
Councillor Tim McNally	1	Hannibal Hse)	1
Councillor Paul Noblet	1		
Councillor Lewis Robinson	1		
Councillor Cleo Soanes	1		
<u>EDUCATION REPRESENTATIVES ON OSC</u>			
Revd Nicholas Elder	1		
Colin Elliott	1		
Leticia Ojeda	1		
<u>CABINET MEMBERS</u>			
Councillor Peter John (Council Leader)	1		
Councillor Ian Wingfield (Deputy Leader)	1		
<u>OTHER MEMBERS [on request]</u>			
Councillor Anood Al-Samerai	1		
Councillor Renata Hamvas	1		
		TOTAL HARD COPY DISTRIBUTION	51

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