



Overview & Scrutiny Committee

MINUTES of the OPEN section of the Overview & Scrutiny Committee held on Wednesday 8 January 2025 at 6.30 pm at Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Ian Wingfield (Chair)
Councillor Irina Von Wiese (Vice-Chair)
Councillor Suzanne Abachor
Councillor Cassandra Brown
Councillor Victor Chamberlain
Councillor Sam Foster
Councillor Laura Johnson
Councillor Richard Leeming
Councillor Margy Newens
Councillor Catherine Rose
Councillor Martin Seaton
Martin Brecknell (Co-opted Member)

OTHER MEMBERS PRESENT: Councillor Sarah King
Councillor Stephanie Cryan
Councillor Sam Dalton

OFFICER SUPPORT: Amit Alva, Scrutiny Officer

1. APOLOGIES

Apologies for absence were received from Jonathan Clay (Co-opted Member).

Apologies for lateness were received from Cllr Laura Johnson, Cllr Richard Leeming and Cllr Margy Newens.

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

The Chair informed the committee that supplemental agenda no.1 has a report on

item 8, Judgement by the Regulator of Social Housing- Southwark's role as a social landlord, and item 10. this committees work programme for the year 2024-2025.

Supplemental agenda no.2 has a progress update on Consort Estate, SE15, Major Works - Charges to Leaseholders.

Supplemental agenda no.3 contains item 6. Consort Estate, SE15, Major Works - Charges to Leaseholders (Update), Appendix 1 of the report 'Task Order Price Schedule of Works'.

Supplemental agenda no.4 contains item 7. Canada Estate / Devon Mansions Major Works (Update).

Supplemental agenda no.5 contains item 5. Policy and Resources Strategy 2025/26 (Budget Scrutiny Scene Setting).

The committee also discussed the importance of receiving reports on items at least five working days, (one week) before the meeting, to effectively deliberate this committee's scrutiny meetings.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosures of interests or dispensations.

4. MINUTES

The minutes of the meeting held on 4 November 2024 were approved as a correct record.

5. POLICY AND RESOURCES STRATEGY 2025/26 (BUDGET SCRUTINY SCENE SETTING)

The Chair explained to the committee that recommendations made at this committee's past meetings are forwarded on to relevant officers/cabinet members to action. In addition, as a part of the overall scrutiny improvement review the aim is to bring back the topics of these recommendations for an update to this committee's future meetings. However, this is subject to the time taken to implement these recommendations and cabinet member/officer availability during the year.

The committee first received a presentation from Councillor Stephanie Cryan, Cabinet member for Equalities, Democracy and Finance and Tim Jones, Director of Corporate Finance on the Policy and Resources Strategy 2025/26 (Budget Scrutiny Scene Setting) covering the following points

- Multi-year budget settlement and 2-year budget settlement details.
- Progress and current position on the 3-year General Fund (GF) and Housing Revenue Account (HRA) recovery Plan; Southwark's Core Spending Power; 12.1% more cash in 2025-2026 compared to 2010, however 20% less spending power per person than in 2010
- Council Tax, Settlement Funding Assessment (SFA), ring fenced and un-ring-fenced funding grants; Current Medium Term Financial Strategy (MTFS) approach GF and HRA.
- HRA recovery Plan and savings, Process to date (Timeline) for Budget monitoring and Capital Bids, Summary December Cabinet paper on budget, Policy Statement and Provisional Local Government Financial Settlement (PLFGS).
- Homelessness and rough sleeping prevention grant funding allocations, restrictive conditions and its impact on the HRA. Social Care Grant funding. National Insurance Contributions (NIC) increase compensation. Rural Services Grant and Better Care Fund and Discharge Fund.

It was agreed with Tim that the percentages on pg. 4 of the presentation did not seem to add up to 100% and this will be reviewed and reported back to the committee at a future meeting.

The committee then asked questions on the following topics

- Risks associated with the increase in NIC for organisations providing social care in the context of the Social Care Grant.
- Financial feasibility of the additional £200m Social Care Grant than what was originally set out in the Local Government Fund (LGF) Policy Statement to cover social care costs.
- Details on the under half (49%) of the Homelessness Prevention Grant to be ring-fenced for prevention and not to cover Temporary Accommodation costs.
- Increase in NIC and its impact on the Adult Social Care and 3-year Budget; HRA Recovery Plan - 8m overspend considering housing repairs issues and its costs.

Tim explained to the committee that councils' go through an annual price review with social care providers to mitigate any inflationary costs such as increase in NIC to establish the pay rates that are appropriate in the current financial conditions.

Cllr Cryan informed the committee that PLFGS which includes £200m more in funding for social care is a provisional settlement which would be undergoing consultation with Local authorities nationally, and other major authorities like Greater Manchester might have higher needs, however in Southwark's context the levels of funding in this statement is close to what officers had modelled and expected. On the allocation of Homelessness Prevention Grants, the specific details on whether this applies to whole fund or just the increase in the grant in this provisional settlement is unclear. London councils are feeding back into the consultation highlighting the issue with private rented landlords in London moving

to nightly accommodation which increase costs in temporary accommodation (TA).

Tim explained to the committee that the increase in allocation of an extra £2.8m in NIC compensation will offset the increase in NIC to some extent, in addition the overall increase in adult social care grant will help cover the rest of the increase in NIC. Furthermore, inflationary budgets will be delivered to cover the pay for care providers to cover the NIC increases. The HRA recovery plan originally set out to save £19m to recover the overspend and this year the overspend is down to £8m. For Major works in housing repairs there was a borrowing of £59m which this year will be close to zero.

The committee then asked further questions on the following points

- Transformation programme targets in context of the budget and timeliness of this review by the Overview and Scrutiny Committee (OSC) early in the next council year.
- Rising cost of borrowing and its impact on the council budget; Impact of the ring fencing of budgets by the central government.

Cllr Cryan informed the committee that OSC will have a chance to review the progress of the transformation programme, the programme is not designed to deliver budget savings specifically on a corporate level. The programme aims to find cost-savings and efficiencies at a department level to increase revenue. Public engagement on the budget will be included in the report to the council assembly.

Tim explained to the committee on the earlier raised question on pg.4 of the presentation on percentages not adding up, figures of other grants such as Rural Services Grant have not been included in the presentation. On ring-fencing of budgets almost all Local Authorities are lobbying the government to have greater flexibility in allocating the funds of the GF and the HRA. The rising cost of borrowing affects the council in its efforts to secure loans from the Public Works Loans Board (PWLb) for New Council Homes, the interest rates have gone up from 1.5% to 6%.

6. CONSORT ESTATE, SE15, MAJOR WORKS - CHARGES TO LEASEHOLDERS (UPDATE)

The committee first heard from Councillor Sarah King, Cabinet Member for Council Homes on the Consort Estate, Major works update covering the following themes

- Recommendations on the Consort Estate to be actioned; Focus on details of contracts and services being provided on the ground.

The committee then received a report from Sayeed Kadir, Assistant Director, Planned Maintenance on Consort Estate Major Works update covering the following topics

- Site visits, asbestos surveys, reduction in concrete and brickwork repairs, reduction in major works costs to leaseholders.
- Cost of repairs not to exceed 5%, penalties for contractors exceeding specifications before section 20 is sent out.

The committee then asked questions on the following topics

- Insulations and asbestos works required and costs, improvements in overall energy efficiency
- Mobile phone costs average of £46/week for 10 mobiles each, resident confidence in future major work costings
- Due diligence, spot checks, value for money and political oversight in past major works projects

Sayed explained that when compartmentation walls were installed some roof insulations were damaged and those areas now need dormer roofs. The areas that have asbestos are not in the operational areas and they are low levels of asbestos. On energy efficiency residents have questioned the need for external insulation to improve energy efficiency as the estate has district heating pipes running through it.

The committee also heard from Councillor Sarah King, Cabinet Member for Council Homes and Hakeem Osinaike, Strategic Director for Housing.

Cllr King informed the committee that Southwark desperately needs a decent and green home standards in the future of major works, however it does have an enormous costs associated with it on the HRA.

The committee learnt from Hakeem that the council is in process of procuring a contractor to deliver a stock condition survey for the whole of Southwark council homes and that this will include retrofitting existing properties to improve energy efficiency. This will put Southwark in a better position to procure contractors to deliver the energy efficiency works.

Cllr King explained to the committee that the housing department has reflected and reviewed internally the approach towards future procurement of major work contracts, which are to include penalties for contractors, value for money and delivery standards.

Hakeem informed the committee that due diligence and reviews of other major works in estates is already on-going. The issues from all reviews of past major works have either being actioned or are being reviewed and considered.

The committee then asked further questions on the following points

- The impact of savings in costs on guarantee, quality and/or life expectancy of works; compliance of reduced specifications of works to national standards.

The committee learnt from Sayeed that residents questioned the need for resin flooring over the existing vinyl flooring, resin flooring lasts longer without any joints and are easier to clean. Residents did not want to pay more for resin flooring. Options are being explored with contractors to procure cheaper resin flooring with a limited warranty and this option will be discussed with residents to increase the life expectancy of these floorings.

Hakeem further explained to the committee that vinyl floorings have lasted on the estate for decades and the proposed change to resin flooring is not a compromise on quality, it is an upgrade to a completely different flooring (resin) which would last longer.

7. CANADA ESTATE / DEVON MANSIONS MAJOR WORKS (UPDATE)

Cllr King first addressed the committee explaining the delays in the public engagement and the report of the independent consultants (Pellings) which led to a delay in circulating this interim update report and that a final report will be circulated in due course.

The committee then heard from Paul Murtagh, Interim Design and Delivery Manager (North) on the Progress Update – Review of the Canada Estate and Fair Street/Devon Mansions 2017/18 QHIP Major Works Projects, this interim report covered the following topics

- Task and Finishing team
- Process and governance
- Work of Pellings on cost, time and quality of works.

The committee then asked a question on the following topic

- Reasons for delays in Pellings report and Canada Estate tenants unwilling to engage in meetings

The Chair requested that the committee hear from resident of Canada Estate, Barry Duckett on this topic

- Pellings did not attend the Canada Estate tenants meeting at Canada Hall
- Work done by Contractor Durkins not up to contract specifications, £1.9m more needed from the HRA to complete works at Canada Estate
- Lack of in-depth surveys before works carried out; freezing flats; lack of window repairs/ replacements

The committee then heard from another resident of Canada Estate, Michael Robertson on the following points

- Report highlights main issues with estates; council officers have been

- accessible and transparent
- Major delays in carrying out of works; lack of proper contract management of works
- FOI request for information from residents have not received holding responses, Home Ownership team has continued to bill leaseholders for works

The committee then heard from Ina Negoita, Northwest Local Housing Forum on the following themes

- National Audit investigations report; Internal and external structural reports on Canada Estate

The committee then heard from ward councillors Cllr Stephanie Cryan and Cllr Sam Dalton covering Canada Estate/ Devon Mansions on the following topics

- High costs, poor quality works and communications with residents
- Council responsibility in delivering the works
- Steer from residents at TRA meetings, lessons learned and included by Officer Paul Murtagh in the actions
- Apologies from Pellings attending meetings with residents and tenants

The committee then asked questions on the following points

- Consultant incentivisation, use of warranties para. 33 & 34 of report
- Lack of resident engagement with Devon Mansions

Paul explained to the committee that contractors and consultants get paid on a sliding scale, consultants can make some suggestions for cost saving suggestions and delivering more value for money, in materials, access setup etc.

The committee learnt from Hakeem past contracts have clauses where consultants can get incentivised with fees, if they increase their scope of delivery. Contractors can offer cost saving solutions without comprising on quality.

On warranties Paul explained that certain constructions such as flat roofs, wherein the council can pay a premium to get insurance back warranties, this covers the cost of repairs even if the company goes bankrupt. Works that are covered by warranties by the councils have a tag on the council systems to carry out essential planned maintenance works like unclogging of drains to maintain warranties.

Cllr Dalton informed the committee that 20-30 residents have engaged with the council for feedback, and this has diversified the range of responses from Devon Mansions residents.

8. JUDGEMENT MADE BY THE REGULATOR OF SOCIAL HOUSING - SOUTHWARK'S ROLE AS A SOCIAL LANDLORD [REFERENCE BY COUNCILLOR - OSC PROCEDURE RULE 12]

The committee first heard from Councillor Sarah King, Cabinet Member for Council Homes and Hakeem Osinaike, Strategic Director for Housing on the following points of discussion.

- Inspection in 2024, details and judgement in the report; action plan in place prior to inspection and regulator confident of improvement in HRA
- Council commitment to engage with residents and to improve Southwark's status from C3 as in the report (Supplementary Agenda no.1, pg. 2) to a good landlord
- Monthly meetings with regulator, agreeing and tracking actions on the good landlord plan; Governance and Oversight- establishing the Strategic Housing Oversight Board, Repairs Improvement Board and Housing Management Board; feedback from these boards along with the regulators and scrutiny's feedback to be included in the workings of the good landlord plan

The committee then asked questions on the following themes

- Report indicating that some council properties do not have smoke alarms and electrical safety checks, accountability and ownership of these issues
- Devon Mansions full and final report, expectations include resident attendance numbers
- Officers working on action plans/progress on failings outside of Housing Governance Board in response to regulator of social housing; Stock Condition Survey hasn't happened since 2010, conditions of stock properties.

Hakeem informed the committee that the Housing Improvement Board holds officers responsible accountable, by reviewing progress reports on action plans in accordance with the good landlord plan. Furthermore, these progress reports are shared with Corporate Management Team (CMT) and Strategic Housing Oversight Board chaired by the Leader of the council and attended by Cabinet Member for Council Homes and Strategic Directors and Chief Executive. The Stock Condition survey has been commissioned for 100% of the properties internally and externally (communally). In addition, information would also be gathered on public health and social care within these properties to provide a holistic overview. The aims are to survey 20% of properties every year providing a complete 100% assessment every five years on stock conditions. The 30% of non-decent properties are the ones that don't have an Electrical Installation Condition Reports (EICR), although the properties might have satisfied all other criteria for a decent home.

The committee then asked further questions on the following topics

- Strategy for addressing windows and other repair issues in the diverse street properties in House in Multiple Occupancy (HMO).
- Actions in the housing improvement plan to identify trends in types of housing complaints and subsequent sharing of that information with residents through ward councillors and their respective surgery casework; Intelligence within the housing improvement plan on the ratio of stage 1 and stage 2 complaints differentiating major works complaints from other non-repair related complaints like missed bin collections, and sharing of this information with wards councillors for their respective surgery casework.
- Clarifications on:
 - the chronological order of the Housing Improvement Board Action Plan, pg.16 8.1 complaints team target of the last quarter of 2025
 - the prioritisation of 4.1 EICR testing target of first quarter of 2026
 - the measuring of the persistent complaints of damp and mould as per law.

The committee learnt from Hakeem that the stock condition survey would provide the base for developing an Asset Management Strategy, and the amount of investment needed in the housing stock is governed by limitations of the Housing Revenue Account (HRA). The asset management strategy would also include engaging with residents to inform them of the upcoming window replacement programmes which could be over a longer period, whilst committing to residents of repairs to be carried out meanwhile.

Cllr King explained to the committee the importance of the stock condition survey, in developing an investment strategy to fully reflect the needs of our residents. The stock condition survey will identify the needs of the stock whether they are street properties or other types of properties, and it will also have sub-groups for different types of windows building typographical profile of needs within the borough. As and when these properties with need are identified within the survey, the work will commence on prioritising these properties from year 1. The work on engaging with residents through Housing and Resident associations has already commenced for stock condition surveys.

Furthermore, the council has committed to publishing progress on the housing improvement action plan in discussions with the regulator to ensure transparency and assess effectiveness. However, the approach and format of publishing such information to the public is yet to be determined, as it requires further work.

Hakeem informed the committee that the new complaints team has prepared a report on the drivers of the repair complaints, and it also makes recommendations on other areas to concentrate on within housing improvement action plan. Once implemented, this action plan will be monitored continuously to check progress.

The committee noted that the housing improvement action plan and monitoring its progress is included in the council's digital transformation strategy. The committee also noted that the Judgement made by the Regulator of Social Housing for

Southwark Council was a result of a self-referral by the council and an inspection carried out by the Regulator of Social Housing.

Hakeem explained to the committee that the complaints team target of the last quarter of 2025 is to track the progress of the recommendations made by the team, based on analysis and identification of trends and themes within housing complaints.

On target for EICRs, 30% of non-decent properties represents a considerable number of properties, given that Southwark Council is the largest social landlord in London. The council has extended the contracts of the two existing electrical contractors and are in process of procuring two more contractors to meet this ambitious target of the first quarter 2026. In comparison to gas checks which could take up to an hour, EICR takes up to 4 hours, this would mean that residents would have to take time off to allow access and residents are not legally required to allow access, this could create access issues for contractors. The team is committed to this ambitious target given the important safety issues, EICRs that have not been done are mainly due to access issues and the realistic expectation is to attempt an EICR for every single property by the first quarter of 2025.

On damp and mould, following the death of a young child, the government now legally requires social landlords to resolve damp and mould issues within strict timelines from when it is first reported (Awaab's Law). Contractors are being procured to ensure that the council is compliant within the law on damp and mould fixes.

The committee then asked further questions on the following points

- Combining gas checks with EICRs and annual tenancy checks
- Issues with accessing housing services in certain areas; Concerns on the lack of resident empowerment actions within the resident services (resident engagement) and the wider Housing Improvement action plan; Details on pt 9.1 of the report diversity and inclusion measures (respect towards residents)
- Communicating property access issues to residents and timelines to when the council could access the property (spare key) with or without resident consent, to carry out critical safety checks or work.
- Timelines and next steps for improving Southwark Council's social housing C3 grade to C2.
- Should there be a need for scrutinising overall Housing services and major works in such detail in the future for accountability
- Lobbying the government for regulatory change in housing.

Hakeem informed the committee that the team are looking at combining various kind of checks to reduce the number of visits to one property, however gas checks are annual and EICRs are every five years.

The Chair addressed the committee explaining that the council is incumbent in

ensuring that all safety checks in all council properties are completed and that non-compliance in safety checks could result in loss of life.

The committee also discussed the need for analysis of legacy and current, repair issues and the stock management issue within Southwark's housing stock and across London.

Cllr King explained to the committee that the larger social landlords in London such as Southwark Council have larger areas of deprivation, and the housing services needed in these areas are limited due to council's financial constraints. Housing and Resident Associations are heavily regulated by law, Local Authorities (social landlords) are now also being brought into comply with regulations. London councils must now be prepared by understanding and complying with these new regulations.

On resident services Cllr King is looking at bringing resident engagement structures to the Housing Repairs Board, Housing Management Board and Housing Oversight Board to ensure transparency with residents. The council is committed to bring more resident engagement, health and safety and transparency with residents across all services within the council. The aim is also to better use technology to engage with residents.

The committee learnt from Hakeem about the enormous scale and size of the social housing stock in Southwark, and the variety of different builds from different periods that complicates resolving housing related issues. Furthermore, it is critical to have a borough wide plan for social housing rather than fixing certain areas due to external pressures.

On access to properties the council does not have a spare key for properties, in the event of lack of consent from the resident, court (legal) proceedings must be carried out, statutory steps for gas checks and injunctions for EICRs. The council gives residents all the critical safety information in the form leaflets and letters explaining the importance of such safety checks.

Hakeem further explained to the committee that there are no set timelines for improving the grade from C3 to C2, however being in C3 mode involves regular monthly meetings with the regulators discussing progress updates until the regulator feels that sufficient progress has been made and it's the correct direction of travel for improvement. The social housing regulator must inspect every 4 years; however, an inspection can occur at any time the regulator feels necessary. The objective is to improve Southwark's grade from C3 to C1.

Cllr King explained to the committee that there should not be a need for detailed scrutiny of housing services, the council should be able to engage early with leaseholders and tenants on the scope of the major works contracts. The council should be able to go through a tender process to ensure we are working with the right contractors and have scope for the difficult conversations with the contractors; whilst ensuring the viability of the HRA and value to resident housing services. Cllr

King aims to improve the confidence ward councillors have in Housing services, and the concerns raised by residents to be taken seriously by teams of officers. The council is undergoing a cultural change in the approach to housing services which involves a wider look into housing issues on property, estate and wider borough levels. The council's main priority is to work on the good landlord plan based on the judgement by the Social Housing regulator whilst addressing the challenges in the HRA.

On lobbying the government for regulatory change in housing, Cllr King explained to the committee that the council has undertaken a new strand of work on Council Homes with 100 other councils. The five recommendations from the report have been heard and there is ongoing engagement with Angela Rayner, Deputy Prime Minister of the United Kingdom and Matthew Pennycook, MP. There have been positive responses on the future of Council Homes delivery and long-term settlement. Furthermore, more lobbying needs to be done with the government on the precarious state of the HRAs. Cllr King's Cabinet Member remit of Council Homes is focused on the recommendation on green and decent homes, which requires massive amounts of funding from the government. In addition, fire safety works and building safety works were not funded by the previous government which has increased financial pressure on the council.

9. INTERVIEW WITH CABINET MEMBER FOR COUNCIL HOMES

The committee agreed that questions from this item on 'Cabinet Member Interview for Council Homes' were covered in the previous items on housing related matters within this agenda.

10. WORK PROGRAMME

The committee noted the work programme for the year 2024-25.

Meeting ended at 10.31pm

CHAIR:

DATED: