

Overview & Scrutiny Committee

MINUTES of the OPEN section of the Overview & Scrutiny Committee held on Wednesday 29 November 2023 at 7.00 pm at 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Ian Wingfield (Chair)
Councillor Irina Von Wiese
Councillor Victor Chamberlain
Councillor Sam Foster
Councillor Jon Hartley
Councillor Laura Johnson
Councillor Sunny Lambe
Councillor Margy Newens
Councillor Bethan Roberts
Councillor Sandra Rhule (Reserve)
Martin Brecknell, Co-opted Member

OTHER MEMBERS PRESENT: Councillor Darren Merrill, Cabinet Member for Council Homes
Councillor Sam Dalton
Councillor Emily Hickson
Councillor Kath Whittam

OFFICER SUPPORT: Sarah Feasey, Deputy Head of Law
Everton Roberts, Head of Scrutiny

1. APOLOGIES

Apologies for absence were received from Councillor Suzanne Abachor, Councillor Chloe Tomlinson, Jonathon Clay, Co-opted member, and Marcin Jagodzinski, Co-opted member.

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

The following late documents were contained on supplemental agendas.

Supplemental Agenda No.1

- Item 6 – Canada Estate Quality Homes Improvement Programme (QHIP) – Scrutiny of Major Works – Update
- Item 7 – Scrutiny Improvement Review Action Plan – Update

Supplemental Agenda No.2

- Minutes – 4 October 2023

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillor Bethan Roberts, declared a pecuniary interest in item 6, Canada Estate Quality Homes Improvement Programme (QHIP) – Scrutiny of Major Works – Update, and did not take part in the discussion on this item.

4. MINUTES

Approval of the minutes was deferred to the next meeting due to late circulation.

VARIATION OF ORDER OF BUSINESS

The chair varied the order of business to take item 8 – Appointment of Chair – Housing, Community Safety and Community Engagement Scrutiny Commission first.

5. DEVON MANSIONS MAJOR WORKS - SCRUTINY OF MAJOR WORKS DELIVERY

The committee heard from local ward councillors Sam Dalton and Emily Hickson, Ina Negoita, local resident, and council officers in relation to major works undertaken at Devon Mansions.

Councillor Hickson addressed the committee on what she believed to be serious failings in respect of the major works and communication with residents whilst the works were going on. Councillor Hickson informed the committee that she and Councillor Dalton had been regularly attending the major works meetings with residents and council officers. She indicated that whilst some answers had been provided to residents, some issues had still not been answered or not answered in a timely manner – this had added to the distress of residents. Councillor Hickson informed the committee that these failures had led the organisation appointed by

the council to run the major works meetings (Open Communities) to relinquish their duties earlier that year as they felt that not enough progress had been made and that the meetings were no longer serving a purpose.

Councillor Hickson highlighted the major failures requiring investigation as being:

- Cost of the works (increase from £5.9m to over £10m)
- Poor quality of the works
- Communication with residents
- Staff performance

Councillor Hickson also highlighted a number of issues residents wanted to raise which included:

- Scrutiny of cost and what money had already been paid by the council, and scrutiny of sign-off of the works ahead of payments
- Damage to the basements, brickwork, and residents properties
- Unrepaired windows
- Health and safety concerns
- A physical assault, which had been reported to the police.

The committee then heard from Councillor Sam Dalton. Councillor Dalton relayed that throughout the works, residents had felt in the dark about how much work was actually being done while the scaffolding was up and when the work would end.

Councillor Dalton addressed the committee on the issue of poor communication with residents, tracking of residents questions and slow response, the issuing of work log information (for purposes of transparency) for work that had been carried out while the scaffolding had been in place.

Councillor Dalton also raised the issue of council performance throughout the major works and called for a review, to raise standards going forward. In concluding, Councillor Dalton stressed that greater transparency and accountability needed to be secured for residents, and highlighted actions and requests that had been previously made or ought to be made towards delivering this – such as:

- The provision of work logs
- The appointment of an independent surveyor to examine the works which have been done
- Review of major works staffing, delivery (including communication)
- External audit of council performance on this specific project
- Appropriate compensation to residents in line with what comes out of these reviews.

The committee then heard from Ms Ina Negoita, resident of Devon Mansions. Ms Negoita had submitted a document (evidence submission) containing various pieces of information relating to the Devon Mansion works to the clerk of the

overview and scrutiny committee. The document was circulated to members of the committee in advance of the meeting.

Ms Negoita informed the committee that she was a leaseholder, but was representing all the residents (both tenants and leaseholders) of Devon Mansions as the works had impacted them all.

Ms Negoita reported to the committee that the major works was delivered over three years, but that the failures had started to occur from the first day. Mr Negoita provided the committee with a presentation and highlighted the following:

- The project increase from £5.6m to £9.8m
- Unprecedented hardship for residents
- £4.2m overspend
- 2 year delay, scaffolding on site for 3 years
- Increase of contractor and consultant fees
- Adjustments not made for residents who needed special adjustments
- Physical assault and damage to property
- Monthly evidence submissions from residents ignored by the Council
- Needs, cost and reasonableness of the major works – questionable feasibility report
- Quotations for works that did not exist
- Incorrect sizing of the physical estate, and the impact this had on cost calculations
- Disadvantages in the way payments for the works were calculated and rewarded (percentage fee of the value of the works) - no incentive for value for money
- Work men smoking on scaffolding, and the discarding of used cigarettes
- Scaffolding not protected, leading to graffiti and other anti-social behaviour on the building
- Lack of protective equipment for the workers (absence of hard hats, gloves and harnesses)
- Lack of cleaning equipment to the ratio of cleaners
- Problems with dead vermin, subsequent smell and build-up of dirt
- Calculations for building cleaning charges (multiple charging for same work)
- Lack of management by the council for the works
- Damage to the building by contractors remedied as extra works
- Multiple raising and taking down of scaffolding
- The opportunity to pause payment in November 2022

Ms Negoita requested that an investigation be undertaken.

The committee then heard from Councillor Darren Merrill, Cabinet Member for Council Homes, and council officers David Quirke-Thornton, Strategic Director, Dave Hodgson, Director of Asset Management, and Desmond Vincent, Assistant Director of Building Safety and Major Works.

Councillor Merrill thanked the residents for the work they had done to bring this matter to light and apologised to residents for the matter reaching this point. Councillor Merrill reported that investigations had been taking place to get a better understanding of what had happened, and acknowledged that things had gone wrong. He indicated that he had given a clear political steer to officers to get to the truth.

David Quirke-Thornton, Strategic Director apologised unreservedly to residents for the failings highlighted. He informed the committee that he had been looking into the matter with the Strategic Director of Finance, and with the Human Resources department, and reported that disciplinary investigations had commenced. Further investigations would continue.

David reported that the council's internal auditor, BDO had been commissioned to look at the case, and that the council's external auditor, Grant Thornton would be looking at the case also. The audits would cover the full range of concerns raised on the finances, and all aspects of the governance around that. David also reported that there would be a quantity surveyor review, and that he would be seeking to withhold and / or recover costs from contractors. The council would also be pursuing fraud investigations.

David stressed that the investigations would take a bit of time to work through, and that both the overview and scrutiny committee, and the audit governance and standards committee will see the outcomes of that work. He also stressed that the council was committed to remedying and resolving the failings, and ensuring that it did not add costs for leaseholders or residents.

Following the strategic director's address, the chair opened up the meeting to questions and discussion. Questions and discussion took place around the following:

- Actions resulting from disciplinary and fraud investigations
- Failure of governance within the housing department
- Compensation for residents for financial loss and direct damages to their properties
- The incentive structure for contracting, and the procurement process
- Process for keeping residents informed in respect of the investigations
- Clauses in place to challenge contractors
- Major works framework and partnering contracts
- Raising of invoices and approval of payments process – oversight of payments
- Timelines for the separate strands of the investigations
- Absence of council defence for the failings
- Timeframe for residents to see material improvement
- Process for evidencing consultation/engagement with, and feedback from residents prior to issuing contracts
- Strengthening political oversight

- Value for money
- The gateway procurement approval process

It was requested by the Chair that all councillors be updated on the changes the strategic director had already implemented and for councillors to be kept informed on an ongoing basis with the actions taken. It was stressed that it was important for the public to see clearly what the council was doing to rectify this situation.

6. CANADA ESTATE QUALITY HOMES IMPROVEMENT PROGRAMME (QHIP) - SCRUTINY OF MAJOR WORKS - UPDATE

The committee heard from Mr Barry Duckett, Chair of the Canada Estate Tenants and Residents Association, residents Elaine Willock and Michael Robertson.

Issues highlighted by Mr Duckett were:

- Council's failure to listen to residents
- Historic problems with major works
- Lack of trust in the council
- Cost to leaseholders and housing revenue account

Mr Robertson informed the committee that no one from the council had contacted him since the previous meeting or responded to mail which had already been historically registered with the council.

Mr Robertson also brought to the committee's attention, work which had been undertaken in the last two weeks relating to the laying of fibre optic cables, and the damage, dust and mess created and left in the estate lobbies during the works. He reported that there were also problems in getting the mess cleaned up afterwards with no one (council, contractors, cleaners) wishing to take responsibility. This left it down to the residents to remedy the situation themselves as well as having to pay for the services again.

Mr Robertson informed the committee that there had been no communication to residents informing them of when the contractors were coming to do the work. This potentially impacted on people working from home, children doing homework and people with disabilities.

Mr Robertson felt that the system was not working and that a solution was needed so that no more residents in Southwark had to go through the issues that had been discussed at the meeting.

The committee heard from Ms Willock who raised concerns around issues with communication from the council around works that were happening or being planned for the estate blocks.

The committee also heard from Councillor Kath Whittam, local ward councillor.

Councillor Whittam likened the issues raised around Devon Mansions, as the same as Canada Estate and another estate within the ward.

Councillor Whittam highlighted the following:

- Poor communication with residents
- Problems with windows
- Lack of clarity around who in the council residents should go to in order to get things done – nobody in the council taking responsibility.

The committee then heard from Councillor Darren Merrill, Cabinet Member for Council Homes, David Quirke-Thornton, Strategic Director, Dave Hodgson, Director of Asset Management, and Desmond Vincent, Assistant Director of Building Safety and Major Works.

Councillor Merrill gave an apology to residents. He reported that he had been looking into the issues raised, and answers had now just started coming through. Councillor Merrill reported that he had given the Strategic Director his full backing to investigate the matter fully to make sure this situation did not happen again, and to make sure that whatever was required in terms of remedial works, was undertaken with no on costs to leaseholders, and also no on cost to the housing revenue account.

The committee then heard from David Quirke-Thornton, Strategic Director, who provided an update on actions taken since the previous overview and scrutiny committee meeting.

David informed the committee that he had visited the Canada Estate with the director and met with the chair of the tenants and residents association. They did a walk around of the estate so that he could see first hand what the issues were. He found the meeting with the chair very productive.

David highlighted the follow actions taken to mitigate impact:

- All costs had been suspended for leaseholders – there would be no billing on those works.
- Payments on the close down of the accounts had been stopped – this would give the opportunity to formally recover funds and to make challenge as appropriate.
- The accounts would not be finalised until the strategic director was satisfied that the process was concluded.
- Windows issue – There would be a structural safety check of the balconies to ensure they were safe to use. To ensure safe access to the balconies, the proposal was to replace one of the window frames with a door to facilitate safe and proper access. This would first be trialled in a void property so that residents could see what it looked like in practice. If residents agreed with the door access then the council would proceed with implementing that change.

- All other aspects of dissatisfaction would be captured in a log, which would be worked through with the contractor.

David acknowledged the points made earlier in the meeting around wider communication with residents (beyond the T&RA), and gave the assurance that the council would see through the remedial works until completion.

The chair opened up the meeting to questions. Questions and discussion took place around the following:

- Residents views on the process going forward
- Suspension of leaseholder payments for major works
- Communication to residents around the major works
- Freedom of information request around communications around the windows
- Housing department major works restructure
- Intention for audit of major works schemes across the borough
- Whether there will be cost to residents for remedial works
- Proposed next steps, including communication to residents
- Possibility of single point of contact within the council to communicate with the TRA
- Discussion around whether cabinet should take a report to their next meeting.

RESOLVED:

1. That the concerns highlighted following project review and concerns raised at the overview and scrutiny committee meeting held on 4 October 2023 be noted.
2. That the proposals by way of next steps to address concerns highlighted within the report, including timeframes be noted.

7. SCRUTINY IMPROVEMENT REVIEW ACTION PLAN - UPDATE

The committee received an update from the Head of Scrutiny on the scrutiny improvement review action plan.

RESOLVED:

That the proposed time frame for implementation of the Centre for Governance and Scrutiny (CfGS) scrutiny improvement review recommendations, set out in the action plan (Appendix 1 of the report) be noted.

8. APPOINTMENT OF CHAIR - HOUSING, COMMUNITY SAFETY AND COMMUNITY ENGAGEMENT SCRUTINY COMMISSION

Note: The chair varied the order of business to take this item first.

RESOLVED:

That Councillor Sam Foster be appointed as the chair of the Housing, Community Safety, and Community Engagement Scrutiny Commission for the rest of the municipal year.

9. WORK PROGRAMME

RESOLVED:

That the work programme as at 29 November 2023 be noted.

The meeting ended at 10.30pm

CHAIR:

DATED: