



OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the OPEN section of the meeting of the OVERVIEW & SCRUTINY COMMITTEE held on TUESDAY 13 JULY 2004 at 7.00 p.m. at Southwark Town Hall, Peckham Road, London SE5 8UB

PRESENT: Councillor Kim HUMPHREYS [Chair]
Councillors Fiona COLLEY, Barrie HARGROVE,
Linda MANCHESTER [Reserve], Eliza MANN and
Andy SIMMONS.

ALSO PRESENT: Tunde Akinyooye – Neighbourhood Manager, Crown House
Chris Brown – Head of Housing Management
Keith Broxup – Strategic Director of Housing
Gill Davies – Strategic Director of Environment
Phil Davies – Head of Waste Management
Stephanie Fleck – Legal Services
Stuart Hoggan – Head of Corporate Strategy
Matthew Jackson – Asset Management & Valuation Surveyor
Harry Marshall – Divisional Housing Manager
Maurice Soden – Estate Regeneration Co-ordinator
Peter Roberts – Scrutiny Team

APOLOGIES FOR ABSENCE

Apologies for received from Councillors Mark Pursey and Stephen Flannery.

CONFIRMATION OF VOTING MEMBERS

The Members listed as being present were confirmed as the Voting Members.

NOTIFICATION OF ANY OTHER ITEMS WHICH THE CHAIR DEEMED URGENT

There were none.

DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no interests or dispensations.

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.

The meeting was formally opened at 7.00 p.m. and adjourned until 8.30 p.m.

1. CALL-IN: EXECUTIVE DECISION [ITEM 9, 22 JUNE 2004] IN RESPECT OF THE INTEGRATED CLEANING CONTRACT (see pages 1-20)

1.1 The Committee received deputations from Southwark Group of Tenants Organisations (SGTO) and Leaseholders' Council.

The key concerns of the deputations were that:

- Financial information requested by Tenants' Council had not been provided;
- Tenants had not been properly consulted on the report before it went to the Executive;
- The breakdown of charges between the Housing Revenue Account and the General Fund needed clarification;
- Cleanliness of estates was not satisfactory and the measurement of cleanliness was not reliable; and
- The standard of internal cleaning on estates was not acceptable.

1.2 Members who had requested the call-in expressed concern that evidence demonstrating the success of the contract was insufficient and inaccurate and that performance information was open to challenge. It was their view that stakeholders' comments had not been adequately reported, that better measurements of cleaning were needed and that there were questions over the financial management of the service including increased expenditure.

1.3 The Leader of the Council stated that the cleaning service was better than a year ago and that there was widespread satisfaction with performance. He commented that the report to the Executive had been included in the Council's Forward Plan.

1.4 In response to issues raised by the deputations and members of the Sub-Committee, Officers commented that, since the introduction of Southwark Cleaning, over 200 unsolicited compliments had been received from various sources including tenants, residents and leaseholders and from key external organisations such as IDEA and the Pool of London. In respect of the externally validated Local Environmental Quality Standard (BVPI 199), which assesses cleanliness of all land within the borough, the Council was now joint 5th in terms of borough cleanliness across London boroughs.

1.5 In terms of benchmarking, the Council had used the best available data to provide comparisons for similar services with both London and National performance. However, Officers acknowledged that additional information should be sought for future annual reviews and that the Council had a commitment to establishing a benchmarking programme to facilitate this. The performance indicators for the service area were subject to rigorous inspection from external auditors in relation to Best Value Performance Indicators, and internal audit in the case of local performance indicators.

- 1.6 Performance during 2003/04 against key local performance indicators, for example the clearance of dumped rubbish and removal of graffiti, had been excellent and represented a significant improvement compared to that previously experienced. Complaints in relation to service delivery on highways and housing estates had reduced during the first year of operations of Southwark Cleaning.
- 1.7 In its first year of operation, Southwark Cleaning had delivered some considerable performance improvements and some very valuable learning for all involved. However, Officers recognised that this was only the start and that the standards achieved not only need to be sustained but also needed to be built upon and integrated into a more overarching strategy for improving cleanliness standards. The overarching strategy to achieve sustained improvements in borough cleanliness would be based on a three-strand approach; Improved service delivery, education and awareness raising and enforcement.
- 1.8 Officers highlighted a particular area for the Southwark Cleaning to concentrate on delivering improvements during 2004/095 as being internal cleaning on housing estates. The processes for monitoring of internal cleaning were being strengthened to ensure all aspects of the service were robust and accountable.
- 1.9 The report to Executive on 22 June contained the latest stakeholder consultation views available and the reducing number of complaints, particularly in housing estates, did not suggest that there was a significant change in perceptions of the services being delivered. The Executive decision to extend the current service arrangements was subject to satisfactory performance and an annual review and the justification for a 3 year period centred around staff morale, delivered through enhanced security and a sense of investment in them as individuals, and a realistic timescale for the delivery of change through the implementation of the borough cleanliness improvement strategy.
- 1.10 Officers confirmed that the financial management of the service was robust both through Environment & Leisure internal procedures and through the partnership arrangements between Housing and Environment and Leisure. A detailed internal audit by Price Waterhouse Coopers, which included extensive fieldwork, had been undertaken. The audit had covered all aspects of the financial management of the service and in particular the split between the General Fund (GF) and the Housing Revenue Account (HRA). The report concluded that the financial management of the service been satisfactory and the GF/HRA split of funding had been allocated on a reasonable basis. Officers explained that any additional expenditure had resulted from variations to the service specification.
- 1.11 The Strategic Director of Housing explained the transparency of the HRA budget growth that was widely consulted upon through Tenant & Leaseholder Council before agreement by the Executive as part of the HRA budget proposals for 2004/05. The consultation framework was established at the beginning of the new service arrangements (Joint Tenants'/Leaseholders' Councils and Neighbourhood Forums) as was the review and monitoring framework involving tenants and residents that had followed.

RESOLVED:

1. That the Executive notes concerns shared by Councillors, tenants and leaseholders regarding:
 - Insufficient justification for a three-year contract extension;
 - Accuracy of performance information in the report;
 - Absence of current stakeholder views of the service;
 - Accuracy of consultation results in the report; and
 - Financial management of the service.
2. That, following receipt of legal advice, the Executive circulates the recent audit of Southwark Cleaning accounts by Price Waterhouse Coopers to Councillors and Tenants' and Leaseholders' Councils (both this year and ongoing);
3. That progress on internal cleaning contract monitoring be brought to Tenants' and Leaseholders' Councils for their input; and
4. That reports on estate cleanliness be brought to Housing Scrutiny Sub-Committee and Tenants' and Leaseholders' Councils.

2. CALL-IN: EXECUTIVE DECISION [ITEM 19, 22 JUNE 2004] IN RESPECT OF EAST DULWICH ESTATE (see pages 21-29)

2.1 The Committee received a deputation from East Dulwich Estate Tenants & Residents Association. The deputation believed that the Executive's decision had been based on outdated and incorrect land valuations. They felt that they were able to show that demolition of sound housing stock on the estate was unnecessary and a breach of the authority's obligation to deploy financial resources to the best advantage. In the light of this they were considering a complaint to the District Auditor. The deputation requested:

- Current formal land valuations, with detailed breakdowns of how calculations have been made, for each of the proposed main areas to be sold;
- Full details of other receipts, proposed or already received, for all of the other smaller plots of land that it is intended would feed into the regeneration; and
- A proper review of all the available options with full consultation with tenant and resident representatives.

2.2 Members asked whether Officers had provided any reason for not using up to date figures. The deputation indicated that they had been told that it was not anticipated that the project would extend as long as it had and that the original figures were the only ones available. They explained that they had received informal figures for the land that placed a much higher valuation on it. In response to further questions, the deputation also explained that they believed that there were vacant plots of land that could be used, rather than people's homes.

- 2.3 The Leader of the Council emphasised that the initial consultation exercise in 1998, arising from the Southwark Estate Initiative (SEI), had been extensive. Match funding needed to be raised by demolishing some of the blocks. The Council needed to raise funds in order to bring homes on the estate up to the decent homes standard. He clarified that the figure of £4.9million specified in the Executive report took account of e.g., buying out leaseholders and other decant and demolition costs. The Leader indicated that the Executive was concerned to take a clear decision in respect of East Dulwich Estate in order to create certainty for residents. The Strategic Director of Housing confirmed that full details were included in the Executive report.
- 2.4 The Estate Regeneration Co-ordinator and Asset Management & Valuation Surveyor gave details of the range of plots involved on the East Dulwich Estate and their intended uses, including private sale, affordable housing and re-housing of decanted residents. They also provided details of the elements of SEI funding to be derived from different estates across the borough. In respect of East Dulwich Estate, the majority of funding was to come from receipts relating to individual blocks on the estate. The Strategic Director of Housing indicated that any failure to raise sufficient funding on the estate would impact on SEI funding generally in the borough.
- 2.4 Members of the Sub-Committee were concerned that Officers had not provided a detailed financial paper setting out figures in relation to SEI funding and relating to proposals for East Dulwich Estate. They expressed concern that the Executive was not considering individual components and was not taking full account of what people living on the estate wanted.

RESOLVED: That the meeting adjourn until the next meeting of the Overview & Scrutiny Committee, on 27 July 2004, in order to receive detailed financial information relating to the proposals for East Dulwich Estate.

The meeting ended at 11.30 p.m.

CHAIR:

DATED: