

## OVERVIEW AND SCRUTINY COMMITTEE

Thursday 1 February 2018 at 7.00 pm

### MINUTES

PRESENT: Councillor Edward Davie (Chair), Councillor Andrew Wilson (Vice-Chair), Councillor Tim Briggs, Councillor David Amos, Councillor Saleha Jaffer and Councillor Vaila McClure

APOLOGIES: Councillor Jacqui Dyer, Councillor Matt Parr and Councillor Jack Holborn

ALSO PRESENT: Councillor Jennifer Brathwaite and Councillor Imogen Walker

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required by*

#### 1. **DECLARATION OF PECUNIARY INTERESTS**

The Chair welcomed everyone to the meeting.

Apologies for absence were noted.

There were no declarations of pecuniary interest.

#### 2. **MINUTES OF PREVIOUS MEETING**

RESOLVED: That the minutes of the meeting held on 7 December 2017 be approved as an accurate record of the proceedings.

#### 3. **HOUSING FIRE SAFETY UPDATE**

The Cabinet Member for Housing and Environment, Councillor Jennifer Brathwaite, introduced the report and stated that:

- She wanted to assure everyone that the Council was doing all it could to enhance fire safety in the borough
- Lambeth had been commended by the fire brigade for the way in which it was dealing with fire risk. Monthly corporate meetings were held with the fire brigade
- All buildings requiring a fire risk assessment (FRA) had one, and actions were being prioritised according to risk
- Lambeth was one of the few councils undertaking enhanced FRA3s/4s on its 27 medium and high rise blocks which had some form of cladding

- The FRA3s/4s would be published on the website once conversations had taken place with affected residents. FRA1s (the most basic level of assessment) would be available to the public on request
- An app was expected to be launched later in the year enabling real time reporting of fire risk assessments
- FRAs would be part of estate action plans which would be checked monthly
- A report was expected by the end of March on the technical and financial viability of retrofitting sprinklers

In response to questions from Members of the committee, Sue Foster (Strategic Director, Neighbourhoods & Growth), Neil Wightman (Director, Housing Services), Su Gomer (Assistant Director, Housing Capital and Asset Management) and Gary Mitchell (Head of Repairs), made the following points:

- With regards to vulnerable residents who may not speak good English, the fire safety FAQs explained in various languages that the Big Word facility was available should residents require translations
- Estate action plans were being agreed with Tenant and Resident Associations (TRAs) and this process would also help identify vulnerable residents who may need additional assistance
- It was essential that TMOs be given the chance to go through their estate FRAs with officers in order to fully understand the information presented before publication
- The council was inputting directly into the Hackitt review of building regulations and fire safety and was working to address the likely findings pre-emptively as much as possible
- One key issue emerging from the Hackitt review was the importance of understanding fully the profile of each building over its entire life cycle, including all planned/capital works. Such information would be recorded in the council's asset management database
- It was also vital that any council contractors involved in undertaking any form of works to buildings needed to fully understand the profile of the building
- The fact that Lambeth removed and replaced cladding on the basis of emerging information from the Building Research Establishment (BRE) and Ministry of Housing, Communities and Local Government (MHCLG) rather than wait for the formal outcome of the review of building regulations meant costs had been maintained rather than escalating, as was the case in some other authorities
- It was accepted that local authorities had a role in tracking and enforcement with regards to fire safety in housing association and private sector stock in the borough under the 2004 Housing Act
- It was acknowledged that residents had concerns regarding cladding despite there being only one example in all the council's stock of the Aluminium Composite Material (ACM) style cladding found at Grenfell Tower, and officers were looking into further testing and reassurance
- The number of FRA actions changed on a daily basis. Anything deemed an emergency was addressed right away while other actions were dealt with as part of ongoing or planned maintenance
- Historically there were many actions which had not been completed relating to fire risk but the council was working to clear these. It was noted that due to the number of actions added and completed each month there would generally always be a baseline of around 2000 actions being addressed

- Regarding finances, £5.2 had been spent so far but this was likely to rise. The Secretary of State had been written to with details of the expenditure incurred on what the council considered essential works, and feedback from MHCLG was awaited, though it was believed any help from central government would be in the form of relaxation of borrowing restrictions rather than reimbursement
- At present all funds relating to fire safety works were coming from the Housing Revenue Account (HRA) and housing capital programmes; this meant efficiency savings were necessary and the delivery of the Lambeth Housing Standard (LHS) programme was being assessed on an ongoing basis
- There could be further cost implications with regards to sprinklers depending on the decision taken once the feasibility report had been produced. It was suggested that the committee may wish to revisit this issue at that point
- It was noted that LHS works themselves, including improvements in wiring and fire doors, played a role in addressing fire safety issues
- Efficiencies in other parts of the Housing directorate, such as responsive repairs, had partially offset the cost of fire safety works
- As the managing agent of Myatt's Field North under the Private Finance Initiative (PFI) contract, Regenter were responsible for fire safety on the estate. Officers confirmed Regenter had provided all the necessary FRAs and a meeting was being held with the Director to ensure the information submitted was complete; however, Members raised concerns regarding a lack of diligence historically when it came to health and safety related works at Myatt's Field North and requested further detail on how this was being managed
- The Mayor of London's new draft London Plan made reference to the fact that fire risk needed to be addressed via planning as well as building control and Lambeth's response to the consultation would highlight this
- Any decision on sprinklers would be based on evidence; this included findings from FRAs and assessment of certain criteria such as structural aspects of each building. It was vital to ensure any such intrusive interventions would actually make people safer. No decisions would be taken without first engaging with residents

The Cabinet Member for Housing and Environment thanked all officers involved in responding to the challenges around fire safety post-Grenfell, in particular Su Gomer (Assistant Director, Housing Capital and Asset Management), whose competence and hard work gave her particular reassurance.

The Chair echoed these sentiments, adding that the commendation from the fire brigade offered further confidence; nonetheless the committee planned to continue its oversight of fire safety in the coming months.

**RESOLVED:**

1. That the report on the feasibility of retrofitting sprinklers referred to by the Cabinet Member for Housing and Environment be provided to the committee when available in order that Members can fully understand the technical and financial considerations
2. That the committee has concerns regarding the diligence of Regenter historically in relation to undertaking health and safety-related works at Myatt's Field North and therefore requests more detail on how

Regenter are responding to the Fire Risk Assessments undertaken on the estate and resultant actions required

#### **4. REVENUE AND CAPITAL BUDGET REPORT 2018/19 TO 2020/21**

The Deputy Leader of the Council (Finance and Resources), Councillor Imogen Walker, introduced the report and stated that:

- This was a challenging time for local government, with significant funding cuts over the past few years
- A funding gap of £40.7m had been identified. The report detailed how this would be addressed
- The planned rise in council tax, together with prudent financial management and a focus on efficiencies and income generation, would enable the council to fund vital services
- There were no savings planned in Children's Services for 2018/19 while the improvement journey continued
- The recommendations to Cabinet and Council contained within the report provided a helpful overview of the proposals; this included exempting care leavers from council tax until they reached 25

In response to questions from Members of the committee, Christina Thompson (Director, Finance and Property), Jackie Belton (Strategic Director, Corporate Resources), Sue Foster (Strategic Director, Neighbourhoods & Growth) and Helen Charlesworth-May (Strategic Director, Adults and Health) made the following points:

- The business rates pooling arrangement was a pilot and as such the amount that would be received was an estimate; also since this was a one off it would be taken into reserves
- There were concerns that the council could potentially be left with historic housing benefit debt with the introduction of universal credit since the mechanisms by which debt was currently recovered would no longer exist. Lobbying was being done via the Local Government Association and London Councils but Members stressed the importance of taking as strong a line as possible with the Department for Work and Pensions on this to ensure the historic debt would transfer back
- The £8.5m overspend on Children's Services mainly related to Special Educational Needs (SEN) expenditure, the key elements of which were Education, Health & Care (EHC) plans and SEN transport
- It was noted that the council had no control over demand when it came to EHC plans, which made expenditure difficult to manage. An increase of £1m in the contribution made directly from schools' budgets had been agreed with the Schools Forum and the council would also be liaising with the Department for Education (DfE) for further transfer of funds from the School block of the Dedicated Schools Grant (DSG). However, Members believed more focus was needed on this, particularly regarding the identification and management of future demand, which would require working together with partners such as the Clinical Commissioning Group (CCG). It was also felt that the funding system did not match the demand and the DfE should consider reforming it
- On SEN transport, it was noted that the new contract was now in place and this should deliver efficiencies but the number of children using the service had also increased, meaning some pressures were

continuing. Work was being done with assisted travel plans to try to alleviate some of this

- It was confirmed that the increases in the schools and high needs blocks of the Dedicated Schools Grant were below inflationary increases in costs and so amounted to a real terms cut
- Lambeth's reserves were the second lowest in London. The current level of forecast reserves and balances was 5.2% of current net expenditure, which was at the lower end of the desired range (5-10%). The aim was to reach 10% over the next five year period and a plan would be put in place to achieve this once there was more clarity on the various unknowns which currently existed around future funding, principally the outcome of the London business rates retention pilot and Fair Funding review
- The modelling was predicated on baseline council tax increases so it was possible more income could be generated in future if housing development increased
- The council tax support scheme had been agreed at Full Council on 24 January. This involved a discretionary fund of £400k which could be used to support residents who fell outside the criteria but were in need of help. Equalities considerations were key in relation to the decisions made on council tax support
- The care leavers relief scheme was praised. This would cost approximately £150k, which would reduce the council tax collection fund
- The borrowing required to fund the Redress Scheme meant the minimum revenue provision (MRP) would increase. Under the scheme, money would be borrowed as required as cases came forward and regular monitoring returns would be made to MHCLG. The interest rate with the Public Works Loan Board was fixed for the duration of the loan, and the rate would be set at the point the loan was taken out. Rates were currently at reasonably low levels, but the additional borrowing gave rise to constraints in potential investment in commercial opportunities
- There had been three consultations on prudential borrowing and the MRP framework changes
- Members felt there needed to be more focus on opportunities for increasing income streams and reducing costs, notwithstanding the redress scheme. The social housing investment fund, which had provided the council with 79 properties for use as temporary accommodation, saving £6k per family unit while also achieving investment income, was highlighted as a good example. Officers explained that a commercial strategy was expected in the coming financial year which would look at these issues in greater detail and Members expressed an interest in this coming back to Scrutiny
- The Asset Management Cabinet Advisory Panel of Members existed to review options appraisals whenever council assets were surplus to requirements, or suitable acquisition opportunities were offered, to help decide on the best way of maximising assets
- The disposals list (Appendix 6a) was based on current property prices
- Members asked about the implications for Lambeth of the recent collapse of Carillion and the financial problems being experienced by Capita. Officers responded that Carillion had been working on Fenstanton School but these works were already complete and paid for. A subcontractor of Carillion was also involved in the Hambrook House development and contract managers had been asked to review business continuity plans and assurance relating to this and around a

dozen other contractors perceived to be high risk. Lambeth's exposure to Capita was much greater; they were taking action to improve their balance sheet and their cash flow was better than Carillion's but the situation was being closely monitored, with further information being requested. It was stressed that due diligence was carried out before signing any contracts or contract extensions but if Members had any information which suggested poor performance or signs of trouble in relation to any organisations providing services for the council, this should be reported to the Deputy Leader (Finance and Resources)

- Members believed the reporting of fees and charges could be improved in future by including more information on the criteria used to decide on the appropriate levels at which to set them, as well as more detail on benchmarking. This would give reassurance in terms of the rationale for decision making
- There was a fair degree of confidence regarding the majority of the £4.9m of savings proposals. £4.2m of this was due to increases in income of which £1.9m related to parking
- It was noted that the government had agreed that planning fees could be increased by up to 20% and this would likely drive additional income
- The savings related to nursing homes were based on activity currently being carried out. Fewer care beds were required as more residents were supported to live in their own homes but the number of beds needed by the CCG for continuing care had risen; the CCG would therefore pay for beds that would otherwise not be used to their full benefit. It was stressed that no reduction of service to Lambeth residents was expected
- Members noted that £200k of savings were planned in relation to public health, on top of successive disproportionate cuts from central government. This was in the form of a cut to the offender health budget, which would now come via a different funding stream, and a redesign of smoking cessation services. Officers believed the savings were reasonable and deliverable; however the Chair stressed that investment in public health led to savings elsewhere in the system and therefore any efficiencies should be directed back into public health

The Deputy Leader of the Council (Finance and Resources) concluded by stating that a strong case could be made for retaining funding in practically every area but that the budget report sought to ensure the council could continue protecting the most vulnerable residents while providing good universal services.

**RESOLVED:**

1. That the committee notes the additional resources being put in to attempt to collect more historical housing benefit overpayment debt, along with the fact that lobbying is taking place via London Councils and the Local Government Association regarding the possibility of transferring this debt back to the Department for Work and Pensions once Universal Credit has been rolled out, but wishes to see efforts redoubled in this regard
2. That the committee is pleased to see the new SEN transport contract commence, albeit after much delay, but requests future updates to reassure Members that expected savings are being realised and service levels are being met
3. That more focus is needed on the pipeline of demand with regards to

children with special educational needs and disabilities (SEND) who will require Education, Health and Care (EHC) plans when they start school, and that central government be lobbied regarding the need for a funding system which better responds to the demand

4. That the committee notes the plans in place to replenish the Council's reserves but wishes to see these further strengthened
5. That the committee commends the work being done around the social housing investment fund but that a greater focus is needed on reducing costs and growing income streams more widely. The committee notes that a Commercial Strategy is expected in the coming financial year and wishes to further explore this matter at the appropriate juncture
6. That the committee notes its concerns at recent developments involving Capita and, while welcoming the reassurances given regarding monitoring and business continuity planning, wishes to see more detail on how this risk is being managed
7. That the reporting of fees and charges in the budget report be enhanced in future to give more detail regarding how levels are set, such as benchmarking and criteria used
8. That the Committee agrees with the King's Fund assessment that 'cuts to public health are the falsest of false economies' and recommends that the Council does not make cuts additional to the 26% cut already being made to public health by central government. Any efficiencies made in public health should be reinvested directly in public health to prevent illness and treat people with addiction and sexual health conditions. Prevent and treating illness early saves lives and money.

## 5. 2017-18 OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME

**RESOLVED:** That the work programme as drafted and the status of actions be noted.

The Chair concluded the meeting by paying tribute to the huge contribution made by Helen Charlesworth-May, outgoing Strategic Director for Adults & Health, during her tenure and placing on record his appreciation for her hard work and achievements, which had positively impacted on the borough and its most vulnerable residents.

The meeting ended at 8.55 pm

CHAIR  
OVERVIEW AND SCRUTINY COMMITTEE  
Thursday 22 March 2018

Date of Despatch: Friday 9 February 2018

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