

MINUTES OF THE OVERVIEW AND SCRUTINY BUSINESS PANEL

Tuesday, 17 March 2015 at 7.00 pm

PRESENT: Councillors Alan Hall (Chair), Gareth Siddorn (Vice-Chair), Liam Curran, Brenda Dacres, Carl Handley, Jim Mallory, Jamie Milne, Pauline Morrison, John Muldoon and John Paschoud

ALSO PRESENT:

Apologies for absence were received from

26. Minutes

The Chair asked the Head of Business and Committee to read out that part of the response from the Mayor dealing with the suggestion of a Member Working Party, following Business Panel's referral on the Broadway Theatre. The response was as follows:

"the Mayor said he believed a member group could be of some value and he would consider the best way to progress the suggestion, as long as any group created began with a complete briefing encompassing the long history of the theatre".

Business Panel agreed to urge the Mayor to instruct officers to set up the member group as soon as possible.

RESOLVED that

- i. the minutes of that part of the meeting of the Panel, which was open to the press and public, held on 17 February 2015 be confirmed and signed.
- ii. the Mayor be requested to instruct officers to progress the creation of the Working Party for the Broadway Theatre.

27. Declarations of Interests

Councillor Muldoon declared a personal interest in item 7 as a Board Member of the South London and Maudsley Foundation Trust.

28. Outstanding Scrutiny Items

Report noted.

29. Notification of Late and Urgent Items

Report noted.

30. LGA Peer Challenge

The Chief Executive gave a presentation to Business Panel. Councillor Muldoon said that he agreed that this system of assessment would seem like your mates marking your homework, and asked how objective was peer to peer review. Councillor Muldoon asked whether it was sufficiently objective and robust. He added that Local Government would need to address resilience, adding that he had not seen any at Lewisham.

The Chief Executive said once appointed he had abolished performance related pay, because he thought it did not act as an incentive to the public sector.

The Chief Executive said in terms of objectivity, there was no accepted professional practitioner in the governance and management of local authorities. In the absence of a code of practice, one would have to make a rounded judgement. He added that there ought to be a small number of people trained in inspectional judgement. They would do the work for 18 months to avoid group think. The Chief Executive said there were accepted standards in the past, plus key lines of requirements. Now local authorities would just be judged against the norm.

The Chief Executive said it was difficult for the LGA, as it is a membership body, and members did not want to be judged by their association. The Chair asked if the Chief Executive thought the Council should ask to have a Statutory Review Mechanism. The Chief Executive said he did not think the Council could argue for one, but as a professional he could.

Councillor Milne said because of the nature of local government, people within would be best placed to review it. He said he had a conversation with a senior policy officer recently, who said it would be useful to have people from a different background, as they would see things differently. The Chief Executive said he agreed with the concept of using people who were not from a local government background.

Councillor Mallory asked if there had been any developments on governance and community engagement. The Chief Executive said that he acknowledged that the council was reducing its capacity, and had been impressed by the power of community groups to achieve things the council could not. The Chief Executive said that the Council should encourage and support community groups to do the things they want to do, instead of asking them to provide services the Council can no longer provide. He said the Council should promote a living dynamic community.

The Chair asked the Chief Executive if there was any important message he would like to give Business Panel. The Chief Executive said there should be a sense of connection of localities. Councils should be looking at economies of scale, larger areas, rather than boundaries. Examples would be the level of transportation provision, utilities, health care services and issues around further education for the wider community to include Greenwich and Lambeth. The Chief Executive said local government should be looking at governance issues more broadly. Business

Panel said they would be happy to receive further proposals, and any useful update. The Chair thanked the Chief Executive for his report and presentation.

RESOLVED that the report be noted.

31. New Bermondsey Housing Zone - S106 Funding

The Programme Manager introduced the report. The Chair asked if the report had been exempted from post decision scrutiny. The Director for Regeneration apologised to Business Panel saying that the intention was to seek exemption from Scrutiny. The report had been written with that in mind, although it had not gone through the process. The Director for Regeneration said the GLA decision on Housing Zone would take place on 31 March, and the report was going to Mayor & Cabinet on 25 March. The Chair said he was not convinced there was good reason for exemption to be given, and asked how post decision scrutiny would affect the LGA decision.

The Director for Regeneration said the announcement would have been made prior to the report being scrutinised. The Chair said due diligence needed to be exercised on behalf of the London Borough of Lewisham. The Chair said £20m is a lot of money, and the proper process must be followed. The Director for Regeneration said an application had been made from the Developers to the GLA, and this was not a debt funding.

Councillor Muldoon said this was a procedural issue, as the report stated that the Chair of Council had agreed for the report to be exempt from post decision scrutiny. The Chair said the Chair of Council had not agreed to this, and he would urge him not to agree to the exemption as due diligence must be exercised. Councillor Curran asked what decision Business Panel members could make on the report as presented. The Chair said subject to legal advice, Business Panel could make recommendations to the Mayor to consider.

Councillor Curran said the report seemed to have been renamed, as it was previously the Surrey Triangle. He said he was very suspicious over its contents, as he believed TFL had reneged on their original promise to put in a rail station in the locality. Councillor Curran said the current report stated the Developer would be getting a loan which would be passed on the TFL to build the station. Councillor Curran also raised concerns over Members being promised a Sports Village, and were now getting a Sports Centre.

The Chair asked why S106 had been introduced in the report, and was told Section 106 was for Renewal to pick up the bill to build the new station. This was Renewal's preferred solution; that they should have absolute control of the funding before any work commence. The Chair said at various stages Renewal had acted as a private company. He asked for re-assurance that the position had not now changed and they have become our partners. The Director for Regeneration said the position had not changed. The Chair then asked if this report would enter Lewisham into a public partnership with Renewal, and the Director for Regeneration said it would not, as the contract was between Renewal and the GLA, and all the GLA was asking from Lewisham was nominal support as a borough.

Councillor Dacres asked for information on the Council's responsibilities under the Memorandum of Understanding. The Director for Regeneration said the Memorandum of Understanding was not legally binding, just a letter of support to say Lewisham would continue to support the development. The Chair asked the Principal Lawyer if the Memorandum of Understanding was legally binding. The Principal Lawyer said it was not legally binding, just a statement of goodwill. She said as she had not seen a copy of the Memorandum of Understanding she could not make further comments on the Council's position.

Councillor Dacres said it was unclear what the Council's level of support would be. She said Business Panel would need to see a copy of the document. The Chair asked who would review the Memorandum of Understanding, and was told it would go back for Members consideration and Scrutiny before being finalised. The Chair said the Mayor should see it.

The Chair asked whether the new name would be the final name, and asked who decides. The Director of Regeneration said the Developer wanted to rename it as it was not in Surrey. The Chair pointed out it was not in Bermondsey either. Business Panel members said they were concerned about the new name as it had no connection to its locality.

Councillor Curran said the site was in Lewisham, the Council had pledged £500k for a sports facility, and it was possible that the local community would be out priced out of using the facility. Councillor Siddorn said he was concerned that Business Panel had received a report which stated that the Chair of Council had agreed to exempt it from scrutiny, when this was not the case. He added that he hoped this would not happen again.

Councillor Curran said he was concerned that it seemed as if all the reports on housing developments were aiming for the minimum target for affordable housing, he said this should not be the case, officers should aim to reach a higher target. The Director of Regeneration said officers would review this. The Chair emphasised that there should be no diminution in the public benefit.

RESOLVED that:

- i. the Mayor be requested to inform officers that reports should not contain misleading information about decisions made by members. Business Panel believed this was unacceptable, and needed to be assured this would not happen again.
- ii. Business Panel urged that this report not be exempted from scrutiny, and should come back to the Panel for proper post decision scrutiny.
- iii. the Mayor be requested to instruct officers to aim to achieve a higher target of affordable housing instead of settling for the minimum target.
- iv. Business Panel noted that despite the Council's pledge of £500k to the Surrey Canal Sports Foundation, there did not seem to be any assurance given on the affordability of the sports facilities, and local people might be out-priced from using these facilities.

- v. Business Panel noted that although this project was proposed some time ago, with planning permission granted the project has not started. Members would like to see progress being made.
- vi. Business Panel asked that any Memorandum of Understanding to be issued would be the subject of member approval and be subjected to 7 below.
- vii. Business Panel asked that due diligence including full disclosure of the directors, track record checks, capital and financial assurances be completed for the Housing Zone project.
- viii. Business Panel queried the use of the 'New Bermondsey' designation and asked that the developer be urged to reconsider this name.

32. Decisions Made By Mayor and Cabinet on 4 March 2105

Lewisham Council Strategic Asset Management Plan 2015 -2020

The Sustainable Resources Group Manager introduced the report. The Chair informed Business Panel that the Highways Asset Management Plan was withdrawn from the Mayor and Cabinet meeting. He said that this report would be presented to Mayor and Cabinet at a future date.

Councillor John Paschoud said it was interesting to see the realisation of the long awaited asset management system, which would be useful to both members and the community. He asked officers to explain the difference between the Council acting as a responsible commercial landlord, and the Council acting as a social facilitator. This was done by the Interim Corporate Asset Services Manager. Councillor Paschoud said he thought there was a potential to use the information system at a simplified level, and asked officers if there was any hope of achieving this. He was told the system that would enable this was at the trial stage. Councillor Paschoud then asked for a timetable for it to be up and running. Officers said the fundamentals would be ready by May, but this would be subject to the necessary funding being available.

Councillor Dacres asked why asset maintenance was not included in the plan, when some of the private and commercial buildings were falling into disrepair. The Sustainable Resources Group Manager replied that there was a section in the report on investment in building and maintaining building which addressed this issue.

Councillor Curran said he could not understand why the project would take 5 years. He added that it had been 10 years since this request was made and it was taking too long. Councillor Curran asked the name of the database that was being used, and was told it was based on Microsoft SharePoint. Officers said it might take less than 5 years, but it would take some time to work through existing assets. Councillor Curran said it was not clear from the report, who was responsible for the project. Officers said it was the responsibility of the project team and members.

The Chair asked where the decision was being made and whose responsibility it was to drive the project. Officers replied that it involved the Executive Director for

Resources & Regeneration, and the Director for Regeneration, and Mayoral decision on proposals.

Councillor Handley asked if the highways and adopted roads were being maintained. Officers said this would fall under the Highways Plan. Councillor Handley also asked whether the Council would recover sites of schools that were now being transformed to Academies, and other PFI sites that the Council leased out.

The Chair said there were a number of legal agreements the Council made with schools and others involving its assets, and officers would need to ensure this system was robust enough to identify these assets and recover them as necessary. The Executive Director for Resources and Regeneration said under the terms of regulations, acquisitions and disposals would feature.

The Executive Director for Resources and Regeneration said the Mayoral Scheme of Delegation for Members to make decisions would also be utilised. She added that any Regeneration was subject to member approval and would go through the proper process. The Chair thanked officers for the update, and said Business Panel look forward to an update on progress of this work. It was noted that a report would be going to Mayor and Cabinet within the year.

The Chair said he was concerned that there did not seem to be any Executive member involved with this work. The Chair also said officer involvement should also be made clear in the report. It was noted that the Public Accounts Select Committee would continue to monitor progress of this work.

RESOLVED that:

- i. the Mayor's decision be noted;
- ii. the Mayor is asked to note that Business Panel was concerned that it was not very clear from the report and presentation, the involvement with this project at executive member level.
- iii. Business Panel urges the Mayor to instruct officers to review the governance arrangements of this project to ensure it is very clear where responsibility lies at both member and officer level.

33. Decisions Made by Mayor and Cabinet (Contracts) on 4 March 2015

No item was identified for further discussion.

34. Overview and Scrutiny Select Committees Work Programmes - 2014/15 - verbal update

The Chair thanked officers, especially the Executive Director for Resources and Regeneration for all the work that was put into the budget process. The Chair said he acknowledged Peer Review might need to be streamlined into some of the Select Committees priorities.

The Interim Scrutiny Manager said Business Panel would be considering their Select Committees 2015/16 work programmes on 28 April 2015.

The Chair said there had been a need to formalise the Transport Liaison Committee which Councillor Muldoon had Chaired for the past 7 years. The Chair thanked Councillor Muldoon for his hard work throughout those years. Business Panel requested that the Constitution Working Party review the arrangements for the Transport Liaison Committee as soon as possible. The Head of Corporate Policy & Governance said he would discuss the next step with the Sustainable Resources Group Manager.

Meeting ended 9:02pm

- 35. Exclusion of the Press and Public**
- 36. Decisions Made by Mayor and Cabinet on 4 March 2015**
- 37. Decisions Made By Mayor and Cabinet (Contracts) on 4 March 2015**
- 38. Decision Made by an Executive Director Under Delegated Authority - LAS and LCS - Single Tender Action Award**
- 39. Decision Made by Executive Director Under Delegated Authority - Laundry Contract Extension**
- 40. Decision Made by an Executive Director Under Delegated Authority - Award of Independent Mental Capacity Advocacy Contract**