

MINUTES OF THE SUSTAINABLE DEVELOPMENT SELECT COMMITTEE

Thursday, 30 October 2014 at 7.00 pm

PRESENT: Councillors Liam Curran (Chair), James-J Walsh (Vice-Chair), Bill Brown, Amanda De Ryk, Stella Jeffrey, Helen Klier and Paul Upex, Alan Hall and Gareth Siddorn

APOLOGIES: Councillors Obajimi Adefiranye, Suzannah Clarke and Mark Ingleby

ALSO PRESENT: Councillor Damien Egan (Cabinet Member Housing), Andrew Hagger (Scrutiny Manager), Rob Holmans (Director of Regeneration and Asset Management), Mark Humphreys (Group Finance Manager, Customer Services), Councillor Jim Mallory, Katherine Kazantzis (Principal Lawyer), Sam Kirk (Strategic Waste & Environment Manager), Councillor Rachel Onikosi (Cabinet Member Public Realm), Kevin Sheehan (Executive Director for Customer Services), Councillor Alan Smith (Deputy Mayor), Geeta Subramaniam-Mooney (Head of Crime Reduction and Supporting People), Selwyn Thompson (Group Finance Manager - Budget Strategy), Nigel Tyrell (Head of Environment) and Ralph Wilkinson (Head of Public Services)

1. Minutes of the meeting held on 9 September 2014

Resolved:

The minutes of the meeting held on 9 September were agreed.

2. Declarations of interest

Councillor Liam Curran declared an interest as a board member of SELCHP.

3. Lewisham Future Programme: 2015/16 Revenue Budget Savings

Selwyn Thompson (Head of Financial Services) introduced the item and highlighted the following key points:

- The Council faces an £85m budget gap over the three years to 2017/18 with an estimated £39m gap for 2015/16.
- The report presents £40.6m of new proposals. Of these proposals £29.4m are for 2015/16, with the balance of £11.2m contributing to future year targets.
- The Council has already achieved savings in excess of £100m over the last 4 years.

E1 (Structural re-organisation of the Regeneration & Asset Management Division)

Rob Holmans (Director of Regeneration and Asset Management) introduced the proposal and highlighted the following key points:

- Savings will come from a re-organisation that will draw together the existing structures so they become more cohesive. This will enable the sharing of processes and systems and help breakdown silos.
- The new structure will comprise of 4 key elements: Asset Strategy and Technical Support, Commercial and Investment (including the Programme

Management Office), Capital Delivery (Projects and Programmes) and Operational Delivery.

- There is a proposed £600k saving

In response to questions from the Committee, Kevin Sheehan (Executive Director for Customer Services) and Rob Holmans provided the following information:

- Savings will come through achieving efficiencies and greater effectiveness in service delivery and by removing posts.
- The approach will allow a more strategic approach to the use of assets and regeneration as well as combining day to day repairs and maintenance across the property and highways estate into one team. The re-organisation will continue the core service, but in a more efficient manner.
- A go-to organisation is an organisation that has processes and systems that are properly established and regarded as best practice. This means that in the future similar functions can be brought into the same team or similar processes can be used by teams carrying out similar functions.
- An organogram of the new structure was not available for discussion at the meeting. The management team for the new structure is currently being recruited and it is anticipated that the new managers will have input into the detail of the new structure. It is not appropriate at this stage to say in too much detail how the new structure will work before it has been consulted on.
- The previous year's saving of £250k has been taken from the budget, although there has been some delay in fully delivering it due to the re-organisation proposed here. The saving proposed will be in addition to the already agreed £250k saving.
- A lot of effort is put in to make sure that savings from proposals are not counted twice, for example to ensure that savings related to the centralisation of business support services are not also counted in administrative costs savings elsewhere. One role of the Lewisham Future Programme Board is to ensure there isn't overlap.
- In previous years the HR implications (such as impacts related to equalities) of saving proposals have been reported to PAC, information will be made available when it is possible to do so.

The Committee then discussed the difficulty in commenting properly on the proposal without more detail on the new structure and how it will operate.

Resolved:

The Committee resolved to refer the following to the Public Accounts Select Committee:

- The Committee noted that it was difficult to comment on the proposal without more detail on the new structure of the reshaped division and information on the areas that would be most affected by staff reductions; and requested that this information be made available as soon as possible.

E2 (Optimisation of operational estate), E3 (Creating income from asset portfolio), E4 (Improving rent collection for commercial assets) and E5 (Energy efficiency measures)

Rob Holmans introduced the proposal and highlighted the following key points:

- There are 106 operational properties in the Council's portfolio and optimising the use of these could save a lot of money. A lot of work has already been done on the operational estate.
- The savings are largely around using property in a better way. The asset register allows officers to understand where properties are, what they are and the opportunities for them.
- Proposals include efficiencies and savings in facilities management contracts, creating hubs to share resources, stopping using buildings that are not required, and improving the ways that buildings are used.
- The Council's estate is large and the Council owns a lot of land. The approach seeks to use the Council's capital assets to turn them into revenue streams (e.g. in the private rented sector) so the focus is not on selling properties to gain a one-off capital receipt, but by remaining the freeholder and granting long term leasehold interests on the land to drive revenue income.
- If the Council gained just 0.254% of the value of its overall property estate (which, including housing is conservatively valued at £2bn) per year this would raise a significant annual revenue stream.
- In addition, officers will be looking at tenancies across the Council's commercial portfolio and, by managing leases and rent reviews more tightly, driving additional commercial performance from these properties too.

In response to questions from the Committee, Kevin Sheehan and Rob Holmans provided the following information:

- There is a team who are pushing efficiencies in operational and commercial assets and there is enough capacity to achieve the saving. Improvements are being made, so, for example, the quantity of void properties in the commercial estate has reduced over the last year.
- Officers are working with colleagues in Community Services to identify the voluntary groups that the Council supports and that use Council properties. This will enable officers to identify which groups will get support around their premises and which ones will be dealt with on a more commercial basis.
- It is accepted that the targets for using the school estate for community groups will not be easy to achieve. However, there are 91 schools in the borough, most in walking distance of other community facilities. The recently built PFI schools all have 600-800 additional hours per year built into their contracts to enable school premises to be used outside school hours. The target is challenging and there can be some reluctance from schools, but officers are confident the target can be achieved.
- Officers are carrying out work with colleagues in the Children & Young People Directorate to identify opportunities for closer working with schools, especially as the majority of interaction with schools around facilities management is carried by that directorate.
- There is a business continuity plan for the Council should there be any problems with Laurence House and reductions in the operational estate will not impact on these. The Council works with partners on these plans, and work across London on big emergency planning preparation.
- Most operational facilities run by the Council are not office spaces, most are community facilities of one type or another. Officers would look at what facilities are in a ward or local area before considering closing facilities.
- There is a team of property staff within the division undertaking a thorough review of all property information including occupiers, leases and rental

income. This information has and will continue to allow officers working with colleagues in other directorates to adopt a strategic approach to the proper use of the Council's assets.

- Officers are currently developing a new Asset Management System which will assist in the proper capture of data and management information in support of the overall management of the property estate. Better use of technology has to contribute to the reduction in bureaucracy and costs across the organisation.

The Committee then discussed the following issues:

- The use of cafes around Catford by officers for meetings and concerns around the potential leaking of confidential information by having meetings like these in public spaces. Officers indicated that there are breakout facilities and meeting rooms within the Catford complex and that senior management takes this issue very seriously.
- School buildings are a big resource that is under-utilised, but there have been previous attempts to make use of school premises that have not been successful and the target is challenging.
- The need for communication with local councillors, governing bodies and community groups to encourage the use of school buildings outside school hours.

Resolved:

The Committee resolved to refer the following to the Public Accounts Select Committee:

- The Committee recognised the potential benefits of increasing the use of school premises outside school hours, but noted that the targets set are ambitious and that it will be difficult to greatly increase the use of school premises for community use. Despite similar statements in the past, previous targets for greater community use of school premises have not yet been achieved.

H1 (Restructuring of enforcement and regulatory services)

Geeta Subramaniam-Mooney (Head of Crime Reduction and Supporting People) introduced the proposal and highlighted the following key points:

- The proposal built on already delineated services which had created 3 hubs; community protection hub, public realm hub and built environment hub.
- These are statutory enforcement services that have to be provided by the Council, however the amount of provision is not set. The Council can decide how to carry out its statutory obligations and at what level.
- The restructure will involve a move away from regular and routine inspection/delivery towards a risk based, intelligence based approach. This is a similar approach to the one that the police and some current council services use.
- The new service will deal with prolific problems and be: focussed and planned; reactive; and with an emphasis on resolving problems, rather than being available all the time. For example, the noise service would not be available throughout the evening and night but would use enforcement actions to target premises that have had repeat complaints made about them.
- The intelligence and focus based approach will mean that one officer can carry out a range of inspections and checks in a geographical area when they are there responding to incidents that have been flagged up.

- The restructure proposals will go out to full consultation, so it is unclear what the equalities impact will be until that has concluded .
- This proposal is the first phase, there could be scope for shared services or for purchasing services differently in the future.

In response to questions from the Committee, Geeta Subramaniam-Mooney provided the following information:

- Enforcement activities such as building enforcement, housing enforcement, street trading and markets are not included in these proposals,
- Training will be carried out to make sure that switchboard and first contact points can deal with people reporting incidents effectively. The approach will be about offering support and help to people.
- Input and intelligence gathering from councillors will be incorporated, for example by using casework referrals.
- If there are serious incidents or complaints then the police may be involved in enforcement action. The changes will produce a more managed approach, so a response can risk assessed, planned out and the police can be informed and involved if necessary.
- A draft risk matrix has been developed that will identify what qualifies as a prolific offender or complaint and will require a response from the team. This depends on the level and frequency of the complaint.
- The staff re-organisation consultation will start if Mayor and Cabinet agree to do so, with a final decision in January. The new team will then be functional by May/June 2015. It is likely that the service will lose some valuable members as some will not want to work in this new approach and the balance between specialism and a multi-disciplinary approach can be difficult.
- The second phase of proposals will look at opportunities to sell services, expertise and knowledge as a way of generating income.

The Committee then discussed the following issues:

- That there is not a lot of detail in the proposal about staff reductions and what staff skills could be lost. The Committee discussed the need to retain key staff and capabilities.
- The concern that by taking this approach a stretched team won't have time to carry out low risk inspections and monitoring, losing the preventative element of the service. This could result in the service only being able to deal with 'firefighting' situations.

Resolved:

The Committee resolved to refer the following to the Public Accounts Select Committee:

- The Committee broadly supported the proposals set out in principle, but asked for more detail and requested that further information is provided on staffing reductions and about what would be different in each of the current service areas in the new model of provision. The Committee were concerned that the proposals could end up being simply a reduction in staffing and wanted to ensure that an opportunity to genuinely restructure services to enable better and more coordinated enforcement across the council would not be missed.

N1 (Reduction in maintenance of some small parks, highways and reduced management costs)

Nigel Tyrell (Head of Environment) introduced the proposal and highlighted the following key points:

- The Glendale contract has recently been re-let, with a 3% reduction in cost.
- The proposal will involve a reduction in the contract management team.
- Officers will look at opportunities to increase community and voluntary sector engagement and support to explore the possibility of reducing the costs of maintaining some of the boroughs small parks, highways enclosures and closed churchyards.
- The risks associated with this are that it depends on the willingness of community groups to be involved and the officer time required supporting them. Another risk is that further reductions in the parks management contract could make it unviable in its current format.

In response to questions from the Committee, Nigel Tyrell and Kevin Sheehan provided the following information:

- Lewisham benchmarks against other local authorities and its parks team is quite lean in comparison.
- Officers are meeting with user groups to see where this approach is viable and if user groups can be developed. Officers will be exploring how to promote parks and encourage the community to come forward and support them. However this work does require substantial resource, which has already been removed. It will be difficult to achieve, but this approach has worked in other areas of the country and should be pursued here.

The Committee then discussed:

- That involving communities in running their parks has some potential and could be a good way to bring communities together.
- That there is a cost to supporting volunteering, which includes properly supporting volunteers and ensuring they have proper insurance.
- The potential for sponsorship of groups or parks to bring in extra funding.
- The positive health impacts of parks and open space for people, especially as many residents in the borough don't have back gardens.

Resolved:

The Committee resolved to refer the following to the Public Accounts Select Committee:

- The Committee recognised the opportunities presented in greater involvement of park user groups. However the Committee felt that the risks associated needed to be properly addressed, including issues around insurance, getting involvement from local communities and properly supporting volunteers. One suggestion was that sponsorship opportunities could be explored.

N2 (Reduction in street cleansing frequencies and cleansing management costs)

Nigel Tyrell introduced the proposal and highlighted the following key points:

- The cleansing team has already pursued doing more for less and has improved its efficiency. The savings here will be labour costs, which means 14 posts being cut plus a manger post.
- The proposal will have an impact on the cleanliness of streets, with increased detritus on the streets that will be noticeable.
- Two thirds of spend for this area is on flytipping and main streets, with the rest on residential streets, which is where the saving will come from. The team will target the areas that need sweeping, rather than just reducing the frequency.
- There is no proposal to reduce the flytipping team, as this plays an important preventative role.

In response to questions from the Committee, Nigel Tyrell and Kevin Sheehan informed the Committee that officers are conscious that front line cuts such as these will have a negative impact. The management team is trying to balance this out, but these are very difficult choices.

The Committee then discussed the following issues:

- If street cleansing is reduced and the environment becomes dirtier this can have a negative impact for local residents. The 'broken window syndrome' could occur, where local people feel less connection to their area. People may not feel as safe if surroundings are dirty and unkempt.
- There is a risk of reputational damage and loss of confidence in the Council if local people feel the Council is unable to maintain a clean environment.
- The potential for a 'Spring Clean Day' to get people to help tidy up their streets.

Resolved:

The Committee resolved to refer the following to the Public Accounts Select Committee:

- The Committee highlighted its concerns around this proposal and the potential negative impacts it will have on the borough, including a more negative perception of and loss confidence in the Council and its ability to look after the borough amongst residents, as well a decrease in feeling of community safety.

P1 (Restructure of the Planning Service)

John Miller (Head of Planning) introduced the proposal and highlighted the following key points:

- The proposal will remove the subsidy of legal services that coincided with large planning applications. The service will become more commercial and seek to recover the costs of legal agreements.
- There will be a restructure of the service to build flexible, well trained Planning Casework teams that can respond to fluctuations in caseload.
- There has been some difficulty in retaining staff, the restructure will enable the service to bring in junior staff and train them to become more senior officers.
- There will a merging of functions so the same officers deal with process all the way through.

In response to questions from the Committee, John Miller provided the following information:

- There will be an improved IT system to support the service.

- The retention of key staff is important, this is partly about paying the right salary but it is also about officers feeling like they are making a difference. There are good relations between members and officers and the new structure will offer the chance for mentoring, so that staff can pass their knowledge and skills to the next generation of planning officers.
- With large planning applications there is a chance to charge fees, as long as there is a project plan and scope set out and the fees are about covering the time spent by officers on the planning application. There is definite scope to expand this, although the service would not be able to become fully self-funding.
- Planning enforcement still sits with the Planning Service planning and the Head of Planning will seek to release additional resource released to improve enforcement.

M1 (Transfer of non-housing stock from the HRA to the General Fund)

Mark Humphreys (Group Finance Manager for Customer Services) introduced the proposal and highlighted the following key points:

- The Housing Revenue Account (HRA) is a separate account that deals with the costs and income from Lewisham's social housing function. Non-housing stock (e.g. garages and commercial properties) is currently accounted for in the HRA.
- The proposal is to transfer the income and running costs to the General Fund, which will bring the current surplus generated into the General Fund.
- This will help develop a consistent approach to the use of Council assets, introduce a new Asset Management Plan and governance arrangements as well as better align the commercial estate with corporate service delivery priorities giving the opportunity to manage it better.
- This approach will generate increased income, through better use of properties and effective rent collection

In response to questions from the Committee, Mark Humphreys, Kevin Sheehan, Selwyn Thompson and Katherine Kazantzis (Principal Lawyer) provided the following information:

- Officers will need to make sure that there is no duplication of efforts and processes, this proposal should help reduce that.
- This is a different approach to the accounting of the HRA and other alternative approaches are being explored elsewhere in the organisation.
- The approach is legal and is proper. There has to be a proper reason for removing properties from the HRA and there is a need to demonstrate it is not used for housing. There are many commercial properties which can and should be removed, as well as garages that are not being used.

Resolved:

The Committee resolved to advise the Public Accounts Select Committee of the following:

The Committee was keen to know what ICT changes and/or new systems were being considered in the areas of asset management and planning, as this was not specified in the proposals.

E1: Structural re-organisation of the Regeneration & Asset Management Division

The Committee noted that it was difficult to comment on the proposal without more detail on the new structure of the reshaped division and information on the areas that would be most affected by staff reductions; and requested that this information be made available as soon as possible.

E2: Optimisation of operational estate

The Committee recognised the potential benefits of increasing the use of school premises outside school hours, but noted that the targets set are ambitious and that it will be difficult to greatly increase the use of school premises for community use. Despite similar statements in the past, previous targets for greater community use of school premises have not yet been achieved.

H1: Restructuring of enforcement and regulatory services

The Committee broadly supported the proposals set out in principle, but asked for more detail and requested that further information is provided on staffing reductions and about what would be different in each of the current service areas in the new model of provision. The Committee were concerned that the proposals could end up being simply a reduction in staffing and wanted to ensure that an opportunity to genuinely restructure services to enable better and more coordinated enforcement across the council would not be missed.

N1: Reduction in maintenance of some small parks, highways and reduced management costs

The Committee recognised the opportunities presented in greater involvement of park user groups. However the Committee felt that the risks associated needed to be properly addressed, including issues around insurance, getting involvement from local communities and properly supporting volunteers. One suggestion was that sponsorship opportunities could be explored.

N2: Reduction in street cleansing frequencies and cleansing management costs

The Committee highlighted its concerns around this proposal and the potential negative impacts it will have on the borough, including a more negative perception of and loss confidence in the Council and its ability to look after the borough amongst residents, as well a decrease in feeling of community safety.

4. Waste Strategy

Standing orders were suspended in order to enable the completion of Committee business.

Nigel Tyrell (Head of Environment) and Sam Kirk (Strategic Waste & Environment Manager) introduced the presentation and highlighted the following key points:

- Waste collection generally is driven by the need to reduce the amount of waste going for disposal and increase the amount of recycling. Other local authorities

have implemented services to reduce waste going to landfill by offsetting money saved from diverting waste from landfill to other means of disposal.

- Lewisham's case is slightly different as Lewisham invested early on in diverting waste and most waste is sent to the SELCHP facility which incinerates waste. Therefore there are no savings to be had from diverting waste from landfill to invest in new services.
- The Council is in the final 10 years of its contract with SELCHP, after which costs will rise for using SELCHP, so there is a need to think about how waste will be collected and disposed of in the future.
- The waste collection and disposal market is controlled by a small number of large operators, so it is a narrow marketplace that is easily changed by fluctuations in market forces.
- Because of the high amount of incinerated waste and the way that recycling figures are calculated, Lewisham's waste collection performance looks a lot worse than it actually is.
- New Waste Regulations introduced in 2012 have changed requirements around collection and disposal and mean that local authorities should collect glass, metal, paper and plastic separately unless it is not technically, environmentally and economically practicable (TEEP) to do so.
- Options for a changed service have been explored, with some options ruled out due to cost or non-compliance with regulations.
- Initial costings have been carried out using the current marketplace and building in assumptions, but more sensitivity testing and updating will be done before firmer proposals come forward.

In response to questions from the Committee, Nigel Tyrell, Sam Kirk and Kevin Sheehan (Executive Director for Customer Services) provided the following information:

- The proposed garden waste service would be an opt-in service, where people pay by direct debit and would opt out to stop receiving the service. Administration and sales support will need to be built into the service.
- The garden waste bin will be on hire, using a similar approach to that used for trade waste. Different approaches are being considered to make sure that the service is effective and properly funded.
- The new approach is based on street level properties. Flats, blocks and estates will need to be looked at separately.
- The bin lids for large estate bins are being changed to make them more secure.
- After 2024 the costs for using SELCHP will go up massively for Lewisham. When the current contract ends the good price we get now will end. It is likely that the plant itself will continue to function as a facility, and at the present time it is commercially viable.
- A lot more work needs to be carried out on the strategy before a draft version is prepared and consultation will need to be carried out as this will be a major change to the service.

Resolved:

The Committee requested that a draft version of the strategy is brought to a future meeting of the Committee.

5. Annual Parking Report

Ralph Wilkinson (Head of Public Services) introduced the report and highlighted the following key points

- This is the second annual parking report that has been produced and provides information on the finances and performance of the service.
- As part of the new parking contract a new paperless permitting system was introduced as well as cashless parking and improved efficiencies. The contract included a lot of changes, which meant there was a difficult start to managing it, but this has now settled down and performance has improved.
- 63 000 Penalty Charge Notices were issued in 2013/14 as well as 8000 parking permits.
- A prioritisation programme for CPZs has been developed and approved. A new team has been established to design the CPZs and undertake the consultation process in relation to parking demand. This service is shared with the London Borough of Southwark.
- There is a Mayoral commitment to review pricing in support of local businesses, which will be carried out in the near future.
- The service collected £7.5m in 2013/14, with £2.3m costs.

In response to questions from the Committee, Ralph Wilkinson provided the following information:

- The Council must follow the government guidelines on the level of enforcement. Lewisham uses vehicles to identify enforcement infringements then despatch someone to carry out the enforcement action.
- 40% of contact for parking permits is via the phone, but officers are looking to move this increasing online in order to speed up the process and reduce the cost. Work around online transitions has been carried out elsewhere in the directorate so this experience and knowledge can be used.
- There are no plans for changing Holbeach car park at the moment. The income is up to the level it was before the increase in charges, although charges will be looked at.
- Communications with local residents and councillors is an important part of the process before doing a review on CPZ.

Resolved:

The Committee noted the report.

6. Modern Roads Review - Scoping report

The Committee discussed the scoping paper, including the option of having a second evidence session to allow members of the community and interest groups to be involved in the review.

Resolved:

The Committee agreed the key lines of inquiry and timetable, opting to have 2 evidence sessions.

7. Select Committee work programme

Resolved:

The Committee agreed the work programme.

8. Items to be referred to Mayor and Cabinet

There were none.

The meeting ended at 10.35 pm

Chair:

Date:
