

MINUTES OF THE SUSTAINABLE DEVELOPMENT SELECT COMMITTEE

Wednesday, 11 September 2019 at 7.30 pm

PRESENT: Councillors Liam Curran (Chair), Patrick Codd (Vice-Chair), Suzannah Clarke, Mark Ingleby, Louise Krupski, Pauline Morrison and James-J Walsh and

APOLOGIES: Councillors Obajimi Adefiranye, Abdeslam Amrani and Alan Smith

ALSO PRESENT: Councillor Silvana Kelleher, Timothy Andrew (Scrutiny Manager), David Austin (Acting Chief Finance Officer), Fenella Beckman (Head of Economy and Partnerships), Vince Buchanan (Green Spaces Contracts Manager) (LBL), Fiona Colley, Eke Hardie-Ejiohuo (Research and Projects Officer), Katherine Kazantzis (Principal Lawyer), Theron Newman (Group Finance Manager, Customer Services), Kevin Sheehan (Executive Director for Housing, Regeneration & Environment) and Nigel Tyrell (Head of Environment)

1. Minutes of the meeting held on 4 July 2019

- 1.1 Resolved: that the minutes of the meeting held on 4 July 2019 be agreed as an accurate record.

2. Declarations of interest

- 2.1 Councillor Ingleby declared a non-prejudicial interest in relation to item five as the Chair of the Grove Park nature reserve.

3. Responses from Mayor and Cabinet

- 3.1 There were none.

4. Budget cuts

- 4.1 David Austin (Acting Chief Financial Officer) introduced the report – the following key points were noted:
 - Resources remained tight. The assumptions in the medium term financial strategy indicated that a further £12m of cuts would need to be found for the 2020-21 financial year – on top of the £8.4m of cuts that had already been agreed.
 - Cuts that had not been made in previous years rolled over – resulting in the significant requirement for this year.
 - No cuts were proposed beyond 2020-21 because of the uncertainty that remained around the financial settlement for local government. Further detail was due to be made available in December.
 - Directors had been tasked with proposing cuts for the coming year – and these had been challenged by the executive management team –

followed by cabinet members with the lead member for finance and deputy mayor.

- A percentage target had not been set for cuts. Officers avoided making incremental cuts to services (salami slicing) and thinking in 'silos'. Consideration had also been given to the challenge facing areas that had put forward cuts in previous years that they had not yet achieved.
- There was an overall emphasis on how services would operate in future.

4.2 David Austin and Kevin Sheehan (Executive Director for Housing, Regeneration and Environment) responded to questions from the Committee – the following key points were noted:

- Over the past three years, more than a third of the 'cuts' that had been proposed were targeted at increasing income rather than reducing spending. There were fewer of these proposals in the current round of 'cuts' because lessons were still being learnt from the implementation of proposals in previous years.
- Overspending in some areas was as a result of underachievement of income targets. The process was not simply about increasing fees and charges – services also needed to think about their ways of working as well as behaviours and cultures.
- The Council was investing in commercial projects – including the regeneration of Catford – and other schemes to increase housing supply – where the Council was acquiring land and property.
- Officers would try to highlight the key points in future budget reports. It was recognised that the report could have been clearer. This year, the report included additional information about key activity drivers of cost – which may have made it more difficult to read.
- When the Council carried out commercial housing schemes there was often a choice between taking financial or social benefits. In current housing projects the emphasis was on providing affordable housing.

4.3 Nigel Tyrell (Director of Environment) introduced a report on the results of the street cleansing pilot and proposal CUS07 'reduction in street sweeping'.

- The proposal was presented in 2017-18. It involved the reduction in sweeping some residential streets from weekly to fortnightly. Mayor and Cabinet had tasked officers with carrying out a pilot to assess the potential implications of the cut.
- Data from reports by members of the public through 'fix my street' as well as the Council's contact centre combined with geographic information had been used to assess the impact of reducing street sweeping frequencies in two areas of the borough.
- In Brockley and Ladywell sweeping was reduced to a fortnightly service – and in an area in the south of the borough – a predominantly mobile/responsive service had been trialled.
- It was anticipated that the responsive service would result in fewer complaints than in the area that had been reduced to a fortnightly service but this was not clearly the case.
- Reports of complaints increased in all areas – including those that were not involved in the pilot.

- Inspections were carried out by Council officers using the standards set out in the code of practice from the Environmental Protection Act. This used to be done routinely but this function had been removed in previous rounds of cuts.
- Inspections indicated that quality of cleanliness of streets had declined in both areas – although less so in the area where there was responsive sweeping.
- Implementing the cut would be challenging – but the worst effects could be mitigated with the use of responsive services.
- The cleansing service had been independently rated as being high performance and low cost. It was used to making cuts and being innovative in response to declining resources.

4.4 Nigel Tyrell and Kevin Sheehan responded to questions from the Committee – the following key points were noted:

- Reducing the funding available to the service would result in a decline in standards. This could result in reputational damage.
- Complaints data had not been used to assess the impact of the trial.
- The information that had been used was mostly from Council staff.
- The inspections carried out by staff used a recognised standard to assess the impact of the trial.
- There might be an option to trial the increased mechanisation of services – but to test this approach would require a complete reorganisation of the whole service and require significant upfront investment.
- Some of the worst impacts of the pilot were mitigated by reactive and mechanical sweeping.
- This was one of the only budgets in the environment division that it was possible to cut. There were budget pressures facing all services. The service would continue to provide as professional and comprehensive service as it could.
- Mechanisation wasn't a simple solution to the problems posed by this cut.
- The quality and reliability of mechanical equipment used for the trial was varied.

4.5 In the Committee's discussion, the following key points were also noted:

- That the Committee would not consider proposal RES20 'nursery lettings' because it felt that other select committees would be better placed to carry out scrutiny of the interrelated issues.
- Members raised concerns about the quality of the written budget report - it was felt to be confusing and unclear. A clearer format with key points would have been welcomed.
- Members emphasised the importance of providing affordable housing as a result of housing and land acquisitions – rather than seeking financial returns.
- The Committee questioned the focus on complaints data to inform the street cleansing pilot – given the fluctuating level of reports.
- Members would have welcomed further information about the lessons learnt and potential solutions from the pilot – rather than just the problems that would result from making the cut. It wasn't clear what had been gained from carrying out the trial.

- Committee members reemphasised the significant and sustained financial pressures facing the Council in the upcoming year – and in subsequent years. Officers were asked about the possibility of finding a balance between making cuts and retaining a sufficient quality of service. It was felt that as presented – the cut appeared to be ‘all or nothing’.
- Members raised the importance of communicating changes to residents. Examples were given from other London Boroughs of proactive communications campaigns that were being carried out to tackle littering and illegal dumping.
- Committee members felt unable to recommend this cut to Mayor and Cabinet given the lack of detailed options and information that was available to them.
- The Committee wanted to better understand the alternatives to taking the cut as a whole.
- Members discussed the importance of communications with residents about civic pride in the borough.

4.6 **Resolved:** that the Committee would refer its views to the Public Accounts Select Committee as follows –

- The Committee is concerned about the negative impact of this cut. As previously stated, it is apprehensive about the progressive deterioration of the cleanliness of Lewisham’s streets - as well as the perception by residents of the Council’s ability to carry out its basic functions.
- The Committee wants to know whether a balance can be found between making cuts to the service and maintaining a reasonable quality of provision. It would welcome more detailed information about the potential for a complete reorganisation of the service - as well as the impact of making different levels of cuts on a sliding scale.
- The Committee also wants to better understand the types (and cost) of mitigating actions that might be put in place to deal with the impact of this cut. This includes – but is not limited to – the potential for using machinery and other innovations for responsive cleansing.
- The Committee believes that further proactive, coordinated and robust support should be provided by the Council’s communications team to make Lewisham residents aware of the reasons for making cuts. Moreover, Members believe that there should be a wider campaign by the Council to encourage civic pride in Lewisham (with the concurrent ambition of encouraging people to take pride in the cleanliness of their streets). It believes that this should incorporate support for schools to encourage and engage children and young people. This campaign could also include work to encourage take away and fast food operations to keep the areas near their shops tidy.
- In summary, the Committee recommends that Mayor and Cabinet should give further detailed consideration to the issues raised in this referral in advance of implementing this cut.

5. The future management and maintenance of parks and open spaces

- 5.1 Vince Buchanan (Service Group Manager, Green Scene) introduced the report, the following key points were noted:
- The contract for parks management and maintenance had been let to an external provider for 20 years. The contract was due to end in 2019.
 - Careful consideration was being given to the options for the future of the service.
 - The service was high performing. It had adapted well to changes in funding and the impacts of cuts.
 - Consideration had been given to the implementation of the new corporate strategy – particularly the commitment to assess the options for bringing services back in house.
 - Three options had been considered for the future of the service: continued contracting out; a local authority trading company (LATCO) and direct management through insourcing.
 - Following assessment of the options – officers planned to recommend to Mayor and Cabinet that following a 20 month extension to the current contract the service should be insourced.
 - The extension of the existing contract was designed to allow officers to prepare to directly manage the service.
- 5.2 Vince Buchanan and Kevin Sheehan responded to questions from the Committee, the following key points were noted:
- Councils that had successfully created LATCOs had incorporated a broader range of environmental services within the remit of the company – in addition to parks management.
 - The more commercial a local authority owned company became, the more it would have to open itself to competition from other providers. Teckal exemptions provided some protection from procurement regulations in limited circumstances.
 - Some of the costs associated with a LATCO were unquantified (because it was a new approach) so modelling had assumed similar figures from the running of the service in-house.
 - Officers noted that there would be some limitations in terms of the scale of the service provision in Lewisham. Glendale had the option to bring in specialist equipment and staff from the wider organisation but the benefit was marginal.
 - If the contract was re-let to the market – it was likely that the cost would increase.
 - There were other large grounds maintenance providers in the region that might apply for the contract if it was re-let. However, the size of these providers meant that they might develop a monopoly.
 - Monopolies presented a risk to the Council because they might limit Council discretion and control.
 - Officers were confident that there were the skills in-house to deliver a high quality service. It was anticipated that a number of staff would also transfer to the in-house service under the Transfer of Undertakings and Protection of Employment (TUPE) regulations.
 - It was acknowledged that the service was already performing well so it was not anticipated that there would be significant performance benefits from bringing the service in-house.

- 5.3 In Committee discussions, the following key points were also noted:
- The Committee welcomed the retention of a potential future option to create a LATCO.
 - Members noted the in the 'good parks for London' awards – there was a mix of in-house and external service provision amongst the highest and lowest performing boroughs. It was acknowledged that part of Lewisham's success in the awards was the quality of the relationship it had created with Glendale.

5.4 **Resolved:**

- That the Committee agrees the recommendation to Mayor and Cabinet.
- The Committee also recommends that Mayor and Cabinet should formally resolve to consider the future options for the development of a Local Authority Trading Company (LATCO).

6. **Economy and partnerships**

6.1 Fen Beckman (Head of Economy and Partnerships) introduced the report, the following key points were noted:

- The report set out how the Economy and Partnerships Service supported the implementation of the Corporate Strategy.
- Documents appended to the report (The Local Economic Assessment; Creative and Digital Industries Strategy; and the Creative and Digital Industries Spatial Guidance) would form a central part of the new inclusive growth strategy.
- It was proposed that a draft of the inclusive growth strategy would be presented to the Committee at a future meeting.

6.2 Fen Beckman, Joe Dromey (Cabinet Member for Culture, Jobs and Skills (job share)) and Fiona Colley (Director of Strategy and Communications) responded to questions from the Committee, the following key points were noted:

- All of the apprentices on the Mayor's apprenticeships scheme were people accessing first jobs – or those changing careers across a range of ages.
- Some workforce progression schemes used the apprenticeship levy to fund workforce training. This was also apprenticeship participation – but not in a classical sense. Workforce progression was an important function of apprenticeship funding.
- The Council attempted to use all of the apprenticeship levy funding that it had available – through traditional apprenticeships; workforce progression and through funding apprenticeships in other organisations.
- Monitoring was being set up to oversee the funding being used to place apprentices in other organisations.
- Officers in Economy and Partnerships worked with heads of the Council's services to find suitable locations for new apprenticeships. The team had also looked at the areas of highest agency spend.
- Even though apprentices could be brought in at different levels of the organisation and at different ages they could not fill all of the gaps in the Council's workforce.

- Further work would take place in the future to ensure that the Mayor's apprenticeship scheme would meet the needs of the Council – and that it was targeted (using pay progression as one means) to ensure that it would fulfil the ambitions of the corporate strategy.
- The Council didn't have a current industrial strategy – but it had a number of programmes and strategies that formed all of the elements of a successful strategy.
- The forthcoming publication of the London industrial strategy provided an opportunity for Lewisham to develop its own strategy. Councillors' contribution into the new strategy would be welcomed.
- Some work was being carried out to improve Lewisham's digital infrastructure – to ensure that high-speed internet infrastructure was available to businesses.
- Some work had been carried out to encourage inward investment in the borough.
- The Council's focus was on supporting small and medium sized businesses. There was a small number of large employers in the borough – but some of the largest employers were public sector 'anchor institutions'. Work was taking place to ensure that these institutions helped to support the local economy.
- A great deal of work had taken place to secure the DEK in Ladywell following some instances of anti-social behaviour.
- Some businesses had moved back into the Ladywell offices. Work was taking place to attract new tenants. Mayor and Cabinet would also be asked for a decision about the long term future of the DEK programme.
- There were a number of programmes in Lewisham that supported businesses from initial ideas and start-up advice to business growth advice and support for businesses in collaboration with regional higher education providers.
- The Economy and Partnerships team kept a register of available space for small businesses in the borough.

6.3 In the Committee's discussions – the following key points were also noted:

- The Committee commended the work carried out by the team.
- Members recommended that there should be a process for apprentices to anonymously report concerns about their working conditions/pay where they were placed in other organisations but funded by the Council.
- The Committee recommended that the service should work with Council teams to determine where apprentices were most needed (specifically in planning and social work)
- Members would welcome the development of an industrial strategy, which made the most of Lewisham's assets.
- Members welcomed the content of the Local Economic Assessment; Creative and Digital Industries Strategy; and the Creative and Digital Industries Spatial Guidance. (Councillor Ingleby requested that some specific passages from each of the documents be highlighted. These are appended to the minutes for reference).
- The Committee welcomed the focus on 'place shaping' and creativity in the Strategy, Assessment and Guidance.
- Members expressed concerns about the lack of space for small business.

- The Committee encouraged the team to ensure that it worked closely with the planning service.
- Members expressed concern about the perceived bias towards projects in the north of the borough to the detriment of the south.

6.4 **Resolved:** The Committee recommended that funding should be made available from borough wide community infrastructure levy funding for a employment training and business support programme.

7. Select Committee work programme

7.1 The Committee discussed the work programme, the following key points were noted:

- Members who had attended the evidence gathering visit for the in-depth review noted that it was worthwhile.
- It was agreed that a second evidence gathering visit would be carried out.
- It was also agreed that further investigation would focus on underused parks (Southend Park was mentioned).
- It was agreed that the first part of the scrutiny of the issues associated with red routes would be in the form of a letter from the Committee to the Greater London Authority.
- The Committee also discussed a proposal to add an item on the Bell Green Gas holders to the agenda of a future meeting. The Chair outlined the proposal to create a renewable energy scheme in the excavated area at the centre of the gas holders.
- He noted that residents had raised the issue with the Department for Business Energy and Industrial Strategy, who were considering reviewing potential options for the viability of a future scheme.
- He agreed to write to Southern Gas Network (current owners of the site) to recommend that further work should take place to review options for the scheme.

8. Items to be referred to Mayor and Cabinet

Resolved: that the Committee’s comments under items four and six be referred to Mayor and Cabinet.

The meeting ended at 10.20 pm

Chair:

Date:
